

FSA Integration Partner

United States Department of Education

Federal Student Aid



**Data Strategy Enterprise-Wide
Data Framework Team
123.1.2 As-Is System Data Flows**

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Executive Summary

Currently, the FSA business architecture is focused on system-centric usage of data to support siloed business processing. One of the key objectives of the data strategy effort is to reevaluate this paradigm and explore a shift toward a more business process-centric usage of data to support FSA's mission. The starting point for this paradigm shift is establishing a shared understanding of the current flow of information within the FSA enterprise.

The As-Is System Data Flows represent the compilation of information gathered by working closely with Federal Student Aid (FSA) System Owners and key personnel, other project teams, and Subject Matter Experts (SMEs) to document the current flow of information through FSA's enterprise. The goal of these flows is to provide a common understanding of how information is introduced, captured, and passed between FSA systems to support the business of delivering and overseeing Title IV Aid. Through the creation and group discussion of these enterprise level views, System Owners now have a better understanding of when and how customers and entities enter FSA and how their information passes through the enterprise. This understanding has led to suggestions for improved data quality, enhanced data standards, and the early stages of a target business architecture that addresses existing inefficiencies in information processing. As such, this deliverable is the cornerstone for building the Target Data Strategy.

While the As-Is Data Flows are a useful tool, the target Data Strategy is more than just an improved understanding of the As-Is state; it is a vision and a plan for navigating from the starting point to the finished product. With the As-Is System Data Flows complete, the next step is to examine the current processing bottlenecks and inefficiencies illustrated in the flows, then formulate a business architecture that will address them. Based on the identification of these issues, the teams within the FSA organization are working together on a target vision to handle its business entities and perform its processes through the alignment of information processing with business processes. Once conceptually aligned, this vision must be expanded to include technical strategies and process changes, then ultimately a sequencing plan that creates a roadmap for implementation.



Amendment History

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1 Introduction

1.1 Purpose

The purpose of this document is to lay the groundwork for building a Target Data Strategy by capturing the current state of information flow for the enterprise. Further, this set of diagrams provides a quick and accurate reference to determine how potential changes to the business architecture, reflected in the eventual Target Data Strategy, will impact the flow of information.

By examining FSA's business at the distinct process level, and diagramming the flow of data between the systems that support those processes, areas of redundant data and processing inefficiencies become apparent. The team categorized these inefficiencies into one of two categories; 1) Business Process, 2) Data Quality. The items captured related to Business Process have been shared with the appropriate team for inclusion in either another part of the Data Strategy effort, or ongoing re-engineering or operations work. The Data Quality related items captured have been integrated with the Data Quality Mad Dog effort. These items will be researched and addressed according to the priority and impact assigned to them by FSA. Results of this research and prioritization will be published in Deliverable 123.1.3 Data Quality Mad Dog Report.

1.2 Scope

Due to the breadth of FSA systems, the high volume of data, the number of internal and external processes, and the amount of FSA personnel involved, this deliverable is limited in scope to identifying the processes and data components shared among FSA's systems. These shared processes and data components are the central building blocks of the enterprise. This deliverable does not attempt to document FSA systems' internal processes nor data exchanges between external systems. However, the Framework team has aligned its efforts with FSA's Data Architecture group to ensure there are compatible work products.

The As-Is Data Flow process is documented in the following components:

- **High-level Overview Diagram:** An enterprise-wide interpretation of FSA's Business Life Cycle phases for borrowers and trading partners. This diagram details the business processes that encompass each Life Cycle and the systems that fall under them.
- **Business Entity Diagrams:** Based on FSA input, key business entities have been defined (Person, Aid, School, and Financial Partner) and mapped through the high-level overview diagram. Information is deconstructed into the processes associated with each entity (example: Financial Partner) and the component types (example: State Agency, Guaranty Agency (GA), and Lender) flowing through FSA's systems.
- **Business Process Diagrams:** Components of the business entities are displayed at a more detailed level examining the data transfers between systems in support of a key



FSA business process. These diagrams tie the entity components to the detailed transfer of data within FSA and its trading partners.

- **Detailed Data Flow Spreadsheets:** At the lowest level, these spreadsheets capture the file types, transfer method, frequency, and data flowing between systems. The spreadsheets are the foundation upon which all other diagrams are constructed.

Each section of this document contains an overview of the work completed, the objectives for that work, and the methodology used.

1.3 *Results Achieved*

By examining, verifying, and presenting the As-Is enterprise data flows in multiple views, a great amount of input and suggestions for the To-Be Vision have already been collected. This input has facilitated a better understanding of the enterprise and will assist in the creation of all areas of the Data Strategy and its framework.

The validation and feedback of the As-Is data flows was collected in a variety of forums: Data Strategy All Hands meetings, meetings for each of the Process and Entity Flows, individual follow up meetings, and SME meetings for the detailed spreadsheets. Some of the major findings were as follows:

1.3.1 Business Process Issues

1.3.1.1 *Business Process Improvements*

- The linking between application and final disbursement information needs to be simplified and automated.
- The process for tracking rejected disability claims needs revision.

1.3.1.2 *Common Identifiers*

- There is no universal (i.e. accepted by FSA and external trading partners) common loan identifier.
- There is no enterprise way to identify a student so that data from multiple stores within FSA can be aggregated for viewing or research.
- Records submitted to FSA systems with incorrect identifiers can result in the creation of an invalid student/borrower. This "first come first serve basis" affects the ease of downstream systems to update the record with the correct identifiers. This can occur at any "entry point" to FSA including the Central Processing System (CPS), Common Origination and Disbursement system (COD), Direct Loan Consolidation System (DLCS), the Debt Management Collection System (DMCS), and the National Student Loan Data System (NSLDS).



- There is no enterprise way to identify a Trading Partner institution (School, Lender, Servicer, GA, etc.) so that data from multiple stores within FSA can be aggregated for viewing or research.

1.3.1.3 *Enrollment and Access Management*

- There are multiple systems that trading partners use to enroll and manage access to FSA resources. These services should be combined into a single solution.

1.3.1.4 *Reporting and Analytics*

- There is currently no way to pull data from systems across the Life Cycle to present a single, integrated student or institution view complete with current status of a student's or School's aid and the state of the intersystem communications related to that student or School.
- Metrics for the executive dashboard and program analysis cannot be generated through a common tool set.
- The Federal Family Education Loan (FFEL) data reported to NSLDS through GA submitters is not reported at a consistent time interval to enable quality analytics.

1.3.2 *Data Quality Issues*

- Address information is not consistently managed across the enterprise.
- The information fed into the Financial Partner Data Mart (FPDM) by NSLDS and the Financial Management System (FMS) is often out of sync.
- There are instances of data exchange where error files are not generated or communicated.
- School and Financial Partner demographic information is not refreshed in a timely manner enterprise-wide.
- There is no history for a FFEL Loan's outstanding principle balance maintained in FSA systems.

This issue list is by no means static nor complete, but represents only those issues that were revealed through conversations about the As-Is data process. As the Data Quality Mad Dog and other initiatives move forward, newly identified problems, issues, and concerns will be captured and distributed to the appropriate team.

1.4 *Assumptions*

The scope of the As-Is System Data Flows is bound by the following assumptions:

- This As-Is System Data flow deliverable is created in conjunction with the other teams of the Data Strategy initiative and, when possible, reviewed with other projects within FSA



(Case Management and Oversight, Person Identification Number (PIN) Re-engineering, etc).

- This document does not attempt to display all internal processes of each system within FSA. By examining only those processes that create or are created by cross-system data flow, the As-Is deliverable focuses in on the core business functionality of how that system operates within FSA.
- Data transfers between systems that are external to FSA or processes within external systems are not documented. Only FSA data transfers to or from external systems have been examined.
- When possible, SMEs, contractors, and management staff were included for each As-Is review session. A full list of personnel with input into this deliverable is listed in the Appendix 6.6 FSA Personnel Input.
- Documentation of the As-Is process state is a moving target. If a change is scheduled for release to FSA's production systems by the third quarter of FY03, it was documented within this deliverable. Where applicable, other system changes have been noted with expected due dates in the detailed data flow spreadsheets.
- This deliverable provides the business view of FSA's processes and data. For a technical architecture or a logical structured view of the data, the FSA Data Architecture group or Extensible Markup Language (XML) Framework team's documentation should be referenced.
- All acronyms are defined initially then used throughout the rest of this document. For a list of FSA acronyms referenced in this deliverable, please see Appendix A FSA Acronyms.



2 Financial Aid Life Cycle Diagram

The first step in the As-Is System Data Flow effort was to document the high-level business view of FSA's data flows. This view is captured in the Financial Aid Life Cycle Diagram (see Appendix B Financial Aid Life Cycle Diagram). The Financial Aid Life Cycle Diagram depicts all of FSA's systems with their respective interfaces. It also illustrates in which phase of the Life Cycle each system operates: Aid Awareness, Application, Delivery, Institution Participation, or Servicing.

2.1 Objectives

In order to make informed decisions and improve program integrity, FSA needs a systematic and integrated way of looking at the entirety of its data. As data quality and data standardization efforts are approached, it is essential to understand which systems must be considered and at what point in the Financial Aid Life Cycle they are a factor. The Financial Aid Life Cycle Diagram facilitates answering these questions by providing an enterprise-wide data flow synopsis. As such it serves as an initial point of reference for Target Data Strategy discussions. When greater detail is required, the Business Entity Flow Diagrams (see Section 3) or the Process Data Flow Diagrams (see Section 4) can be utilized.

2.2 Methodology

The Framework team drafted the Financial Aid Life Cycle Diagram using input from FSA SMEs and previous enterprise documentation. The diagram was initially presented to key FSA System Owners in the Data Strategy Framework kick-off meeting for validation and has been used as the baseline for a number of subsequent meetings. Throughout these meetings comments and suggested changes from the System Owners were incorporated.

Sections 2.3 through 2.7 of this document give a brief description of each of the Life Cycle phases. These Life Cycle phases are illustrated as various colored bubbles at the top of the Financial Aid Life Cycle Diagram (see Appendix B Financial Aid Life Cycle Diagram). In this diagram, the blue background boxes at the top and bottom depict the Applicant/Borrower Process and Trading Partner Process respectively. The legend in the lower left corner indicates what the different arrow types represent. In the center of the diagram, FSA's systems, interfaces, and technology enablers are shown. The boxes below the FSA's systems portray the Trading Partners and Department of Education and their interfaces with FSA.

2.3 Aid Awareness

Aid Awareness is the first phase of the Financial Aid Life Cycle. At this point the person is a potential applicant and/or borrower as he or she collects information about Title IV Aid. While there are no data flows captured as part of Aid Awareness, FSA distributes information to the public via the Students Portal and Free Application for Federal Student Aid (FAFSA) Websites.



2.4 Application

After a person has become aware of the various Title IV Aid opportunities, he or she may choose to enter the Application Life Cycle stage. FSA receives the person's application for aid, and determines a person's eligibility for aid packages. For Parental Loan Underwriting for Students (PLUS) Borrowers, the Application Life Cycle occurs externally to FSA and is managed by the School. Application ends with the person selecting their School and accepting their aid package.

2.5 Delivery

Once the Application Life Cycle is complete, the financial aid is delivered. While the actual delivery of the money to the borrower or grant recipient is administered by eligible Schools, the funding of these Schools is managed by Lenders and GAs for FFEL Loans and by FSA for all other Title IV Aid (Note: Schools draw down and match Campus-Based funds).

2.6 Institution Participation

While the other Life Cycle phases are sequentially ordered, Institution Participation is an overlying phase that can be entered by an institution at any point of the Financial Aid Life Cycle. There are a number of external entities that participate in Title IV delivery. Their participation is governed by the Higher Education Act, and overseen by FSA. There are two FSA organizations that have primary responsibility for overseeing the participation of these institutions. In the Schools Channel, Case Management and Oversight (CMO) oversees the participation of schools and third party servicers. In the Financial Partners Channel, Partner Services oversees the participation of GAs, Lenders, and State Grant Agencies.

2.7 Servicing

The final Life Cycle phase is Servicing. As borrowers enter repayment, FSA works with them when selecting a repayment plan, submitting required scheduled payments, submitting deferment forms, and submitting forbearance forms. When borrowers become delinquent (payment late by 30-360 days), Servicing personnel work with them in an attempt to prevent them from going into default. In the case of defaulted loans, grant overpayments, or school closings, FSA has a collections process in the Servicing Life Cycle phase. FSA also performs consolidations in this phase of the Life Cycle. Consolidation is the application, verification, and combination of existing loan debt(s) into a new loan.



3 Business Entity Flow Diagram

Once a Life Cycle high-level business view of FSA systems and interfaces is in place, the next step in documenting the As-Is enterprise state is to show how FSA's data moves through this view. While each FSA system stores a large number of data elements, the pieces that are essential to an enterprise data strategy are those that are common and flow among the systems. These common data blocks can be grouped into four key FSA business entities: Person, Aid, School, and Financial Partner. Additionally, each entity is further broken down into its underlying components and subcomponents.

- Person – a Person who is researching the possibilities for Title IV Aid, applying for aid, or being serviced after having received aid. The components or types of Person Entities are Applicants, Borrowers, and Students. The Person's underlying information is grouped into demographic, eligibility, and financial subcomponents.
- Aid – grants or loans distributed by FSA or one of its Title IV Partners. The individual components of Aid are Pell Grants, Direct Loans, Consolidated Direct Loans, Federal Supplemental Education Opportunity Grant (FSEOG), Federal Work Study (FWS), Perkins Loans, FFEL Loans, Health Education Assistance Loans (HEAL), Federally Insured Student Loans (FISL), and their associated Funding and Payments. Further subcomponents include award information, loan information, and types of Funding & Payments (Campus-Based Transactions, Leveraging Educational Assistance Partnership/Special Leveraging Educational Assistance Partnership (LEAP/SLEAP) Transactions, FFEL Based Transactions, FSA Based Transactions, and General Ledger Accounting).
- School – an Educational Institution or its Third Party Servicer participating in one of the Title IV programs. The components or types of School entities are Educational Institutions and Third Party Servicers. Both the School's demographic information and participation information are subcomponents that flow through FSA's systems.
- Financial Partner – an institution participating in the financial role of delivering and/or servicing Title IV Aid. These components include State Agencies, GAs, and Lenders or their Servicers. These partners submit both their demographic and participation information (subcomponents) to FSA.

3.1 Objectives

Data in an unorganized and inconsistent environment without proper quality checks and standards can provide limited and often misleading information. The level at which the data is organized is the level at which the information will be accurate and of value. Thus, while it is imperative to manage data at a detailed system level, if a high-level enterprise-wide view is not considered, the analytics at the enterprise level may be inaccurate or even flawed. An enterprise-wide view highlights data quality issues, gaps in standards, and provides a mechanism for high-level To-Be vision planning.



The Business Entity Flow Diagrams depict each of the key FSA business entities (Person, Aid, School, and Financial Partners) as they flow through each of the systems in the Business Life Cycle Stages: Application, Delivery, Institution Participation, and Servicing. This view provides a tool that can be utilized as a reference when addressing each piece of the FSA Data Strategy Framework. Three areas of the Framework that the Entity Flows provide invaluable insight for are:

- Data Quality – The Entity Flows highlight the areas of data redundancy between systems. Redundant ownership of the same piece of data allows for information to become out of sync. The quality of the data in a system is at best as good as the quality of the data of the system from which it originated. These diagrams illustrate where the Entities originate and where they ultimately flow.
- Data Standards - In order to apply standards for data transfers, it is first necessary to know where common blocks of data are being transferred. The Entity Flows provide this view by depicting all the interfaces that have common Components/Sub Components for a business entity. These diagrams provide a starting point for XML and Data Standards research.
- To-Be Vision Planning – To define FSA’s enterprise data vision and strategy, the existing As-Is data flows must be examined, verified, and presented in multiple views to determine a new model. This new model should utilize the existing As-Is flows to determine points of consolidation, remove inconsistent data, and account for data quality issues.

3.2 Methodology

Before the Business Entity Diagrams were created, the detailed information on the System Flow Spreadsheets and Business Process Data Flow Diagrams was validated with FSA System Owners and SMEs. Using these spreadsheets and diagrams, the flows were grouped by business entity exchanged. From these groupings of detailed information, the ‘story’ was written for each Entity describing how they flow through each of the systems and business Life Cycle stages. These stories were discussed and verified with SMEs and key FSA management.

The following sections of this document provide the story for each Business Entity, and for each story, there is a corresponding flow diagram (see Appendix C Business Entity Flow Diagrams). In order to read the diagrams, start with the text box on the left side above the Gold Star, and then go clockwise to read the remaining text boxes. The various colored bubbles indicate which Life Cycle Stage and Process Step the Entity is flowing through. In the lower, left corner, the diagram’s legend indicates how each Entity’s Components, Sub Components and Point of Origin are depicted. A grayed-out systems or arrows indicates that it is not integral in the story of the diagrammed Entity.



3.3 *Person*

3.3.1 APPLICATION / Submission

3.3.1.1 *PIN*

An applicant is not required to apply for a PIN. However, when an applicant does electronically apply for a PIN (via the PIN Website) they enter their basic demographic information. This PIN instance of the Person Entity flows only to CPS, where it is only a pass through to the Social Security Administration (SSA) for verification. After the SSA verification, the PIN is created and CPS distributes the PIN to the applicant. The PIN does not flow with the Person Entity through the systems, rather, the systems access the PIN site for verification.

If an applicant does receive a PIN it can be used as a signature on electronic FAFSA applications, otherwise the Person must submit a hard copy signature. Parents may also apply for PINs and use them as an electronic signature to verify the financial information on their child's FAFSA.

PINs are also available for Financial Aid Administrator (FAA) and FSA employee use.

3.3.1.2 *CPS*

The FAFSA is FSA's primary point of origin for the Person Business Entity. The FAFSA (initial submission, correction, or renewal) comes directly from the applicant or from the applicant via a School. There are some cases where external Pre-Population Systems (e.g. University of Phoenix and California State Schools) are used. These systems collect the Person's information and then use it to populate the FAFSA submission. These systems follow FSA data standards when collecting the information.

Some customers submit a FAFSA but do not receive Title IV Aid. In these cases, the Person Entity would not be in any FSA systems other than CPS, NSLDS (copy), and PIN. If a customer has not already applied for a PIN, they will receive a PIN when CPS processes their FAFSA and obtains a match on their Social Security Number (SSN) with the SSA.

3.3.2 APPLICATION / Eligibility

3.3.2.1 *CPS*

CPS, through data collected from NSLDS and External Agencies, determines the Person's eligibility through the following process:

- CPS sends NSLDS the Person Entity identifiers and in return NSLDS sends the Person's Pre-Screening and Post-Screening results indicating changes in key eligibility flags and the Financial Aid History (FAH - a summarization of all Title IV financial aid a student



has received) since the last time an Institution Student Information Record (ISIR) was produced.

- After receiving a list of Person Entities from CPS, Selective Services (SS) sends a file with results of selective service match and registration.
- The Department of Homeland Security (DHS) responds to CPS with a file for foreign Person verifications (previously known as the INS match).
- Veteran Affairs (VA) sends a file with veteran status confirmation for the list of Persons sent by CPS.
- The Department of Justice (DOJ) sends CPS a list of Persons that have drug convictions and should be denied federal student financial aid.

CPS distributes the Person demographic, eligibility, and financial information via the ISIR to Schools, State Agencies, and GAs and via the Student Aid Report (SAR) to the applicant. Stewardship of the Person Entity is transferred to the School once the ISIR is sent. For Pell Grants or Direct Loans, the Person Entity will re-enter FSA through COD. However, other than FAFSA's renewals and corrections to CPS and a School's Pell interaction, Persons with Campus-Based Aid or FFEL Loans will not re-enter FSA until they are reported by a School or GA to NSLDS.

While the Person Entity's demographic information is passed from CPS to NSLDS, it is merely a copy stored for ED users and auditors to access. The Person Entity is not established in NSLDS at this point. This interface is planned to be discontinued in January of 2004.

3.3.2.2 NSLDS

A School receiving a transfer student can submit the student's identifiers to NSLDS to initiate a Student Transfer Monitoring process. The student is put on a list within NSLDS to monitor changes in the student's financial history that could affect their current eligibility for Title IV Aid. When changes are identified by NSLDS for a particular student on the transfer monitor list, the requesting School will be notified and provided specific FAH details.

Schools can also request a FAH from NSLDS by sending the Person's identifiers. Schools use this information in the creation of the aid package and to check a student's eligibility.

3.3.3 DELIVERY / Origination & Disbursement

3.3.3.1 COD

COD receives and validates disbursement records from Schools for Pell Grants and Direct Loans. Schools send COD their identifiers with Direct Loan and Pell originations and disbursements on the Common (or Legacy) Record. The Person Entity is contained within this Common Record from a School, which COD uses to verify against the Person Entity received in the Abbreviated Applicant File (AAF) from CPS. It should be noted that COD does accept



changes of the Person's Identifiers from the School on the Common Record. Additionally, Direct Loan PLUS Borrowers are not required to submit a FAFSA to CPS and as such COD is the FSA point of origin for these borrowers.

When a PLUS Borrower is received from a School or if a School makes a request on the COD Website, COD sends a list of Persons to the National Credit Bureaus and in return receives credit check information for the Person.

For Persons with Pell Grants, COD passes the Person Entity to NSLDS. For Borrowers with Direct Loans, the Person Entity is transferred to the Direct Loan Servicing System (DLSS) for servicing.

While not part of a specific business process, it should be noted that there is also a Pell Recipient file that is sent by COD to CPS. CPS uses this information for analysis, end of year reporting, and verification selection. Verification selection is the process of validating the Federal Pell Grant disbursement data processed through COD. This process ensures that no duplicate disbursements are included and no transactions with an EFC equal to or greater than zero are omitted.

3.3.3.2 NSLDS

NSLDS receives the Person Entity from:

- COD for Pell Grants.
- DLSS for Direct Loans (part of the SERVICING/Repayment process).
- Schools for Campus-Based Aid (only Perkins loans and FSEOG overpayments).
- GAs for FFEL Borrowers (NSLDS is the FSA point of origin for FFEL PLUS Borrowers).

NSLDS uses the first instance of the Person to establish the Person Entity record, regardless of whether it was received from FSA, a School or a GA. Currently, NSLDS is the only system that uses an algorithm to determine the Person's identity. The Common Student Identifier (CSID) team is looking to utilize this algorithm to establish an enterprise-wide student identifier.

3.3.4 INSTITUTION PARTICIPATION / Oversight

3.3.4.1 NSLDS

Schools and their Servicers (the largest of which is the National Student Clearinghouse) update NSLDS concerning enrollment data. GAs and Lenders use this information to determine when a student graduates or withdraws. The type of information updated includes a student's anticipated completion date, enrollment status and effective date.

NSLDS initiates the data exchange by generating a Student Status Confirmation Report (SSCR) based on previous enrollment data, then sending it to each School/Servicer. Once the School/Servicer receives the Roster, they have 30 days to update the roster with any student



status changes and send it back to NSLDS. In addition, Schools/Servicers can update enrollment information via the Web in NSLDS.

3.3.4.2 *Campus-Based Programs*

It is important to note that while the Person Entity is not stored on the Electronic Campus-Based system (eCB), Campus-Based Programs personnel do receive Person default information (Perkins loans only) from Schools via SAIG. This information is then used to send out warning letters to the default Perkins borrowers.

3.3.5 SERVICING / Repayment

3.3.5.1 *DLSS*

DLSS receives the Person Entity from COD, DLCS, or DMCS to begin the Servicing process. DLSS will accept changes to the Person's identifiers, but this information does not flow [back] to any other system. DLSS sends back to COD the Person's identifying information for discharges (bankruptcy, death, or default).

DLSS uses the basic Person demographic identifiers to:

- Request income information from the Internal Revenue Service (IRS) for Income Contingent Repayment (ICR) Plans.
- Receive payments for Borrowers via Lockbox, EDA Vendor or Website.
- Send a listing of delinquent borrowers to the National Credit Bureaus.
- Inform the Clearinghouse of borrowers for whom to collect enrollment information.
- Notify Schools of the students who have completed entrance or exit counseling.
- Forward PIN Request by a Borrower to CPS.

Copies of the Person Entity are sent to the Data Marts for analytic purposes. The Delinquent Loan Data Mart (DLDM) distributes a listing of delinquent borrowers to the Schools.

3.3.5.2 *NSLDS*

After receiving updates from Schools/Servicers, NSLDS sends student enrollment information to DLSS and GAs.

3.3.5.3 *CDDTS*

The Conditional Disability Discharge Tracking System (CDDTS) becomes the steward of the Person Entity when the Person applies for disability discharge. If the Person is denied discharge, the Person Entity is sent back to DLSS, DMCS, or to a Commercial Servicer (Campus-Based or FFEL Aid).

CDDTS uses basic Person identifiers to:



- Report borrowers to the National Credit Bureau.
- Receive record of payments from the Lockbox.
- Request the borrower to send income verification information.

3.3.5.4 FMS

While FMS does not store Person level accounting details, the Person passes through FMS to the Grants Administrative and Payment System (GAPS) in the case of borrower level transactions (e.g. Direct Loan refunds or disability refunds).

3.3.6 SERVICING / Consolidation

3.3.6.1 DLCS

DLCS uses the Consolidation Application to create a new Person Entity; this is FSA's point of origin for the Consolidation Borrower. The Application comes directly from the Borrower or from a Private Collection Agency (PCA) who has worked with the Borrower.

DLCS uses basic Person identifiers to:

- Request pay off details from the underlying loan holders and then report the payoff roster.
- Collect credit status from the National Credit Bureaus.
- Report pay off roster to the loan holders.

Once the Consolidation Loan is completed, the Person Entity is passed with the loan to DLSS for servicing. If DLSS already has an instance of the Person on record, it will use the DLCS Person information only as a look up.

3.3.7 SERVICING / Collections

3.3.7.1 DMCS

DMCS becomes the steward of the Person Entity when the Person defaults on a loan or grant overpayment or the School holding a Perkins loan closes or leaves the Perkins Program. The Person information is passed from a School, GA, Lender, or DLSS. DMCS will accept changes of the Person's identifiers and demographics, but this information does not flow back to any other system. If the loan is rehabilitated in DMCS, the Person is sent to Sallie Mae to be serviced (the Educational Credit Management Corporation (ECMC) is currently the Guarantor for these loans) except for those with Direct Loans, which are sent back to DLSS.

DMCS uses the Person's identifiers to send and receive information in a number of processes with various Trading Partners:



- GAs interface with the Treasury (via DMCS acting as a pass through) as part of the Treasury Offset Program (TOP) TOP is used as a tool by DMCS to garnish tax refunds of borrowers. Additional tools include Administrative Wage Garnishment (AWG) for non-governmental workers, Federal Salary Offset Program (FSOP) for government workers, and garnishment of any type of refund and / or payment the government may make to a defaulted borrower (example: the lottery).
- GAs also interface with the Health & Human Services/National Database of New Hires (HHS/NDNH) to obtain current Person Entity demographic information.
- As part of the Treasury's IRS skip trace process, both GAs and Schools send a list of Persons to DMCS. DMCS forwards this request on to the Treasury's IRS department and then sends the response with basic Person demographic data from Treasury back to the original GA or School that made the request. Skip tracing can be performed for any Person; however the majority of skip tracing is for borrowers with defaulted loans.
- DMCS sends IRS interest paid by borrowers and write-offs on the borrower accounts
- DMCS notifies Housing and Urban Development (HUD) of defaulted borrowers so that restrictions can be put on housing aid / mortgages.
- Credit Bureaus ask for borrower status updates from DMCS to change credit ratings.
- SSA sends DMCS files with a list of borrowers who are deceased.
- DMCS sends borrower information to DOJ for those defaulters that are in litigation. DOJ sends any payments for borrowers received while in the litigation process less the applied fees.
- As part of the Federal Defaulter Program (FDP), DMCS sends Department of Defense (DOD) and United States Postal Service (USPS) a list of all defaulted borrowers. A tape is sent back from DOD and USPS with a list of matched Federal Employees who have defaulted, a list of unmatched defaulters, and a list of defaulters who were unable to load into their respective systems. DMCS starts collections on all federal defaulters except DOD and USPS employees. These organizations start their own collections and send back to DMCS a list of payments made. DMCS processes these payments via its interface with Treasury.
- Borrowers who file for Bankruptcy are transferred to ECMC for collections. Person demographic as well as loan level details are sent.
- DMCS transfers accounts to PCAs for servicing. Recalls and adjustments can be made to the account at the PCA from DMCS. PCAs send account returns and adjustment details concerning the Person to DMCS - identifiers passed with account information and updates to the Person Entity are passed.
- All updates to the defaulted borrower account information are sent to NSLDS.

3.3.8 All Processes

3.3.8.1 Case Tracking System (Ombudsman)



The Ombudsman office, depending on the issue being researched, may collect and record pieces of the Person Entity from any of the other FSA systems during any stage of the Life Cycle. The only true interface the Case Tracking System of the Ombudsman office has is with NSLDS. After processing a Case Tracking System request, NSLDS sends back a results file in flat file format. If no match is found for data on the requested student, an error file is sent.

3.4 *Aid*

3.4.1 APPLICATION / Submission

The Aid Entity has no internal data flows until the Eligibility process of the Application Life Cycle.

3.4.2 APPLICATION / Eligibility

3.4.2.1 CPS

CPS creates a file consisting of demographic data for all applicants that have completed a FAFSA and sends it to NSLDS for a pre-screening eligibility check. NSLDS sends back to CPS a match file consisting of the applicant's FAH changes, which CPS uses as part of the application process (this information consists of overpayment and defaulted loan status which is used in the SAR and the ISIR). The following are the detailed flows for eligibility:

- CPS sends COD the AAF which is used by COD to validate Pell Grants and for Direct Loan awards. This ensures that no duplicate disbursements are sent and that no transactions with an expected family contribution equal to or greater than zero are omitted. COD returns to CPS the Pell Recipient File which provides Pell Grant recipient information to be used for verification analysis and end of year reporting.
- The NSLDS Pre-Screening Data file is generated when CPS creates a file consisting of demographic data for all applicants that have completed a FAFSA and sends it to NSLDS for a pre-screening eligibility check. NSLDS sends back to CPS a match file consisting of the applicants FAH changes which CPS uses as part of the application process (this information consists of overpayment and defaulted loan status which is used in the SAR and the ISIR).
- The NSLDS Post Screening Data file is generated when the status of loan is changed (an overpayment is made, there is new default information, a loan is discharged, a School is closed, the loan exceeds the subsidized limit, or the loan exceeds the combined limit), by the FFEL Lender, State Grant Agency, or School. NSLDS sends a weekly file to CPS containing flags that designate the changes to financial status (note no financial data is sent). CPS queries the post screening data file and, if update flags are present, requests pre-screening verification for the borrower in order to receive the updated FAH.
- The ISIR is sent out by CPS to Schools, GAs, and State Agencies on a daily basis. The ISIR contains demographic and loan level information about the applicant that the trading partners use to create or adjust the aid package. It should be noted that



Guarantee Agencies can receive the ISIR directly from FSA, the School, or a State Agency.

- As part of the eligibility process for borrowers, Schools request the NSLDS system to send a student's FAH. The School uses this information to check a student's previous aid in order to determine the expected family contribution and aid package.
- After receiving a transfer student, a School may submit their information to NSLDS to be included in the transfer monitoring batch process. NSLDS sends back to Schools the borrower's aid history when there are any relevant changes to the aid packages for the transfer student. It should be noted that CPS sends out the ISIR for each time the financial or eligibility flags change in NSLDS.

3.4.3 DELIVERY / Origination & Disbursement

The origination and disbursement of aid for FSA is facilitated externally by the Schools, Lenders, and state agencies, and internally, a number of systems play key roles. NSLDS is the FSA point of origin for FFEL and Campus-Based loans and grants. eCB provides Campus-Based funding to Schools and receives end of year reporting form the Schools. COD plays a role in the origination and disbursement of Pell Grants / Direct Loans. DLCS handles the origination of consolidated Direct Loans but transfers the servicing of these loans to DLSS. DMCS and CDDTS discharge loans. Lastly, FMS serves as FSA's accounting system for origination and disbursements and is also utilized as the entry point for State Agencies' funding requests. The following is a breakdown of these processes within FSA:

3.4.3.1 eCB

Campus-Based Aid includes the FSEOG Program, FWS Program, and Federal Perkins Loan Program. After receiving the FISAP, eCB calculates the tentative funding level amounts for Campus-Based Aid to send to Schools. Later in the year eCB provides Schools with the final funding notifications after adjustments and supplemental modifications (Statement of Account letters).

In turn, eCB sends FMS final funding authorizations specifying Schools allocations per award type. eCB calculates the supplemental award amount to send to Schools based on their requests for additional funding after the annual cycle completes and Schools have returned undistributed funds.

FMS also receives from eCB funding adjustments, closeout of obligations for supplemental funding, and Unpaid Teacher Cancellation liabilities (cumulative amount of Perkins Loans cancelled through provisions in the Act for Teachers in low income areas, teacher shortage areas, or for teaching disabled students). This amount reflects what is owed to the School by the Department of Education. (Note that FMS also receives teacher cancellation payments).

3.4.3.2 COD



Schools interface with COD to validate their disbursements and justify their federal drawdowns. It should be noted that only eligible Schools can award aid. An eligibility check is done with the Post-Secondary Education Participation System (PEPS) via the daily School file for demographic and eligibility information.

The School sends the common record and legacy record files to COD which contain information on the disbursement of money (Pell Grant and/or Direct Loan) to the student by the School.

The School receives the common record response & legacy file which is the response from COD on the disbursements of the loan.

COD sends a batch file to DLSS that contains updates of loan bookings, School data, and other information. DLSS sends back two daily files that contain reconciliation data (discharges, bankruptcy, death, and defaulted information) and error messages.

As a requirement for Direct Loan disbursement, COD receives signed promissory notes (P-Note) from borrowers via the electronic master promissory note (eMPN) Website. Additionally, the borrower sends paper P-Notes and PLUS endorser records to COD (Note that these records are imaged by EDS and sent electronically to COD via the LO Web server).

3.4.3.3 FMS

COD provides FMS with records of financial and non-financial transactions (funding level for Schools, expense, obligate and payments, refunds, unbooked holding, and reconciliation data. In return, FMS sends COD obligation and de-obligation acknowledgements, draw downs, adjustments, returns, return confirmations, refunds, reversal of refunds, Perkins adjustments, Data Universal Numbering System (DUNS) number changes, and errors.

After receiving transactions from COD, FMS in turn interfaces with GAPS for disbursement information and to set funding levels. GAPS receives the Common Interim Payment Process (IPP) file from FMS, which contains Pell pay and obligate transactions, LO Push Cash, advanced funding, reimbursement payments, invoicing, draw downs, Campus-Based File, LO Express Cash File, Direct Loan Consolidation and Refund File. An acknowledgement file is returned from GAPS to FMS.

FMS has two other data flows with ED CFO (Department of Education's Chief Financial Office). Budget levels for each aid program are updated directly in FMS by ED CFO personnel, and FMS sends general ledger information to FMSS (ED CFO's financial management system) via a GL (General Ledger) to GL interface.

3.4.3.4 State Agencies

For state grant disbursements, state agencies send LEAP/SLEAP award information, detailed expenditures, and refunds of unused award amounts to FMS. Internally, this is the origination of the State Grant award within FSA. The disbursement of funds to State Agencies is controlled by FMS Operations manually entering LEAP/SLEAP funding information into both FMS and



GAPS. GAPS passes the information on to the Treasury Department for actual payments to the State Agencies.

3.4.3.5 NSLDS

NSLDS is the FSA point of origin and verification point for Campus-Based and FFEL Loans. FSA is updated with Perkins loan activity, FSEOG overpayments, and Pell overpayments from Schools and Servicers periodically (primarily monthly, some online, and others less frequently) while GAs send FFEL data to NSLDS on a monthly basis. NSLDS receives a copy of the disbursement of funds that the Schools, Lenders, and GAs have distributed to the borrowers.

For verification and reporting purposes, COD sends a record of student disbursements and eligibility statuses for Pell Grants to NSLDS and DLSS sends Direct Loan activity information and status in a weekly file for participants in the Direct Loan program.

3.4.4 SERVICING / Repayment

3.4.4.1 DLSS

DLSS handles the servicing of Direct and Consolidated Direct Loans. It distributes borrower loan and transaction based information via the Direct Loan Website and the transfer of billing and notification letters (Funding & Payments) back to the borrower (Disclosure and welcome to repayment letters). Lockbox (currently Bank Of America - BOA) payments made through the Website and checks sent into FSA are processed by the lock box and notifications are sent back to DLSS (this includes Non-Sufficient Funds - NSF transactions).

DLSS is updated by the EDA Vendor (located at the Federal Reserve in Kansas City) with notification of payments made, updates to the borrower's bank account, and NSF transactions. DLSS is also updated by the COD Batch File Feed which notifies DLSS of disbursements made to borrowers and P-Notes received from borrowers. DLSS sends COD reconciliation data and discharge data (example when a student is deceased, bankrupt or defaulting).

FMS receives a variety of funding and payments from DLSS that include payment and other Direct Loan transactions (refunds, misdirected payments, interagency transfers) on booked loans, adjustments to the loan, manual journal vouchers, and excess cash. FMS summarizes this data and only stores it at the School level; however it passes the details to the Credit Management Data Mart (CMDM) for storage and reporting purposes.

FMS also interfaces with the ED CFO for the transfer of general ledger accounting information (Direct Loan) and requests for DLSS refunds (these are a pass through to the Treasury where refunds are made). ED CFO returns budgetary entries for fund allocation.

It should be noted that DLSS also has Aid Business Entity data transfers with both DLCS (Consolidated Direct Loans) and DMCS (defaulted or rehabbed Direct Loans). That interaction is captured in the consolidation and collection processes of the Servicing Life Cycle (see below).



3.4.4.2 DLDM

A delinquency report is sent from DLDM to the School for all the borrowers that are delinquent and their loan types.

3.4.4.3 CDDTS

For the repayment process, CDDTS sends loan level information and funding & payment information to a variety of internal and external entities for the processing of disability claims. CDDTS receives a request for discharge of a loan and sends back a notification of acceptance of discharge (payments made during discharge process are refunded) or rejection of discharge (loans are returned to servicing). The following is a list of systems and a high-level overview of how each system interacts with CDDTS.

- Lenders/Servicers that have borrowers who apply for disability discharge file a claim with their GA to process the loan discharged. The GA must supply the CDDTS system with borrower demographic information, FFEL Loan information, the CDD application, a doctor's certification of disability, and notification of any payments received while in the discharge process. Note that the GA applies these payments to the balance while the paperwork is being processed. Once CDDTS has all of the appropriate documentation and the discharge process begins, any new payments from the borrower are forwarded from the GA to CDDTS lockbox for payment. CDDTS will then notify the GA that the claim is approved and initiates the refund to the borrower via FMS. If the claim is not approved, FFEL Loans are transferred from CDDTS to a commercial Servicer (currently AFSA) for repayment. The GA will file via Forms 2000 through FMS to receive a refund.
- Borrowers apply for disability discharge through their School. The School supplies CDDTS with the Borrower's Perkins Loan information, demographic information, the CDD application, a doctor's certification of disability, and notification of any payments received while in the discharge process (Funding & Payments / Campus-Based Payments and Accounting). CDDTS will then notify the School to release refunds to the borrower on discharge approval. However if the discharge is denied, the School transfers the loan to a commercial Servicer (currently AFSA) for continued servicing. (Note since the Perkins loan is made with FSA funds, the Schools receive no refund).
- For Direct Loans, requests for disability discharge are sent in from the borrower via mail. CDDTS sends back either an approval for the discharge to DLSS, refunding the borrower via the FMS interface, or it sends back denial of discharge transferring the account back to DLSS for regular servicing (file sent includes demographic data, Direct Loan information, and roster of payments made since claim).
- If a loan is in default and a borrower applies for disability discharge, DMCS sends CDDTS the borrower demographic data, the defaulted loan information, School demographic data, the paper CDD application, doctor certification, and a spreadsheet of any payments made during the discharge process. CDDTS sends back notification of discharge approval or discharge denial (borrowers name, SSN, and loan id). For discharge denials a roster of payments is returned to DMCS for further servicing.



- Payments received by DLSS, GA, or DMCS are recorded in the CDDTS lockbox (currently Bank of America). Note that the School holds the payments while in discharge for borrowers and is responsible for refund once approved. CDDTS only records the payments made.
- National Credit Bureaus receive reports on loan balance and status of disposition (accepted / rejected claim) from CDDTS.
- Data file sent ad hoc to FMS with refund invoices and general ledger entries, write offs of loan receivables, collections received from borrower and reversals of loan write offs for all programs except for Perkins.

3.4.5 SERVICING / Consolidation

3.4.5.1 DLCS

DLCS originates consolidated loans and transfers them for servicing to DLSS. It should be noted that Direct Consolidated Loans do not always have at least one underlying loan that is a Direct Loan.

The process initiates with the borrower's request for consolidation. DLCS sends to the borrower an application, letters, or other ad hoc correspondences during the consolidation process. The borrower fills out the application with demographic data and loan information (FFEL Loan, HEAL Loan, Perkins Loan, Direct Loan, or FISL Loan) via a Web interface or on a paper form. A signed Consolidated Loan P-Note is also sent from the borrower to DLCS.

3.4.5.2 DLSS

When a Direct Loan consolidation is initiated, DLCS sends DLSS notification of consolidation requesting the Direct Loan information and the payoff amount.

DLSS sends Direct Loan information to DLCS that includes the basic loan data, loan id, loan amount, loan type, interest rate, outstanding principal balance, etc) and adjustment information such as any overpayment or underpayment information (in case a payment is received or not received during consolidation).

Once the Direct Loan information is received, DLCS consolidates the loan and issues payoff amounts and confirmation details back to DLSS to close the loan. The loan will either be closed in DLSS with a consolidation note or additional information about adjustments (overpayment or underpayment) will be sent back to DLCS until the loan is consolidated.

3.4.5.3 DMCS

If a borrower has at least one loan in default, the borrower can initiate a consolidation of their student loans by completing a consolidation loan application for a Lender of their choosing either Direct Loans or a FFEL Lender. Collection agencies facilitate this process by helping borrowers complete the application materials and by providing certification data on behalf of



the loan-holder for whom they are servicing the loan. A borrower who is not assigned to a collection agency can apply for consolidation, in which case DLCS provides certification data to the Lender directly when requested.

The PCA will send DLCS the complete consolidation application (borrower demographics and loan type) as well as the defaulted loan information (loan ID, type, interest rate, outstanding principal balance, etc).

If a loan is not with a PCA, DMCS will send the required defaulted loan information (loan ID, type, interest rate, outstanding principal balance, etc) to DLCS.

3.4.5.4 *Lenders / Servicers*

Similar to the DLSS interface, DCLS sends certification requests for loans that are to be consolidated to Lenders and receives loan information (loan ID, type, interest rate, outstanding principal, balance, etc), overpayment / underpayment, and adjustment notifications.

Once the loan is consolidated, DLCS sends the Lender direct deposits or checks from EDS (via the Wachovia Loan Consolidation Account). It should be noted that roster payoff confirmation details are posted to the Web for Lenders signed up for electronic direct deposit.

3.4.5.5 *FMS*

DLCS sends consolidation information to FMS, which uses GAPS, to pay off Lenders and provide refunds. Specifically:

- DLCS sends obligate and payment requests with Lender level data to FMS as well as general ledger account adjustments, (de-obligations and refunds).
- FMS sends back an acknowledgement file containing support information for the consolidated loan (example DUNS number changes, errors, returns, acknowledgements).

GAPS receive DLCS transactions such as obligations, payments, refunds and interfaces with the Treasury to make payments directly to the Lenders.

3.4.6 *SERVICING / Collections*

3.4.6.1 *DMCS*

New debts are loaded into DMCS from the Direct Loan system, consolidated Direct Loan system, GAs, and Schools. The following is a breakdown of each of the systems and the aid information that is transferred. (Note that interfaces with the DLCS and CDDTS are covered in previous sections).

3.4.6.2 *Guaranty Agencies*



Transfer of all defaulted Stafford loans (loan id, balance, payments made, adjustments, person demographic information, etc) are sent to DMCS from the GA in an ad hoc fashion. A list of approved and rejected new debts is then sent from DMCS back to the GA.

Two Treasury organizations that interface with FSA are the IRS Department (Treasury IRS) for skip tracing and the Financial Management System (Treasury FMS) for offset of borrower funds (garnishments, annuity checks, disability checks, travel checks, lottery, etc.).

- The request for offset is made from the GA through DMCS to the Treasury FMS system on an annual basis. The GA sends weekly any TOP increases or decreases in balance, refunds, adjustments, address corrections, reactivations or inactivations. The Treasury sends back a weekly offset reversal file that contains a list of accounts that are in offset or reversal.
- GAs and PCAs request skip trace information (new address information, financial data) from the Treasury via DMCS in order to get current demographic information for collection activities.

3.4.6.3 Schools

Schools send notification letters to Perkins borrowers after 60 days of default. On the 61st day, Schools begin collections on defaulted Perkins loans. The length of time that the borrower remains in collections with the School depends on the Schools fiscal health (defaulted Perkins loans are written off by the School) and the Schools Cohort Default Rate (CDR) (Schools have to remain below a certain threshold in order to qualify for Title IV Aid). The Schools can transfer defaulted Perkins loans back to FSA (DMCS) any time after 60 days. An exception is made for closed School assignments where all defaulted and non-defaulted Perkins loans are serviced by DMCS. Unlike Perkins loans, overpayments for Pell and FSEOG grants are simply transferred to DMCS for collections.

3.4.6.4 Lenders

Lenders request DMCS to send out pre-claim letters for borrowers of FISL loans. If a letter is undeliverable, a skip trace request is made to USPS. Once 60 days has expired, defaulted FISL loans are transferred to DMCS for servicing. Unlike Schools, Sallie Mae can be either the Lender of a loan or the guarantor of the loan so that defaulted loans may come in from two separate feeds from Sallie Mae.

3.4.6.5 DLSS

When a borrower goes into default, the Direct Loan is serviced by DLSS for 360 days. At 361 defaulted days, the loan is transferred to DMCS for collections. Person demographic information, Direct Loan information, and consolidated Direct Loan information is passed to DMCS. DLSS can recall accounts from DMCS that were sent in error or, if a borrower makes 12 consecutive payments on a default loan, the account automatically goes into rehab and is transferred back to DLSS. Additionally, images containing P-Notes, MPNs, and other



documentation are sent to DMCS from DLSS as part of the collection process. However, there currently is no reconciliation of images with their associated defaulted Direct Loan.

3.4.6.6 *Private Collection Agencies*

New defaulted loans are transferred six times a year to PCAs for collections. The proportion of loans, loan types, and loan amounts transferred to a PCA are calculated based on past performance and other metrics by FSA. Any change to a loan that is in assignment (bankruptcy, death, disability, balance changes, litigation, additional fees, and penalties) is made on a weekly basis from DMCS to the PCA. In turn, the PCA will update DMCS with any changes to the borrower's account while it is in assignment (name, address, account information changes, etc). A monthly inventory extract provides the PCAs with a list of accounts and a total dollar amount that is associated with those accounts assigned to the PCA.

Adjustments to defaulted loans in PCA assignment occurs daily in the financial transaction extract or payment file which relays financial transactions on accounts while in collections. Additional adjustments are made weekly if a loan is recalled for litigation but is discovered to be recalled in error and needs to be reassignment back to a PCA.

A weekly approval / disapproval of PCAs discharge of claims is transferred by DMCS so that earnings on collections can be calculated.

3.4.6.7 *FMS and NSLDS*

For those borrowers who have overpayments, errors in their payments, or are owed refunds, DMCS sends to Treasury weekly updates. A copy of these transactions with Treasury is sent to FMS by DMCS (Posting ID, Posting Date, Fund Code, and Posting Amount). DMCS also sends a copy of borrower payments and the accounting at the fund level. FMS sends the general ledger transactions to the Department of Education's FMSS system. EDCFO in turn sends FMS confirmations of disbursements by the treasury.

NSLDS receives a copy of the current defaulted loans being serviced by DMCS.

3.4.6.8 *DOJ, DOD, and USPS*

When a borrower is in litigation with the government, DMCS places the account in litigation status and sends the Department of Justice paper forms detailing defaulted borrower information. While in litigation, DOJ can receive payments for defaulted loans which are sent back to DMCS (via the National Payment Center (NPC)).

DMCS is responsible for collections on defaulted Title IV Aid to government employees except DOD and USPS. As part of the Federal Employee Salary Offset Program (FESOP), DMCS sends DOD and USPS a list of every defaulted borrower. DOD and USPS sends back to DMCS a list of employees that are matched as federal employees in their system, not matched or nonfederal, and an error file. For those names that are matched, due process begins and DOD / USPS start collections (letter notification, etc). As payments for defaulted federal employees are collected,



DOD and USPS forward the funds to DMCS (the National Payment Center receives these checks and processes them).

3.4.6.9 *ECMC, Sallie Mae, and NYSHESC*

The following organizations handle the servicing of defaulted loans, rehabilitated loans, and New York State Stafford assignments:

- All defaulted loan accounts that go into bankruptcy are handled by ECMC. DMCS sends ad hoc file transfers of FFEL Loan bankruptcy files containing defaulter demographics, loan information, School demographic information, and P-Notes to ECMC. For all other bankrupt loan types, ECMC has full access to DMCS and services these accounts directly on DMCS.
- All non-Direct Loans that are in default and go into rehabilitation (this automatically occurs after 12 consecutive payments) are transferred to Sallie Mae for servicing. Note that ECMC is made the Guarantor of these rehabilitated loans.
- The New York State Higher Education Services Corporation (NYSHESC) is a Guarantee Agency that transfers all Stafford Assignments that have gone into default via a tape interface. This GA is broken out into its own separate data flow to note that images of P-Notes and other documentation are transferred via microfilm.

3.4.6.10 *Borrower*

There are multiple interfaces from DMCS to the borrower such as letters requesting demographic data, bill notifications, checks for overpayments, and refunds. The borrower sends to DMCS updated demographic and School information, aid package modifications or additions, and loan information.

3.4.7 INSTITUTION PARTICIPATION / Oversight

3.4.7.1 *FMS*

FMS collects Lender participation information via the Lender Reporting System (LaRS). FMS takes the net of the interest and special allowances less origination fees and miscellaneous Lender fees to determine if there is a net accounts payable or receivable invoice for the Lender. Lenders must also pay for consolidated loan rebate fees and Student Loan Marketing Association fees (Sallie Mae Fee).

- For Account Payable invoices, the total is reported to ED CFO for Treasury disbursement to the Lender with an acknowledgement going back to FMS. (Note this is not part of the Interim Payment Process). ED CFO also sends back to FMS budgetary entries for Fund Allocation.
- For Account Receivables, the Lender makes payments to the lock box which forwards on the cash receipts to FMS.



The accounting transactions for these payments are sent from the FMS system to the Department of Education's FMSS system in a daily flat file transfer of general ledger accounting information.

3.4.8 All Processes

3.4.8.1 Case Tracking System (Ombudsman)

The Case Tracking System (the Ombudsman office's system) handles disputes for borrowers with their federal aid. Because the borrower may be at any stage of the Life Cycle, the Ombudsman office has view access to all stages of the borrower Life Cycle within FSA. The main data transfer for the Case Tracking System is a request to NSLDS to send borrowers demographic and financial information (sent ad hoc via the Enterprise Architecture Integration groups MQ Series transport system referred to as the Enterprise Application Integration (EAI) bus in flat file format). Ombudsman uses this information to confirm and supplement information from the caller who initiates the dispute. All other avenues for data access are either through the Ombudsman specialists calling each systems support staff or using the proprietary systems client access for view privileges to all Aid related data.

3.5 School

3.5.1 INSTITUTION PARTICIPATION / Partner Application

3.5.1.1 PEPS

PEPS is used to maintain School demographic, participation, and eligibility data. Schools apply to participate in Title IV programs (Campus-Based, Pell, Direct Loan and FFEL) by submitting an application to PEPS using eAPP. The eAPP process includes new applications, re-certifications, institutional updates, as well as modifications to Program Participation Agreements. Additionally, Schools can make limited changes to their demographic information using eAPP.

3.5.1.2 eCB

eCB receives the Daily School File, which includes Schools' eligibility, participation, and identifier information for Campus-Based programs, from PEPS.

Schools submit the Fiscal Operations Report and Application to Participate (FISAP) to eCB annually in order to participate in Campus-Based programs. These programs include: FWS, FSEOG, and Perkins Loans. eCB posts a federal notice to inform institutions of the annual deadline for FISAP submission to the Federal Register and the information for Financial Aid Professionals (IFAP). The FISAP contains the Campus-Based program participation application, request for funding, and prior-year award reporting. The funding and reporting



portions of the FISAP are addressed in the Origination and Disbursement and Oversight process steps, respectively.

3.5.2 APPLICATION / Eligibility

3.5.2.1 CPS

CPS receives School data, including School demographics, program information, and authorization amounts, from Recipient Financial Management System (RFMS). RFMS will be retired during the August/September 2003 timeframe although the official date has not been set. There is a future interface planned with PEPS to receive this information starting January 2004.

CPS maintains a table of Federal School Codes. These codes are used on the FAFSA to indicate which Schools should receive an applicant's eligibility results. CPS uses its School information to determine which Schools are eligible to receive an applicant's ISIR.

CPS sends Participation Management the Federal School File, which contains federal School codes for Schools participating in Title IV programs. Participation Management accesses these codes when linking the Student Aid Internet Gateway (SAIG) Mailbox/TG number to the SAIG services requested by Schools for CPS, DLSS and COD.

CPS receives the Participants File, which contains Schools' SAIG Mailbox/TG number and the CPS related services for which they have enrolled, from the Participation Management system.

3.5.3 DELIVERY / Origination & Disbursement

3.5.3.1 COD

COD receives School participation and School demographic information from PEPS in the Daily School File via EAI. COD has the ability to modify a limited number of School demographics such as a person's name and address for Pell Grants and Direct Loans (Campus-Based Aid is coordinated by eCB).

COD maintains Schools' Current Funding Level (CFL), School Ceiling Amount (SCA), Funding Delivery Method (Advanced Pay or Pushed Cash), and Funding Controls, which dictate the acceptable timeframe in which the School can submit actual disbursement records and receive cash.

Schools send COD their identifiers with Direct Loan and Pell originations and disbursements on the Common (or Legacy) Records. COD uses its School demographic and participation information to determine if awards and disbursements submitted on the Common (or Legacy) Record are valid.



COD receives the Participants File, which contains a list of Schools' SAIG Mailbox/TG numbers and the COD related services they have enrolled in, from Participation Management.

3.5.3.2 FMS

FMS receives School information from PEPS in the Daily School File. It uses this feed for vendor updates such as Office of Post-Secondary Education (OPE) ID, School Code Type and Name, Grantee DUNS Number, and School Sequence Number (Award ID).

COD sends FMS School demographic information along with Direct Loan and Pell origination and disbursement records aggregated at the School level.

FMS sends COD DUNS number updates received from GAPS.

3.5.3.3 eCB

Schools submit a request for Campus-Based funding on the FISAP. After eCB receives a School's funding request, approximate award amounts are sent to Schools via SAIG. This allows Schools to compare requested award amounts with the FSA calculation. In March, the final funding notifications, also known as Statement of Account Letters, are sent. During the award process, Schools draw down Campus-Based program funds directly from GAPS and disburse them to students by program.

Annually, schools can request, by using the Reallocation Form, additional Campus-Based Funds. These funds are monies that other institutions have returned to the Department of Education as excess cash. These reallocated funds can only be used in the Federal Work-Study Program to pay students working in Community Service Jobs.

Note: Obligations and De-obligations sent from eCB to FMS are considered Funding and Payments and are covered in the Aid Entity Flow.

3.5.4 SERVICING / Repayment

3.5.4.1 DLSS

DLSS receives School demographic data from COD in the DLSS Batch File Feed. The feed contains Direct Loan bookings and disbursements at the SSN level. DLSS becomes the system of record for Direct Loans at this point.

DLSS receives the Participants File, which contains a list of Schools' SAIG Mailbox/TG number information and the DLSS related services they have enrolled in, from Participation Management. DLSS forwards this information to DLDM so that eligible institutions can receive the Direct Loan Borrower Delinquency Report.

DLSS sends School demographic information for Schools participating in the Direct Loan program to DLDM and CMDM monthly.



3.5.5 SERVICING / Consolidation

3.5.5.1 DLCS

DLCS receives School demographic and Participation information on the Daily School File from PEPS. This information is used as part of the consolidation process within DLCS.

Occasionally, Schools send DLCS new or updated School contact and Electronic File Transfer (EFT) setup information to assist with consolidations involving Perkins Loans. DLCS forwards the Schools' GAPS EFT setup information to FMS to enable electronic payment transfer for consolidated Perkins Loans.

3.5.6 SERVICING / Collections

3.5.6.1 DMCS

DMCS maintains School information that is updated in an ad hoc manner by collections personnel. DMCS sends School demographic data to the ECMC for FFEL Chapter 13 bankruptcy accounts and to CDDTS for initial and final disability discharge determinations.

3.5.7 INSTITUTION PARTICIPATION / Oversight

There are a number of external entities that participate in Title IV delivery. Their participation is governed by the Higher Education Act, and overseen by FSA. In the Schools Channel, Case Management and Oversight (CMO) oversees the participation of schools and third party servicers.

CMO executes oversight processes including the determination of school eligibility for funding and the appropriate course of action in the case of non-compliance. These processes consist of disparate manual processes that do not function at an integrated, enterprise-wide level. As such, many of these processes result in manual data entry and/or paper based processing internal to the PEPS system, that are not captured at a detailed level within the As-Is Flows.

Currently, there is an initiative underway, electronic Case Management and Oversight (eCMO), to update the tools and systems that support these processes. During the course of eCMO and Data Strategy discussions, the eCMO team and Data Strategy members will be working closely together to maintain alignment between the two initiatives

3.5.7.1 NSLDS

NSLDS performs CDR calculation and distribution. This is the process of calculating and publishing draft and official CDRs in order to gauge the overall default rate for student loan programs for monitoring purposes and to determine School eligibility.

The CDR is defined as the percentage of a School's student borrowers who entered repayment on FFEL and/or Direct Loans within a cohort fiscal year and then defaulted on those loans



during the same or following cohort fiscal year. For example, the Fiscal Year 2000 Official CDR was calculated and mailed to recipients in August 2002, based on Fiscal Years 2000 and 2001 data.

Depending on the results of a CDR, Schools may or may not be sanctioned. The two reasons that Schools might be sanctioned are: a School's three most recent official CDRs are 25% or greater or a School's current official CDR is greater than 40%.

The draft CDRs are sent to the Default Management group within the Schools Channel Case Management and Oversight office. The draft CDR provides schools the opportunity to challenge or appeal the CDR as initially calculated. (Note: this data is in draft form and is stored in a database separate from PEPS. The official CDRs are stored in PEPS.)

NSLDS sends School SAIG enrollment information for NSLDS batch functions to the Participation Management system. The Participation Management system sends the Schools' selected services to NSLDS via the daily Batch Schedule File, Online Schedule File, and Destination ID file.

3.5.7.2 *eZ-Audit*

eZ-Audit receives the School Entity on the Daily School File from PEPS. Schools submit financial data and compliance audit information to eZ-Audit. eZ-Audit determines whether the audits are materially complete and conducted in accordance with applicable standards. The Schools' audit and financial data are factors used by CMO to identify potential risk and to determine risk scores. eZ-Audit sends Schools' financial and audit information to PEPS.

3.5.7.3 *PEPS*

The Daily School File contains School demographic and participation information such as participation start and end dates by program, current and past identification numbers (OPE ID, DUNS numbers, etc.) and current default rates. The following systems receive the Daily School file from PEPS:

- COD (Currently reads change records only)
- CPS (Receives the file but does not read it)
- eCB
- DLCS
- Financial Partners Data Mart (FPDM)
- eZ-Audit
- FMS
- NSLDS

PEPS also provides the Weekly School File, a subset of the Daily File to:



- ED Central Application Processing Systems (EDCAPS) (For publication to the EDLAN)
- Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA CREF)
- The general public including Schools, GAs, State Agencies and Lenders via the PEPS Website.

PEPS sends a list of institutions due for eligibility re-certification to the Office of the Inspector General (OIG). This list is sent as a request for the Schools' open action information. The OIG responds to PEPS' request with the appropriate information.

The Audit Clearinghouse sends audit and financial data to PEPS on behalf of Schools. PEPS sends outstanding audit liabilities to the Common Audit Resolution Systems (CARS) at the Office of Post -secondary Education (OPE). PEPS sends administrative action, appeals, fines imposed, letters of credit, stop payments, audits, program reviews, CMIS issues, institution demographic and eligibility data to the Institution Assessment Model (IAM). The Probability (Risk) Score is calculated by the Institutional Assessment Model and returned to PEPS.

After receiving the CDRs from NSLDS, the Default Management group within PEPS mails the draft or official rate letter to the Schools. If a School does not agree with its rate, it can make a challenge or initiate an appeal process. Changes made during the CDR appeal process may not be reflected in NSLDS.

3.5.7.4 eCB

After receiving the FISAP, eCB sends the FISAP Expenditures Report and Perkins Loan Balance Sheet to FMS. The FISAP Expenditures Report lists an institution's Campus-Based expenditures. The Perkins Loan Balance sheet contains summary Perkins Loan data including the number of borrowers, debit and credit balances.

The Participation Management system sends eCB Schools' SAIG Mailbox/TG number information and the Campus-Based services for which they have enrolled. Participation Management will occasionally send eCB a list of Schools that require an eCB serial number. eCB will respond to Participation Management's request with a list of assigned eCB serial numbers.

Schools can participate in the Default Reduction and Aversion Program (DRAP). Campus-Based Programs sends a letter for a list of defaulted Perkins borrowers to Schools enrolled in DRAP. Schools respond to these requests via SAIG. Once the list is received from the Schools, Campus-Based Programs sends letters to the defaulted borrowers.



Schools also communicate directly with Campus-Based Schools for Community Service Waivers, Use of Funds Waiver Request, and Title III or Title V Approval Waivers. Title III or Title V Schools do not have to pay the federal portion of Federal Work-Study funds distributed. Campus-Based Programs send a request to State Agencies for a list of low-income areas in which teachers who have borrowed funds may seek cancellation of their loan debt. State agencies return the requested information to Campus-Based via email or diskette.

3.5.7.5 Participation Management / SAIG

Schools are able to sign up for services via the SAIG Enrollment Website or by mailing in a paper form. In return, the Participation Management system sends the Schools a file indicating the message classes needed to use their SAIG Mailbox/TG number and the services for which they have enrolled.

3.6 Financial Partner

3.6.1 INSTITUTION PARTICIPATION / Partner Application

3.6.1.1 FMS

GAs send FMS a Lender's name, Tax ID and email address in order to request a new Lender ID (LID) for the Lender. This is the FSA Point of Origin for Lenders' information. It should be noted that when "Lenders" are mentioned in this document it is inclusive of both Lenders and their Servicers.

After an email is sent informing them of their new ID, the Lender fills out the Lender Application Process (LAP) on the Web (Lenders are still permitted to send a paper LAP). The type of information requested on the LAP includes their LID, Tax ID, Contact name, phone, address, email, Bank name & address, associated GAs, and associated Servicers.

3.6.1.2 FMS/PEPS/NSLDS

There is no formal method for GAs and State Agencies to apply to participate or to terminate participation. Any requests are handled on an ad hoc basis by the Financial Partners Channel and are usually initiated by a request from a State Governor or Non-Profit Entity via letter.

For GAs, FP Channel personnel manually enter the information into FMS, PEPS, and NSLDS. As such, each system is a FSA point of origin for GAs. For State Agencies, FMS is manually updated and is the FSA Point of Origin.

Since the GA and State Agency data is largely static, any changes are handled on an ad hoc basis and are made manually within the systems.



3.6.2 DELIVERY / Origination & Disbursement

3.6.2.1 FMS

As part of the LEAP/SLEAP, State Agencies submit the following to FMS:

- Form 1288 – demographic updates and requested award funds
- Reallocation From – Planned return of unused portion of the award amounts
- Performance Report – Report of most recently completed LEAP/SLEAP process with actual expenditures amounts and descriptions

This information is used to update the State Agency information within FMS and to calculate the funding the State Agency will receive. The disbursement of the aid from FMS to the State Agency via GAPS is covered in the Aid Entity Flow.

3.6.3 INSTITUTION PARTICIPATION / Oversight

There are a number of external entities that participate in Title IV delivery. Their participation is governed by the Higher Education Act, and overseen by FSA. In the Financial Partners Channel, Partner Services oversees the participation of Guaranty Agencies, Lenders, and state agencies participating in the LEAP/SLEAP programs.

Partner Services executes oversight processes including determining the eligibility of lenders, performing reviews of lenders and guaranty agencies, and determining the appropriate course of action to be taken if audit or review findings warrant further action.

These processes consist of manual processes that do not function at an integrated, enterprise-wide level. As such, many of these processes result in manual data entry and/or paper based processing internal to the PEPS and FMS systems that are not captured at a detailed level within the As-Is Flows.

Currently, there is an initiative underway, electronic Case Management and Oversight (eCMO), to update the tools and systems that support these processes. During the course of eCMO and Data Strategy discussions, the eCMO team and Data Strategy members will be working closely together to maintain alignment between the two initiatives

This document captures only those data flows between systems that relate to the oversight process. For detailed descriptions of the oversight process, please refer to the individual system design documents.

3.6.3.1 PEPS

Financial Partners Partner Services collect Lender Review and Audit data and GA Review and Audit data and then manually enter this information into PEPS. Financial Partners personnel also add Association Code, Servicer grouping, and contact information updates for the Lenders.



GAs have a direct user interface with PEPS to enter the Lender Review data they have collected.

PEPS receives the Lender demographic and participation information (LAP/LaRS) from FMS. NSLDS calculates and sends PEPS the GA and Lender CDRs. Partner Services then works appeals through PEPS.

3.6.3.2 *Financial Partners Data Mart*

The Financial Partners Data Mart serves as a repository and reporting tool for Financial Partners' participation information. The Data Mart receives this participation information from PEPS, NSLDS, and FMS.

PEPS sends Lender Audit and Program Review data to the Data Mart and any deficiencies found for the audit or review.

NSLDS distributes the GA & Lender CDR, GA Form 2000 Reasonability, GA FFEL Loan Claims, GA VFA (Voluntary Flexible Agreement) Performance Measures, and GA FFEL Loan Portfolio information to the FP Data Mart.

FMS reports GA Form 2000, State Agency LEAP/SLEAP, and Lender LaRS data (the Lender data will not be sent from FMS until FP Data Mart Release III).

3.6.3.3 *FMS*

FMS receives GA participation information from the GAs and from NSLDS. As part of the Federal Family Education Loan Program (FFELP), GAs are required to submit a Form 2000 to FMS on a monthly, quarterly, and annual basis. The Form 2000 has a summary of the GA's participation information.

NSLDS has a repository of all the FFEL Loans for each GA. Using this information, NSLDS calculates the Account Maintenance Fee (AMF) & Loan Processing Issuance Fee (LPIF) for each GA. NSLDS sends the AMF and LPIF values and the GA details to FMS (FMS does not use NSLDS's calculations; it recalculates the AMF and LPIF using the details received from NSLDS).

After collecting the GA participation information from NSLDS (AMF & LPIF) and the GA (Form 2000), FMS accounting is assigned to GA transactions via the custom FMS Account Mapping tables. GL entries are recorded and Accounts Payable (AP) invoices are created for each GA. These Partner Invoices are batched and reported to ED CFO, who then sends them to Treasury for actual disbursement to the GAs. The Treasury in return sends confirmations back to FMS via the ED CFO.

FMS collects Lender participation information via LaRS. FMS then takes the net of Interest and Special Allowances less Origination Fees and Miscellaneous Lender Fees to determine whether there is a net AP or Accounts Receivable (AR) invoice for the Lender. If there is a net AP



invoice, the total is reported to ED CFO for Treasury disbursement to the Lender. The Treasury in return sends Confirmations back to FMS via the ED CFO.

If there is a net AR invoice, the Lender makes payments and cash receipts are received by FMS from the Lockbox. Lenders also make AR payments for other fees such as Consolidated Loan Rebate Fees and Student Loan Marketing Association Fees (Sallie Mae Fee).

As previously mentioned, FMS distributes the Lenders LAP/LaRS information to PEPS and FP Data Mart. FMS also sends Lender information to NSLDS (Demographics, Special Allowance and Lender Interest rate data) and the Census Bureau (a record of each Lender on the system who filed an invoice in the past year, including information such as LID, name, city, state and zip, as well as the total interest paid out to that Lender in that year, for all loan types).

3.6.3.4 *Participation Management/SAIG*

NSLDS sends the Participation Management system a demographic file for Lenders and GAs indicating which Financial Partners are actively participating in the Title IV program.

Financial Partners sign up for services via the SAIG Enrollment Website or paper forms. In return, the Participation Management system sends a file indicating the message classes needed to use their SAIG Mailbox and their selected services.

Participation Management also sends the SAIG Mailbox/TG number information and indicators of the Partners' selected services to NSLDS via the daily Batch Schedule File, Online Schedule File, and Destination ID file.

3.6.4 *SERVICING / Consolidation*

3.6.4.1 *DLCS*

The Lender and GA Business Entities pass through DLCS to FMS. Periodically, DLCS receives ad hoc communication of updated or new Lender or GA GAPS EFT set up information. DLCS gives this information to FMS Operations, and then FMS Operations uses the data to manually create or update a DLCS Vendor record. This Vendor data is used when creating a GAPS invoice for DLCS initiated underlying loan payoff transactions.

3.6.5 *SERVICING / Collections*

3.6.5.1 *DMCS*

DMCS serves as a pass through from GAs to Treasury. The GA submits an address file with its contact information to DMCS. DMCS then passes the information on to Treasury, where it is used for verification purposes.



3.6.6 All Processes

3.6.6.1 Case Tracking System (Ombudsman)

The Ombudsman office, depending on the issue being researched, may collect and record pieces of the Financial Partner Entity from any of the other FSA systems during any stage of the Life Cycle.



4 Process Data Flow Diagram

At the center of any organization are its business processes. While systems facilitate processes by aiding in the flow and storage of data, it is the processes and the data supporting the processes that are core to the enterprise's functionality. As such it is critical to define the As-Is state of FSA in terms of its key processes. These processes and the data they use can then be transposed to a To-Be vision in an integrated fashion.

The key FSA's Applicant/Borrower Processes are: Aid Education, Submission, Eligibility, Repayment, Consolidation, and Collections, and for Trading Partners they are: Partner Application, Origination & Disbursement, and Oversight.

4.1 Objectives

Every business process is a function of collecting data, assimilating the data into meaningful information, and then using the information for analytics, reporting or distributing as an input to another process. The goal of the Process Data Flow Diagrams is to show what data is being collected or distributed, how it is being exchanged (file type, transfer method, and frequency) and what type of data stewardship the associated systems have during each key business process. By providing system owners with a better understanding of how their processes and data needs fit in to the enterprise, they are better equipped to guide their efforts in developing their part of a cohesive enterprise solution.

This process view of FSA's data flows facilitates the refinement and broader understanding of a number of areas of the FSA Data Strategy Framework, including Access Methods, Data Architecture, and Data Ownership.

- Access Methods – The Process Data Flow Diagrams provide a means of determining where standardized data exchange methods are not yet in place. Replacing these various disjointed interface mechanisms with a more uniform approach will lead to fewer unique interfaces and “one-off” exchanges. Establishing standards by choosing specific protocols and transfer methods will achieve reduction in the redundancy of effort and data exchange, paving the way for more efficient transfers. In addition, defining guidelines for internal and external data exchange will set the stage for higher adoption of the FSA standard EAI architecture while maintaining data integrity.
- Data Architecture – There are various parts of the Data Architecture that can leverage the information provided by the Process Flows. Knowing the details of what data is being sent and whether the system is an external or internal system serves as a starting point in providing a reliable and comprehensive security strategy. Understanding the details of what data is being exchanged and the frequency of the interfaces is critical in determining a viable base line for future backup, restore and archive initiatives. Noting the lack of synchronized data storage, management, and access establishes the need for a standardized enterprise-wide data warehouse.



- Data Ownership – Each data exchange on the Process Data Flow Diagrams highlights which systems have stewardship of FSA’s data and during which business process they have that stewardship. It also displays areas where multiple systems may have ownership and issues that arise from this. This mapping is a vital component for all Data Strategy Framework initiatives, especially data quality reconciliation efforts and analytical data mining design propositions.

4.2 Methodology

As a precursor to the Process Data Flow Diagrams, the Framework team collected detailed information about the flows for each of FSA’s internal systems in a spreadsheet format. The information was gathered by using interface design documents, talking to current project’s team members, leveraging previous data quality efforts and working with FSA SMEs to answer any outstanding questions and receive validation of the information collected.

Next, the data flows were grouped by their corresponding business process. With these process groupings, the Framework team then documented the As-Is flows in a Swim-Lane format diagram. These diagrams served as the discussion point for a number of large group meetings, one for each key business process. System Owners and SMEs for each of the business processes’ associated systems attended the meetings, allowing for an enterprise level comprehensive validation. Issues were documented and subsequently addressed in small meetings or ad hoc correspondences.

The following sections give a brief description of the key FSA business processes and the data flows which are a function of the process. Each Process is depicted on one or more Process Data Flow Diagrams (see Appendix 6.4 Process Data Flow Diagrams). For Processes with more than one diagram, an effort was made to keep the flows for each page in logical groupings. When reading the diagram, the figure in the top left corner highlights the depicted business process, and the legend in the lower left corner defines the various stewardship letters, system colors, and arrow types. Note that arrow types signify whether the data flow uses File Transfer Protocol (FTP), EAI, or some other transfer method (Email, mail, Web interface, etc.). Each diagram has two or three boxed columns with the systems associated with the business process’s flows. The location of the system (whether in the left, right, or middle column) is purely for formatting reasons and has no bearing on what the system’s role in the process is. The arrows show the direction of the data exchange, and the boxes on the arrows indicate which business entity is being passed. The information in the same column of the box, at the bottom of the page gives the file type, transfer method, frequency, and a description of the data.

4.3 Applicant/Borrower Processes

4.3.1 Aid Education

Aid Education is the first of the Applicant/Borrower Processes. At this point the person is a potential applicant and/or borrower as he or she collects information for possible Title IV Aid.



While there are no data flows as part of Aid Education, data is disseminated to the public via the Students Portal, FAFSA Websites, etc.

4.3.2 Submission

Even before formally submitting the FAFSA, a person can apply for a PIN via the PIN Website. CPS facilitates the PIN request by performing a SSN check with the SSA and by distributing the PIN.

Submittal of the FAFSA is the process by which a person becomes an applicant to receive Title IV Aid. There are three venues through which the FAFSA can be submitted: FAFSA on the Web, EDExpress, and Paper FAFSA. This process also includes the FAFSA Renewals and any corrections the applicant makes to the submitted information.

4.3.3 Eligibility

Eligibility is the process of determining and distributing the eligibility of a student for Title IV Aid. CPS verifies the applicant's FAFSA information collected in the Submission Process and runs eligibility checks within FSA and with external partners. These processes extend into checking the applicant's student aid history. After verifying the applicant's good standing with the Department of Education and its partners and collecting the applicant's FAH from NSLDS, CPS calculates the applicant's aid information, based on their Expected Family Contribution and financial standing. Then, as the last step in the Eligibility process, CPS distributes information to Trading Partners via the ISIR and to the Applicant via the SAR.

4.3.4 Repayment

The first process in FSA's Servicing Life Cycle phase is Repayment. Repayment begins after receiving Direct Loan information from COD (new loan), DLCS (consolidated loan) or DMCS (rehabbed loan), and enrollment data from NSLDS. Some of the steps for the Borrower in this process include selecting a repayment plan, submitting required scheduled payments, submitting deferment forms, and submitting forbearance forms. The transactions and updated Direct Loan information output from this process are sent to FMS for accounting purposes and to CMDM and DLDM for analytical and reporting purposes.

It should be noted that the distribution of the aid to the borrower or grant recipient is external to FSA and is handled by FSA's Trading Partners. After the distribution of the aid, the Trading Partners also handle the servicing of all Title IV loans, except for Federal Direct Loans, which are serviced by FSA.

4.3.5 Consolidation

Consolidation is the process of combining loans into a new loan at a new interest rate. The components of consolidation include the borrower application, underlying loan payoff verification, and combination of existing loan(s) debt into a new Federal Direct Loan. After payoffs are made to the underlying loan holders, this new Consolidated Direct Loan is sent to DLSS where it enters the Servicing Repayment process.



4.3.6 Collections

The Collections process begins when DMCS receives defaulted loans (FFEL, Perkins, or Direct) and overpayments (Pell, Perkins, or FSEOG). DMCS also receives and services Perkins loans from closed Schools or Schools that have closed their Perkins programs.

Upon receipt of these assigned loans and overpayments, DMCS assigns the majority of loans to PCAs. PCAs receive a percentage of every dollar collected and update DMCS with the collection status related to each account.

The borrower sends payments into the NPC where payment amounts are entered into DMCS. If the normal collection process fails, forced collection can be attempted via TOP, the Federal Salary Offset Program (FSOP), AWG program, Department of Justice if the debt is in litigation, or other Treasury collection services (example garnishment of lottery winnings).

When DMCS determines or is notified that a borrower is owed a refund by FSA, DMCS sends a refund disbursement request and corresponding general ledger entries to EDCAPS for payment. EDCAPS records the information and requests Treasury to send the refund check to the borrower.

4.4 *Trading Partner Processes*

4.4.1 Partner Application

Trading Partners have different processes by which they apply for and receive eligibility to participate in Title IV Aid.

Schools submit an application or modifications to their Program Participation Agreement via eApp to PEPS. For Schools applying to participate in Campus-Based Aid, the FISAP must be submitted to eCB.

Lenders work with a GA in order to initiate their Title IV participation. The GA sends a request to FSA for a new Lender ID. After receiving an email with their LID, Lenders must submit the LAP to FMS.

There is no formal method for GAs and State Agencies to apply to participate or to terminate participation. Any requests are handled on an ad hoc basis by the Financial Partners Channel and are usually initiated by a request from a State Governor or Non-Profit via letter.

Another step of the Partner Application process is their enrollment for SAIG functionality. The Partners select services via the SAIG Enrollment Website or paper forms. In return, the Participation Management system notifies them of their SAIG Mailbox and the message classes needed for the services in which they are enrolled.



4.4.2 Origination and Disbursement

Origination and Disbursement is the process by which an Institution receives funding, confirms eligibility, and establishes and distributes Title IV Awards. The transactions to obligate and/or pay the institutions for Direct Loans/Pell Grants originate from COD, for Campus-Based Aid from eCB, and for LEAP/SLEAP from FMS. These funding transactions are accounted for in FMS and flow through to GAPS. The Trading Partners then receive the actual funds from GAPS.

4.4.3 Oversight

There are a number of external entities that participate in Title IV delivery. Their participation is governed by the Higher Education Act, and overseen by FSA. There are two FSA organizations that have primary responsibility for overseeing the participation of these institutions. In the Schools Channel, CMO oversees the participation of schools and third party servicers. In the Financial Partners Channel, Partner Services oversees the participation of Guaranty Agencies, Lenders, and state agencies participating in the LEAP/SLEAP programs.

CMO executes oversight processes including the determination of school eligibility for funding and the appropriate course of action in the case of non-compliance. These processes consist of disparate manual processes that do not function at an integrated, enterprise-wide level. As such, many of these processes result in manual data entry and/or paper based processing internal to the PEPS system, that are not captured at a detailed level within the As-Is Flows.

Currently, there is an initiative underway, electronic Case Management and Oversight (eCMO), to update the tools and systems that support these processes. During the course of eCMO and Data Strategy discussions, the eCMO team and Data Strategy members will be working closely together to maintain alignment between the two initiatives

Partner Services executes oversight processes including determining the eligibility of lenders, performing reviews of lenders and guaranty agencies, and determining the appropriate course of action to be taken if audit or review findings warrant further action.

It should be noted that the Oversight process encompasses the monitoring and maintenance of Trading Partners' eligibility to participate in Title IV programs. Audits and Program reviews are collected for the Partners to facilitate this monitoring. PEPS distribute the Schools information to a number of external partners and FSA systems.

This process also includes the Trading Partners reporting student enrollment and servicing activities for their FFEL Loans or Perkins loans. For FFEL Lenders and GAs payments, receivables are accounted for in FMS and reported to ED CFO for Treasury distribution. The Financial Partner Data Mart receives feeds from PEPS, NSLDS, and FMS for the information collected during the Oversight process. This repository of data is then used for reporting and analytical processes.



5 Detailed Data Flow Spreadsheet

In order to create an enterprise view of the flow of data between FSA's systems, the starting point must be a snap shot of the As-Is data flows between systems. To facilitate this initial data gathering, a detailed data flow spreadsheet was created for each of FSA's systems: PIN, CPS, COD, eCB, PEPS, eZ-Audit, FMS, NSLDS, Data Marts, Case Tracking System (Ombudsman), DLSS, CDDTS, DLCS, and DMCS.

5.1 Objectives

The Data Flow Spreadsheets were created as a tool for initial data collection and validation. By capturing the flow of data between systems (rather than within a system), these spreadsheets encompass the business processes and logic of FSA rather than logic of a specific system. The system spreadsheet information therefore becomes the building block for both the Process Flow and Entity Flow efforts.

5.2 Methodology

The Framework team collected detailed information about the flows for each of FSA's internal systems in a spreadsheet format. The information was gathered by using interface design documents, talking to current project's team members, leveraging previous data quality efforts and working with the FSA system SMEs to answer any outstanding questions and receive validation of the information collected.

Each row on the spreadsheet indicates a unique data flow for the system. The columns list various details for each of these flows. There are fourteen columns in the spreadsheet:

1. Related System - the system for which the data is being exchanged.
2. File Type - the form of the data being transferred (e.g. flat file, XML, Web form, etc.).
3. Transfer Method - the means used to send and receive the data (e.g. FTP, Email, Web Interface, etc.).
4. When Transferred (frequency) - how often the systems see the data flow (e.g. Daily, Monthly, Ad Hoc, etc.).
5. External System (x) or Internal System (i) to FSA - letter indicates whether the system is external (x) or internal (i) to FSA.
6. Automatic Transfer Method (a) or Manual Transfer Method (m) - the letter indicates whether an interface is "kicked-off" automatically (a) or manually (m). (Note: this column is hidden on printed version of the deliverable)
7. 'Output from' or 'Input to' the Central System - this column indicates whether the data is flowing out from the central system to the related system (Output) or is flowing into the central system from the related system (Input).
8. What Transferred - a brief description of the data being transferred in the data flow.



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9. Component / Sub Component - the data being transferred is defined to contain one or more elements of a business entity's underlying components and sub components (e.g. SSN is an element of Person / Demographic Information). This provides a high-level logical grouping of data that is illustrated in the Entity Flow diagrams.
 10. Central System Life Cycle Stage / Process Step - the Life Cycle stage and process step for the central system are listed, indicating when the system uses the data. This provides a Process oriented grouping of the data flows that is illustrated in the Process Data Flow Diagrams.
 11. Central System: X = External Point of Origin, O = FSA Point of Origin, S = System of Record, C = Copy - the various letters indicate the central system's stewardship of the 'Component / Sub Component' being passed in the flow.
 12. Related System Life Cycle Stage / Process Step - the Life Cycle stage and process step for the related system are listed, indicating when the system uses the data. This provides a Process oriented grouping of the data flows that is illustrated in the Process Flow Data Flow Diagrams.
 13. Related System: X = External Point of Origin, O = FSA Point of Origin, S = System of Record, C = Copy - the various letters indicate the related system's stewardship of the 'Component / Sub Component' being passed in the flow.
 14. Notes - This column is used to list any other pertinent information for the data flow.
(Note: this column is hidden on printed version of the deliverable)

The Detailed Data Flow spreadsheets can be viewed in Appendix E.



Appendix A: Acronyms

Due to the size of the Appendices, separate files have been created for ease of distribution. Please see file TO 123.1.2 As_Is Data Flows Appendix A Acronyms.doc for a list of Acronyms applicable to this deliverable.



Appendix B: Financial Aid Life Cycle Diagram

Please see file TO 123.1.2 As_Is Data Flows Appendix B Financial Aid Life Cycle Diagram.doc



Appendix C: Business Entity Flow Diagrams

Please see files:

TO 123.1.2 As_Is Data Flows Appendix C Business Entity Flow Diagrams Person.doc

TO 123.1.2 As_Is Data Flows Appendix C Business Entity Flow Diagrams Campus Based
Aid.doc

TO 123.1.2 As_Is Data Flows Appendix C Business Entity Flow Diagrams Direct Loan,
Consolidated Direct Loan, Pell Grant Aid.doc

TO 123.1.2 As_Is Data Flows Appendix C Business Entity Flow Diagrams FFEL Aid.doc

TO 123.1.2 As_Is Data Flows Appendix C Business Entity Flow Diagrams School.doc

TO 123.1.2 As_Is Data Flows Appendix C Business Entity Flow Diagrams Financial Partner.doc



Appendix D: Process Data Flow Diagrams

Please see files:

- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Submission.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Eligibility.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Origination and Disbursement.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Partner Application.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Oversight 1.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Oversight 2.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Repayment.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Collections 1.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Collections 2.doc
- TO 123.1.2 As_Is Data Flows Appendix D Process Flow Consolidation.doc



Appendix E: Detailed Data Flow Spreadsheets

Please see file TO 123.1.2 As_Is Data Flows Appendix E Detailed Data Flow Spreadsheets.doc



Appendix F: FSA Personnel Input

Please see file TO 123.1.2 As_Is Data Flows Appendix F Personnel Input.doc