

TO: Channel and Enterprise Managers

FROM: Mary Grace Lintz

SUBJECT: Appropriations Hearings Briefing for Greg Woods

The Appropriations Hearings for the SFA portion of the Department's testimony is scheduled for April 26. To prepare Greg for these hearings, we are compiling a briefing book that will contain the most current facts on SFA high-visibility issues and other information that will help him respond to questions. We need your assistance in preparing the briefing book. Although these are appropriations hearings, Greg could be questioned on any issue, particularly those of special interest to members of the committee.

We have compiled and attached a draft list of issues to be covered in the briefing book. Please review the list for items that your Channel or Enterprise Area has the lead on and, using the sample format provided, prepare a 1-page (maximum) briefing. If you believe supplemental information is **required**, please include a summary of the supplemental information as part of your 1-page briefing and attach the documents containing the supplemental information. If we have excluded a high profile issue ongoing in your Channel or Enterprise Area please prepare a briefing on that issue as well. If another Channel or Enterprise Area has pertinent information on an area that you have the lead on, please coordinate your response with that Channel or Enterprise Area.

All briefings should be forwarded to Nell Gerald **no later than** April 6th. This date is critical. It allows us to complete the briefing book and leaves time for Greg to familiarize himself with the materials prior to the hearings. Please email Nell Gerald by C.O.B. tomorrow with a contact for each briefing you have responsibility for. This will help us to ensure that all areas have been assigned and will identify whom we need to contact with additional questions. If you would like to review last year's briefing book or if you have questions about this request, you may call Nell on 205-8592.

Thanks you for your assistance.

Attachment

E-SIGN

Background: The Government Paperwork Elimination Act (GPEA) and the Electronic Signatures in Global and National Commerce Act (E-SIGN) have allowed the use of electronic signatures to be as enforceable as paper signatures. This new legislation not only gives legal parity between wet and electronic signatures, but also requires Federal agencies to offer the option to conduct business electronically. SFA conducts a variety of different business transactions with consumers and commercial entities. In pursuit of better service, cost reduction and legislative compliance, SFA has to develop electronic record retention standards and electronic loan signing processes by June 1 and June 30, 2001, respectively.

Issue: SFA formed an enterprise-wide Mad Dog team with a plan to comply to the new electronic signature requirements. By June 1, 2001, SFA will:

- Issue record retention standards and standards for electronic signatures and electronic student loan transactions for Title IV loan programs (Direct Loan, FFELP and Perkins)

By June 30, 2001, SFA will:

- Implement a way for students to electronically sign Master Promissory Notes (MPNs) for the Direct Loan program
- Develop the ability to accept electronically signed promissory notes from all Title IV loan programs
- Offer the student aid industry a solution to sign electronic promissory notes using the SFA-issued PIN as the method of electronic signature

Current Status:

- Electronic signature standards have been written and vetted with the FFEL community. The standards received an exception to the moratorium and are on the Secretary of Education's desk awaiting issuance.
- The record retention Advance Notice of Proposed Rule Making (ANRPM) has been published and undergone an OMB-mandated comment period
- The Direct Loan program has finalized requirements and is building new web pages for its electronic note signing
- SFA has designed a third-party authentication service model for Title IV lenders to use the SFA PIN and is about to release specifications

Pending Actions:

- Submit record retention NPRM and undergo comment period before issuing
- Finish building and testing the new Direct Loan web site for electronically signing MPNs before going operational
- Ready SFA PIN site for its expanded use and have the third-party authentication servicer coordinate agreements with the lenders who want to use the SFA PIN