

Electronic Promissory Note Processing: **Business Case Funding Recap**

Our Business Case showed the following five year Phase I costs and savings over the project lifecycle.

Total Project Costs:	\$4,898,000
Total Project Savings:	<u>\$4,866,505</u>
Net Cost:	\$31,495



Electronic Promissory Note Processing: **2/13/01 IRB Questions**

The IRB requested further detail and analysis of the following:

- 1) More detail on benefits to DL systems**
- 2) More detail on costs of CPS modifications**
- 3) Explore creation of a support system for FFELP PIN usage without employing federal assets**
- 4) Detailed development project schedule**



Electronic Promissory Note Processing:
2/13/01 IRB Questions

1) More detail on benefits to DL systems



Electronic Promissory Note Processing: DL Benefits

Our revised Business Case shows the benefits derived from Direct Loan electronic promissory notes. These are SFA benefits only.

Fiscal Year	2001	2002	2003	2004	2005	Total
DLO						
Printing and Distribution						
Printing of Pnotes and R&R	\$0	\$90,000	\$90,000	\$90,000	\$90,000	\$360,000
Warehousing-pallets	\$915	\$13,181	\$13,181	\$13,181	\$13,181	\$53,640
Pnotes & Rights & Responsibilities Distrib.	\$0	\$10,318	\$10,318	\$10,318	\$10,318	\$41,270
Bulk shipping to schools	\$30,000	\$180,000	\$180,000	\$180,000	\$180,000	\$750,000
Imaging						
Deliverable 5	\$22,113	\$88,440	\$88,440	\$88,440	\$88,440	\$375,873
Staff in mail room and imaging, DE	\$5,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,005,000
Output						
Printing envelopes	\$11,040	\$73,600	\$73,600	\$73,600	\$73,600	\$305,440
Printing & Mailing Pnotes	\$257	\$2,054	\$2,054	\$2,054	\$2,054	\$8,473
Postage	\$8,500	\$68,000	\$68,000	\$68,000	\$68,000	\$280,500
Retrieval LO and LC notes & related docs	\$0	\$0	\$0	\$0	\$0	\$0
Vault Storage	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$77,825	\$775,593	\$775,593	\$775,593	\$775,593	\$3,180,195
75% Assumption Factor	\$58,368	\$581,694	\$581,694	\$581,694	\$581,694	\$2,385,146
DLS						
Obtaining reference data for skip-tracing	\$13,978	\$40,188	\$92,432	\$265,743	\$611,209	\$1,023,550
DLC						
Mail Handling	\$253,500	\$271,245	\$290,232	\$310,548	\$332,284	\$1,457,809
TOTAL SAVINGS	\$325,846	\$893,127	\$964,358	\$1,157,985	\$1,525,188	\$4,866,505
eNote volume assumptions	250,000	1,000,000	1,000,000	1,000,000	1,000,000	



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2) More detail on costs of CPS modifications



Electronic Promissory Note Processing: 2/13/01 IRB Questions

As part of the project to implement the master promissory note electronic signature process, NCS Pearson will perform the following tasks:

- -Participate in requirements meetings and conference calls as needed.
- -Create and maintain requirements documents and systems documentation.
- -Complete development activities needed to revise the PIN site to include the following functions and features:
- -Create and maintain a participation management database consisting of acceptable clients
- -Assignment of a unique client code value to each participating agency or project; the client code value will serve to identify the source of the transaction
- -Validation of the client code from a referring site; if the client code is invalid, an error code will be returned and a log maintained
- -Create and maintain a transactional audit trail of PIN authentication traffic by source for all successful authentication transactions
- -Addition of a date/time stamp and the client code to the stable data passed back to the referring client when a successful transaction occurs
- -Addition of help text applicable to new functionality
- -Manage and perform unit and systems testing to ensure that all new functionality performs as intended and that existing functionality is not compromised.
- -Create testing documentation, including test plan, test matrixes, and test output materials for use in systems and acceptance testing.
- -Provide support to ED during acceptance testing of the product.
- -Update PIN API detail design document to reflect system modifications.
- -Update and distribute client interface documentation.
- -Develop and maintain MIS reports.
- -Coordinate and conduct integration testing with all PIN clients to ensure that each client is certified as in accordance with the implemented changes. This step must be done with all existing clients due to the addition of the client code source value.
- -Coordinate all necessary activities with the VDC.



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- 3) Explore creation of a support system for FFELP PIN usage without employing federal assets



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Can We Pay for eSignatures for FFELP without Spending Appropriated Funds?

Status Update:

- OGC/Acquisitions concluded that a contract could be constructed that reimburses a vendor through user fees only.
- Need to determine if user fees will be sufficient to reimburse vendor costs and provide a reasonable profit.

Next Steps:

- Crystallize statement of objective and date for implementation
- Identify current costs
- Estimate user volumes
- Discuss acquisition strategy with vendor community



Electronic Promissory Note Processing:
2/13/01 IRB Questions

4) Detailed development project schedule



Electronic Promissory Note Processing: Project Plan Deliverables

