

Date: 06/06/2002	Time: 10:00am	Attendees: Bill Burns Ramon Corrada-Rivera Dave Loewenstein Mike Peregory Heather Stevens	Team/Organization FSA Accenture Accenture FSA Accenture	Distribution: Attendees Project File
Project Name: SFA Modernization Partner -- Loan Servicing/Loan Consolidation Black Belt				
Facilitator: David P. Loewenstein				
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Meeting Objective:

- To review the draft As-Is process flows for the Black Belt discussion for Loan Consolidation and begin to brainstorm areas for improvement.

Topics Discussed:

- **Review and Update of Draft As-Is**
 - Process flows were provided on 6/3/2002.
 - Add Fast Track and Express borrowers to page 2 of the process flow.
 - Add EFT lenders view manifests on LC Web site to page 2.
 - Add Print checks for non-EFT lenders to page 2.
 - Discussed process of added additional loans to an existing consolidation loan.

- **Discussion of Counts, Costs, and Current Processes**
 - 70% of loan payoffs (dollars) are paid by EFT.
 - Approximately 500,000 applications are received per year (approximately 2.3 loans per application).
 - Approximately 80% of applications are processed on-line. However, the number that e-sign their Promissory Notes is much lower.
 - Majority of on-line rejections/exceptions come from lack of NSLDS data pre-population (ex: selection of correct lenders on the application).
 - A web team of twelve (12) reviews/QCs on-line applications, specifically the lender/loan listings, for accuracy.
 - Extremely difficult to reconcile payment to lenders, loans funded, and loans booked.
 - Each consolidation loan funded and booked results in ~\$68 for the LC contractor.
 - Current contract has incentives for timeliness of booking, which can increase this amount.
 - Contractor receives no payment if application is cancelled.
 - Actual days to book tracked.
 - Electronic verifications to Sallie Mae are done through floppy disks (represents approximately 25% of total volume).

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- Fast-Track applications are all paper, prepared by the Collection Agencies.
- DLSS Express Re-financing cannot be used (by contract) through 9/30/2002.
- Applications are cancelled after 45 days.
- Many applications are cancelled due to documentation not being received in a timely manner (ex: ICR waivers, 10-day turnaround on promissory notes).
- ICR and Supplemental forms on Web are in PDF format, rather than allowing online entry.
- LC holds all underlying loan history (in event of Congressional issue).
- LC reports provided which include volumes and some costs.

➤ **Potential Areas for Improvement**

- Develop a single Web solution to allow electronic verification and payment with all lenders. This should also reduce the time lenders take in refunding overpayments.
- Eliminate the need for Direct Loan borrowers to process a paper application (perhaps restart Express Refinancing).
- Create strategy to effectively archive data.
- Single web entry point for LC and LS.
- Provide clear information to borrowers on the consolidation process to alleviate need for phone calls.
 - Include chats, emails, scheduled calls, callback requests in integrated web solution.
- Allow common web entry point for other participants (Guarantee Agencies, lenders, etc.)
- Pre-populate web consolidation form based on information from NSLDS.
- Allow for a better description and selection of repayment options through consolidation (EBPP, EC, EDA, etc.).
- Research whether or not IRS will accept e-signed waivers.
- Create enterprise strategy for imaging (storage and access).

Outstanding Items for Investigation:

#	Item	Owner	Estimated Completion Date
1	Provide list of needed costs and volumes not provided by reports.	D. Loewenstein	6/12/2002
2	Provide draft To-Be process flows to group.	D. Loewenstein	6/17/2002
3	Continue to develop To-Be changes for discussion between both LC and LS on 6/13/2002.	Group	6/13/2002
4	Review COD solution for eSign, as well as efforts on integrated loan (PIN) for possible overlap/integration.	D. Loewenstein/ H. Stevens	6/15/2002