



# *Lender Payment Process Redesign*

## **COMMUNITY ROAD MAP**

January 30, 2002

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# INTRODUCTION



## **Purpose of the Road Map**

- The purpose of this document is to provide a road map of the new process for the submission of the Lender Interest payment data.
- ED-SFA has relied upon the involvement of the community to ensure the new process provides a more efficient and robust method of submitting Lender data and provides the level of information needed by the Lenders and Servicers.
- The process undertaken to re-engineer the 799 Form leverages the latest technology in order to better serve the Lender and Servicer community.

## **Timeline for Implementing the new Lender Application**

- 2/18/02 – Information packet containing detailed next steps and data forms will be distributed
- 3/18/02 – LAP application will be accessible to the community via the web to verify demographic data
- 4/15/02 – LaRS testing schedule and participant information will be promulgated

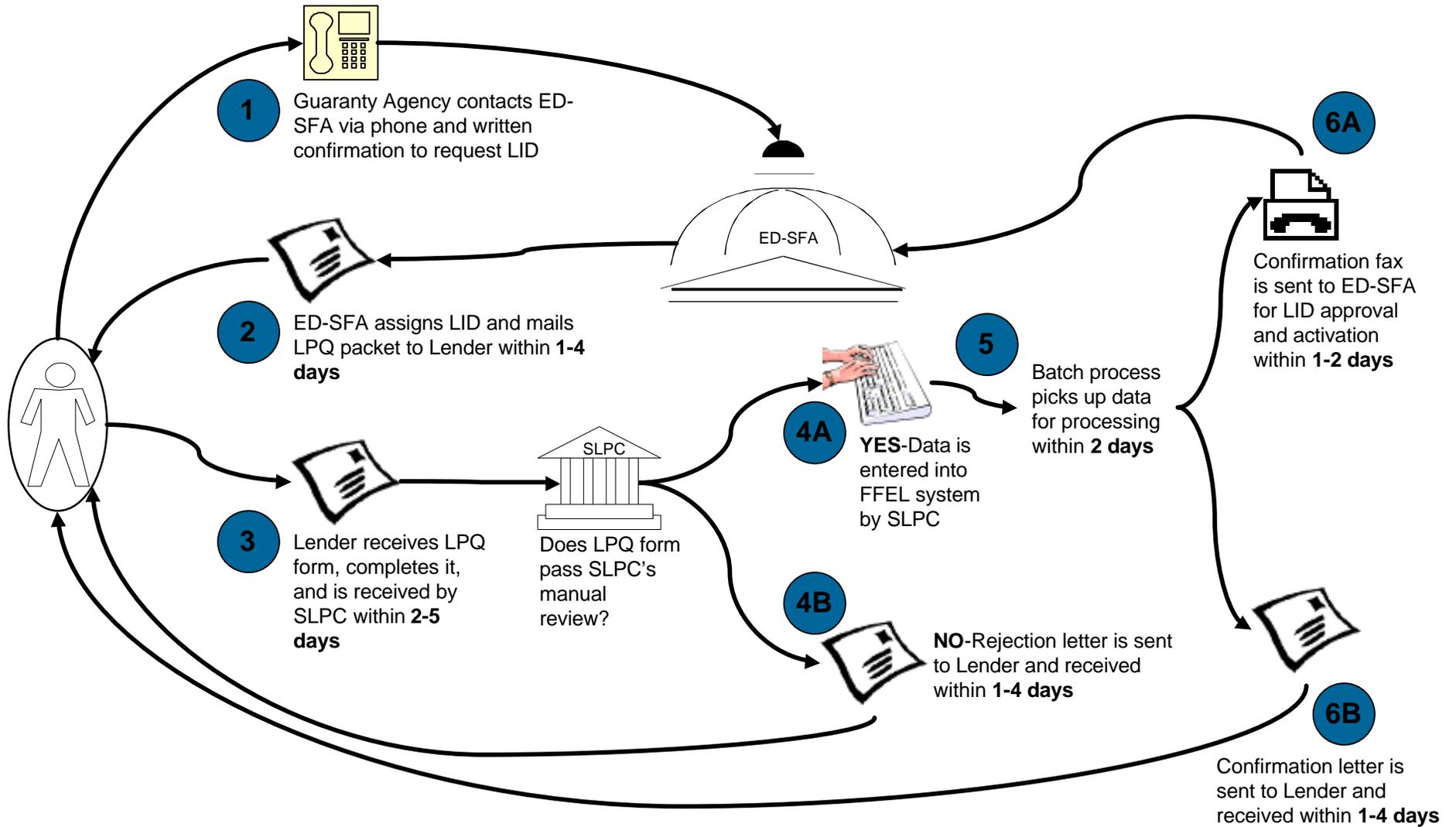
## **What is Needed from You**

- Completion of the system access documentation when provided
- Involvement in the functional testing of the new applications
- Continued feedback concerning the new process and the impact to your business processes

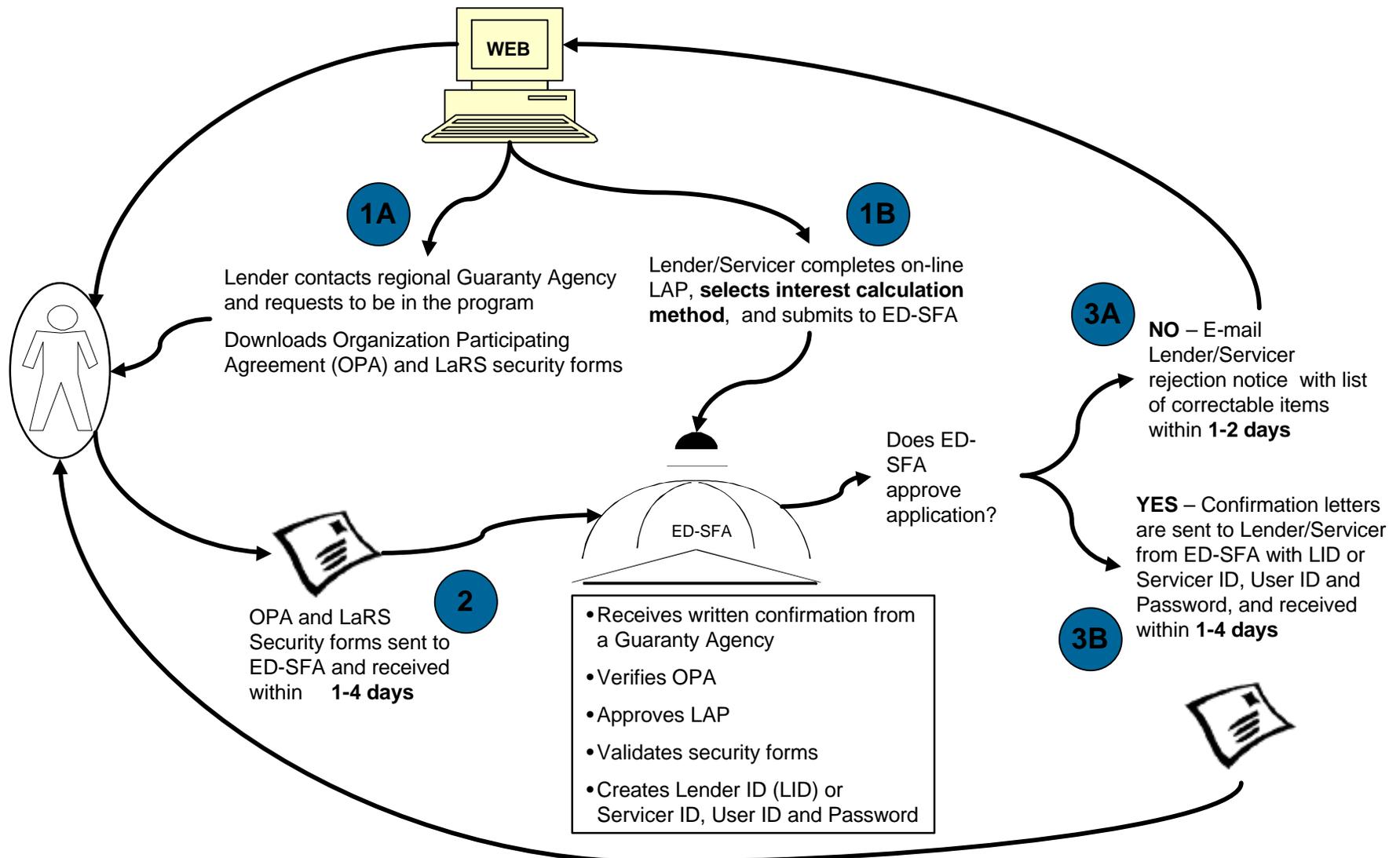
## **Who to Contact with Your Feedback and Comments**

- Please forward any comments to Nancy Krecklow at [nancy.a.krecklow@accenture.com](mailto:nancy.a.krecklow@accenture.com) or contact at 202-962-0637.

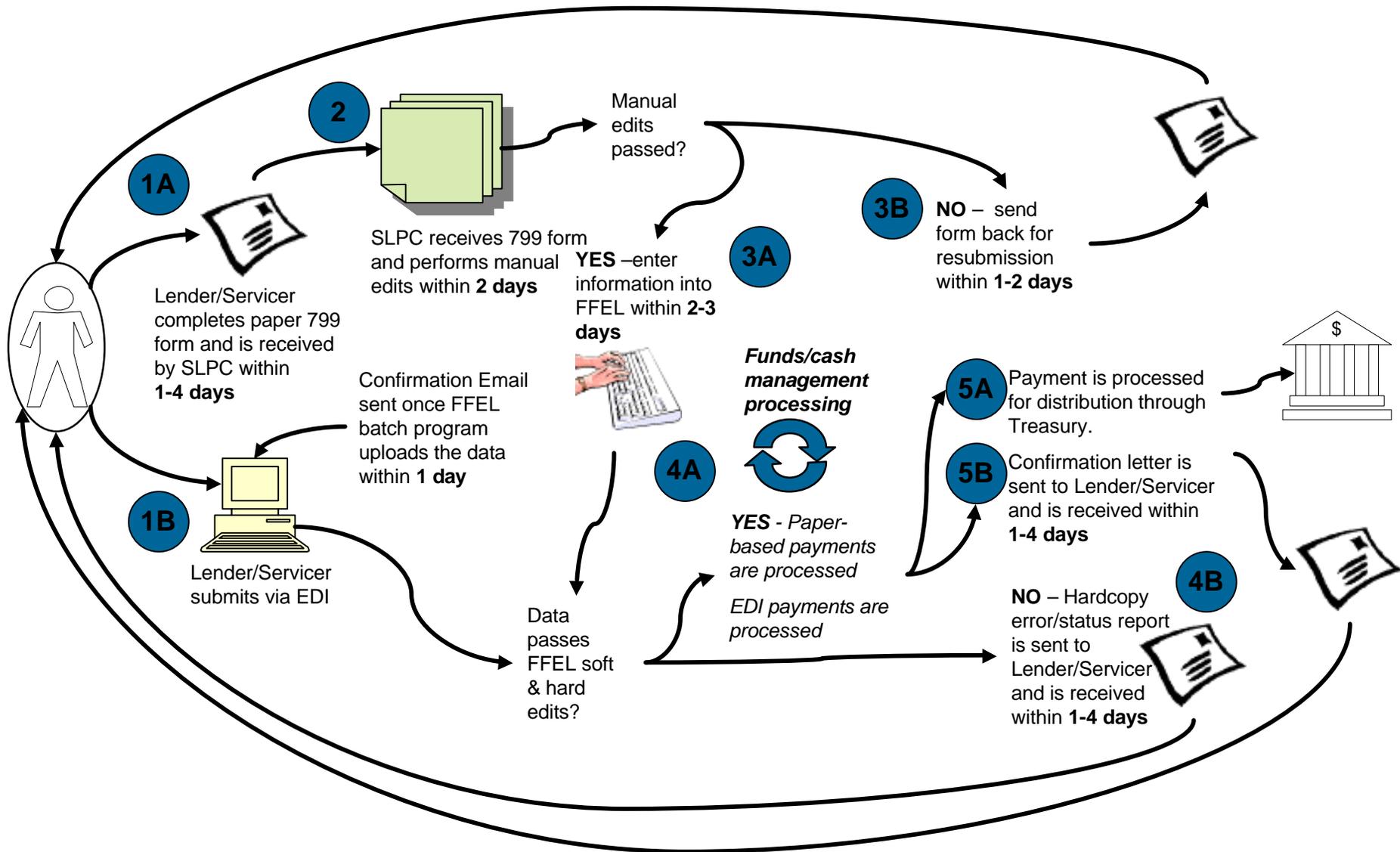
# Current Lender Application (LPQ) Process



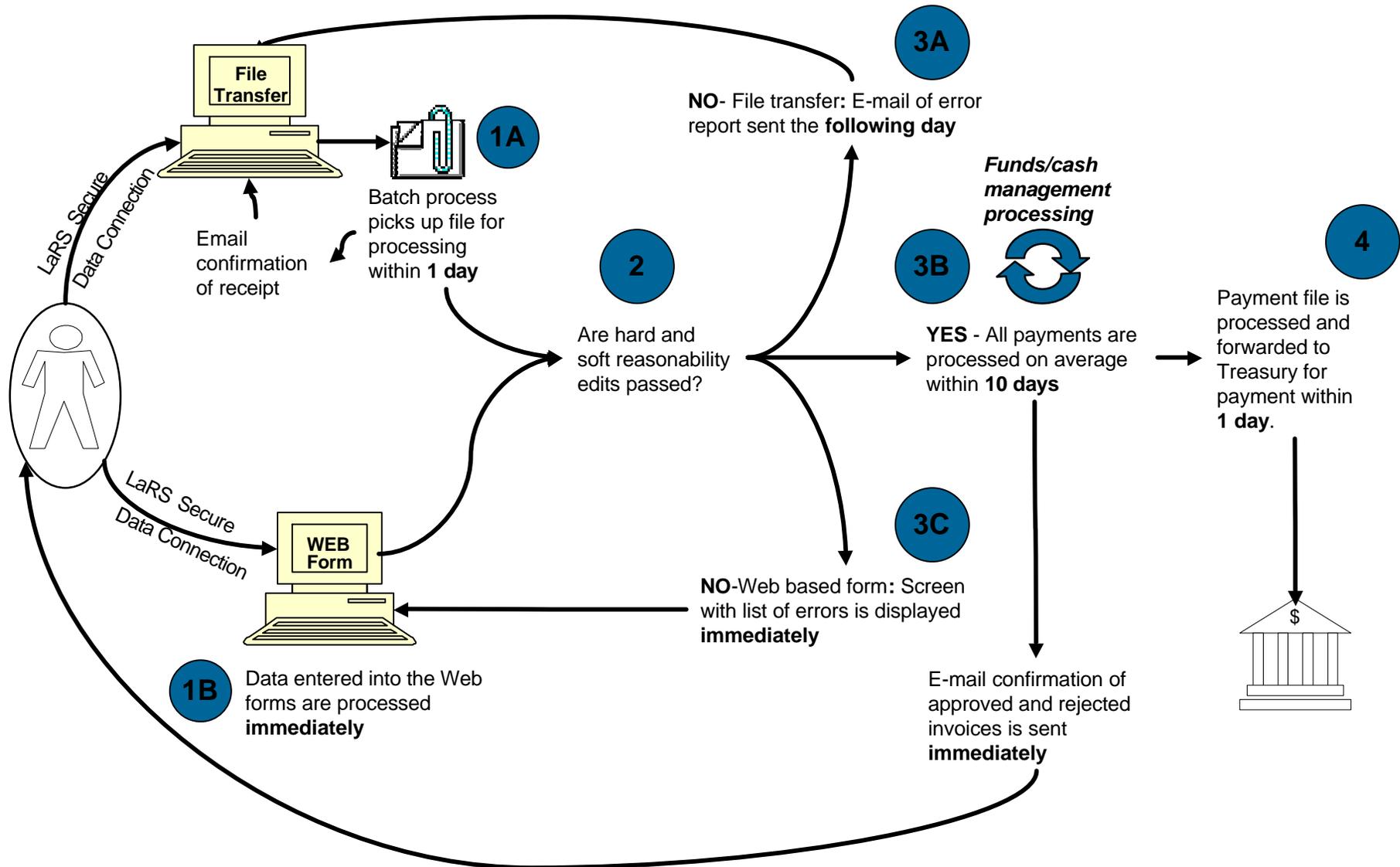
# Future Security and Lender Application (LAP) Process



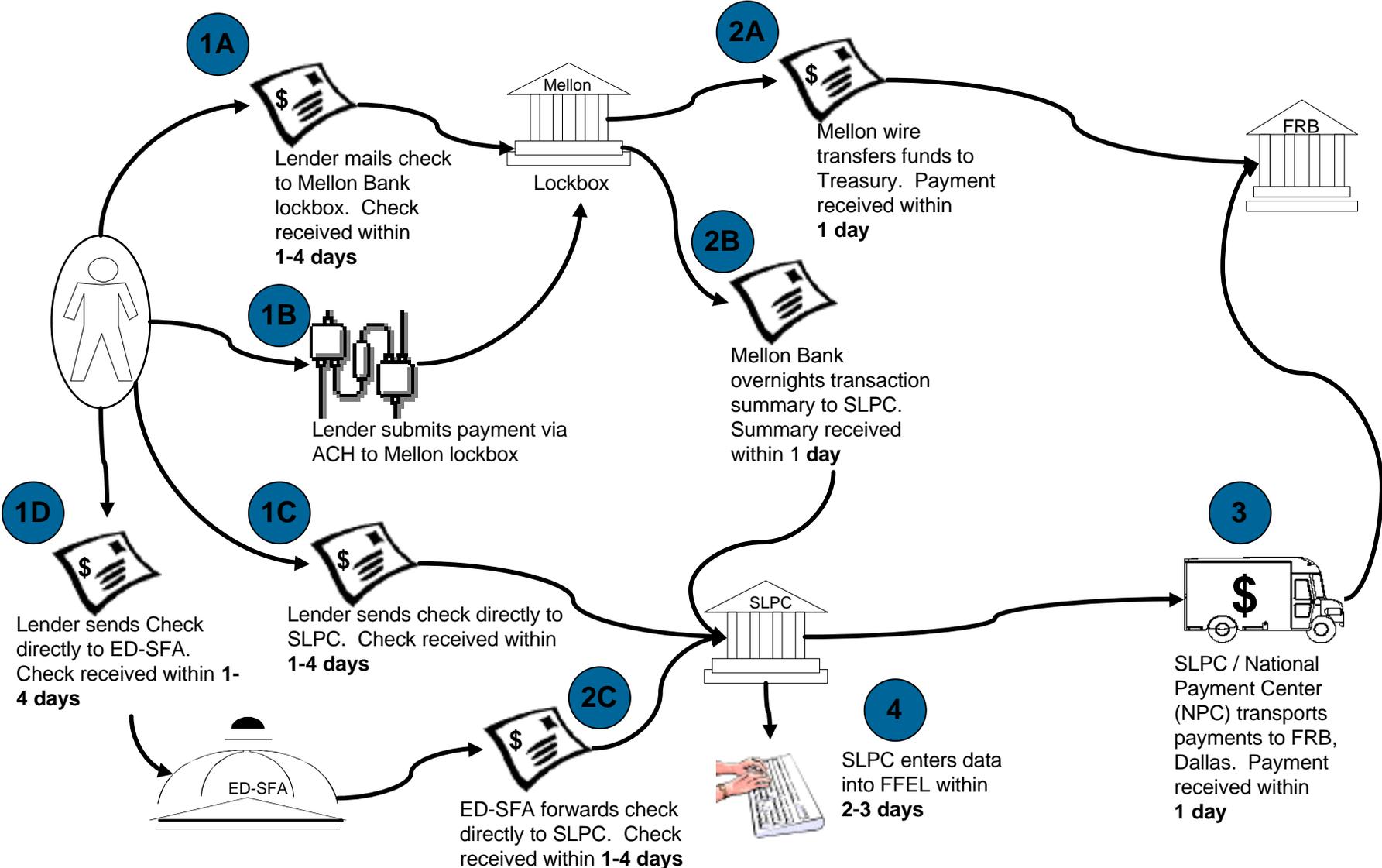
# Current 799 Process



# Future Lender Reporting System (LaRS) Process

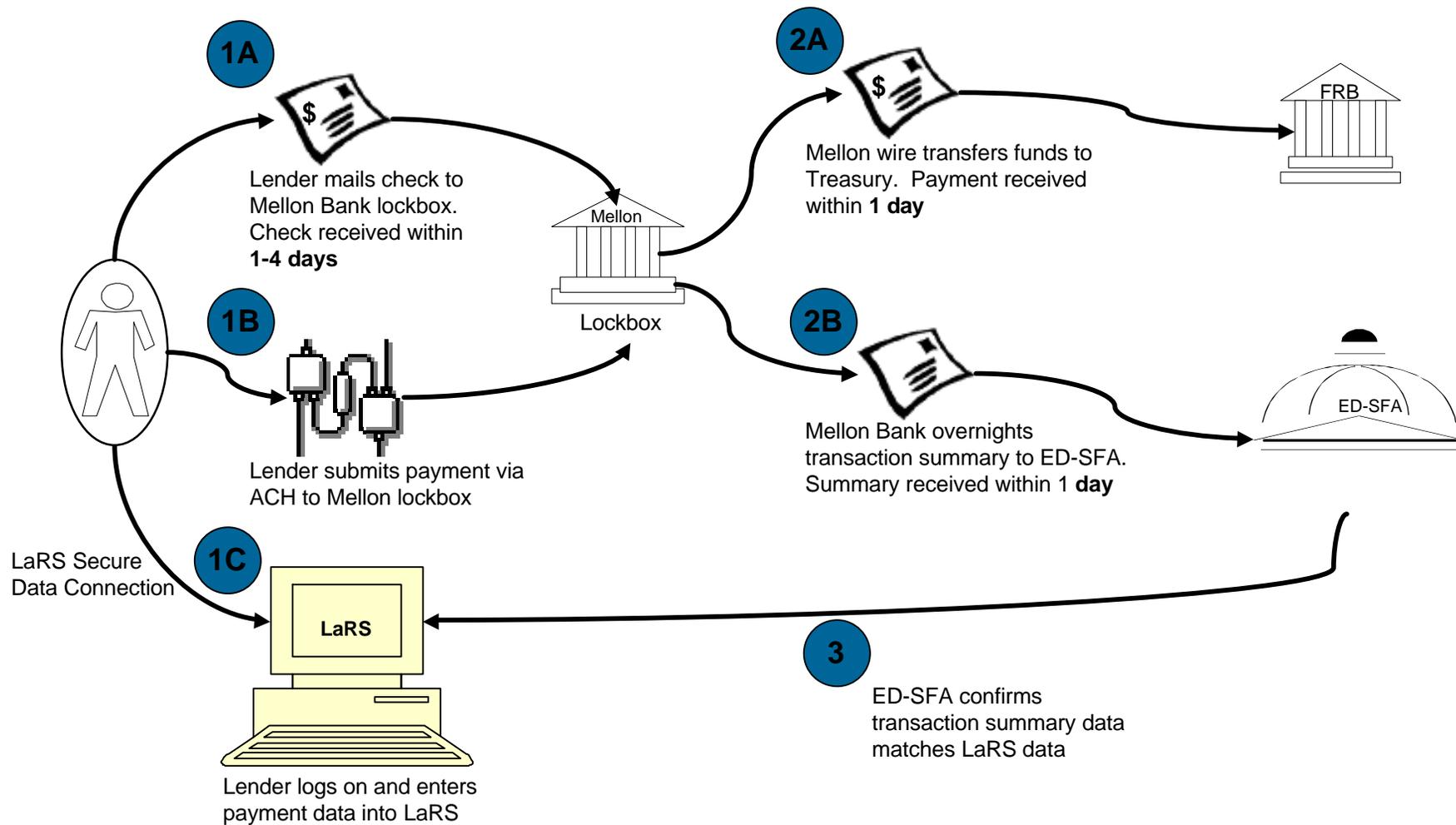


# Current Funds Remittance Process

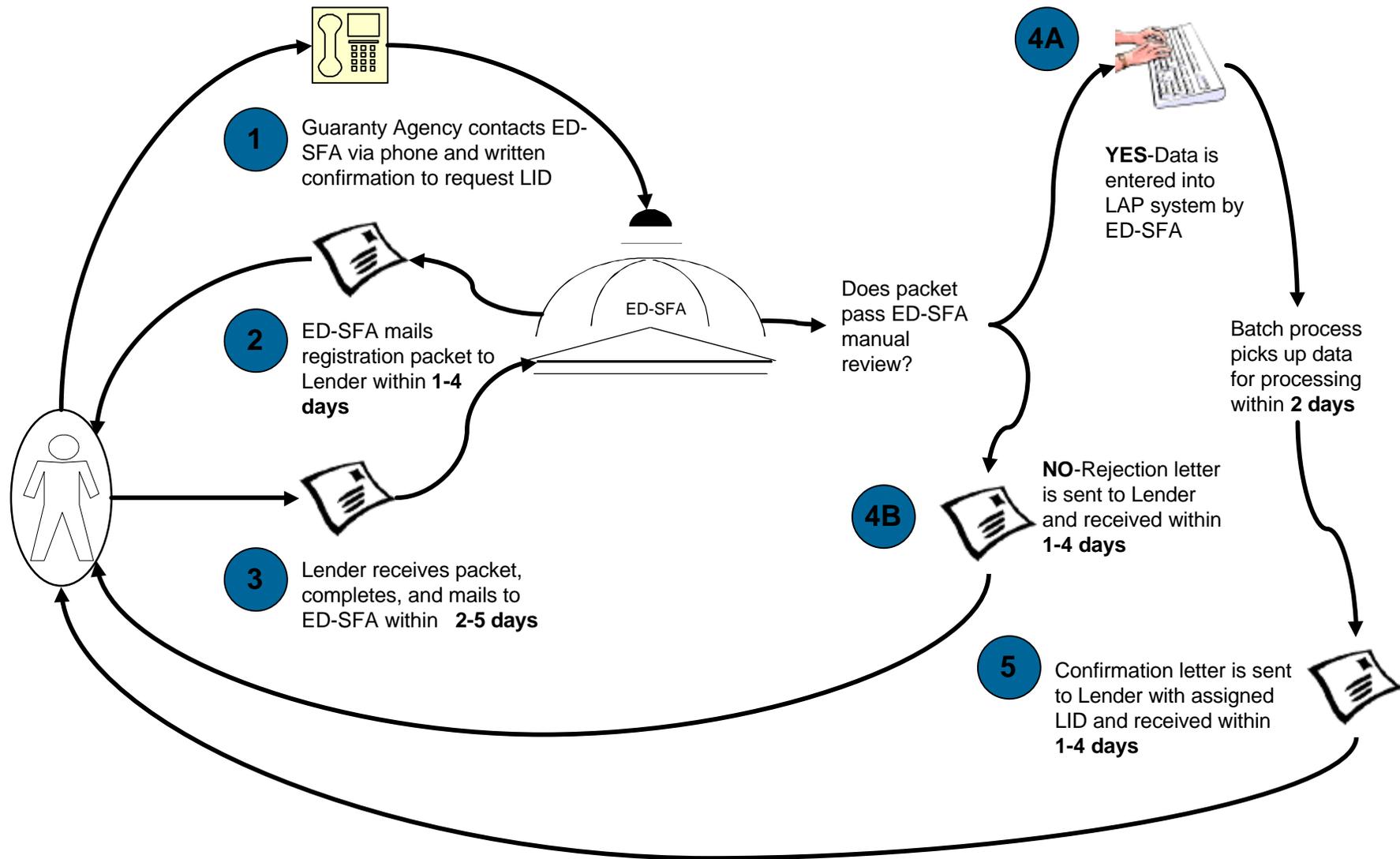




# Future Funds Remittance Process

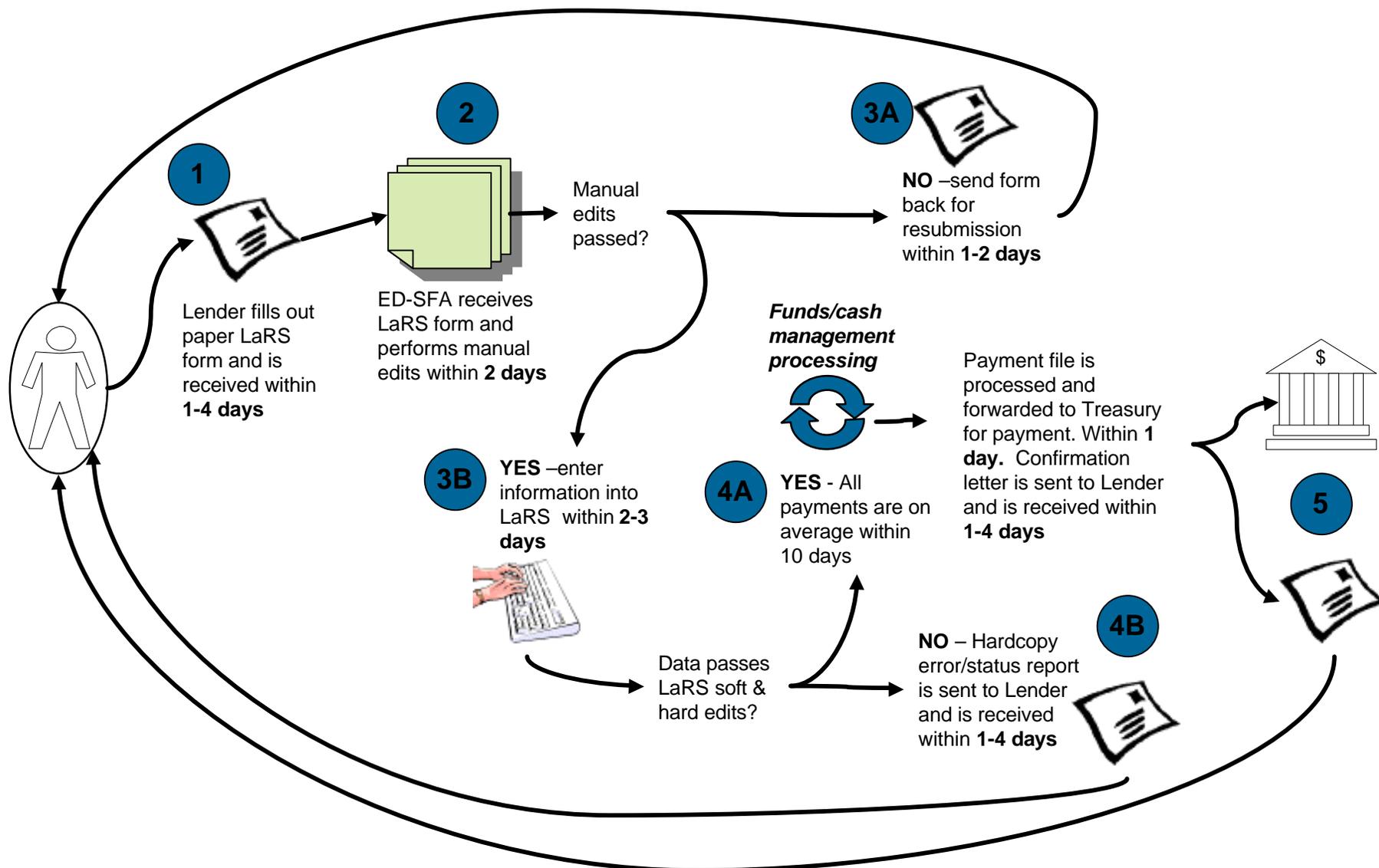


# Future Paper-based Lender Application Process

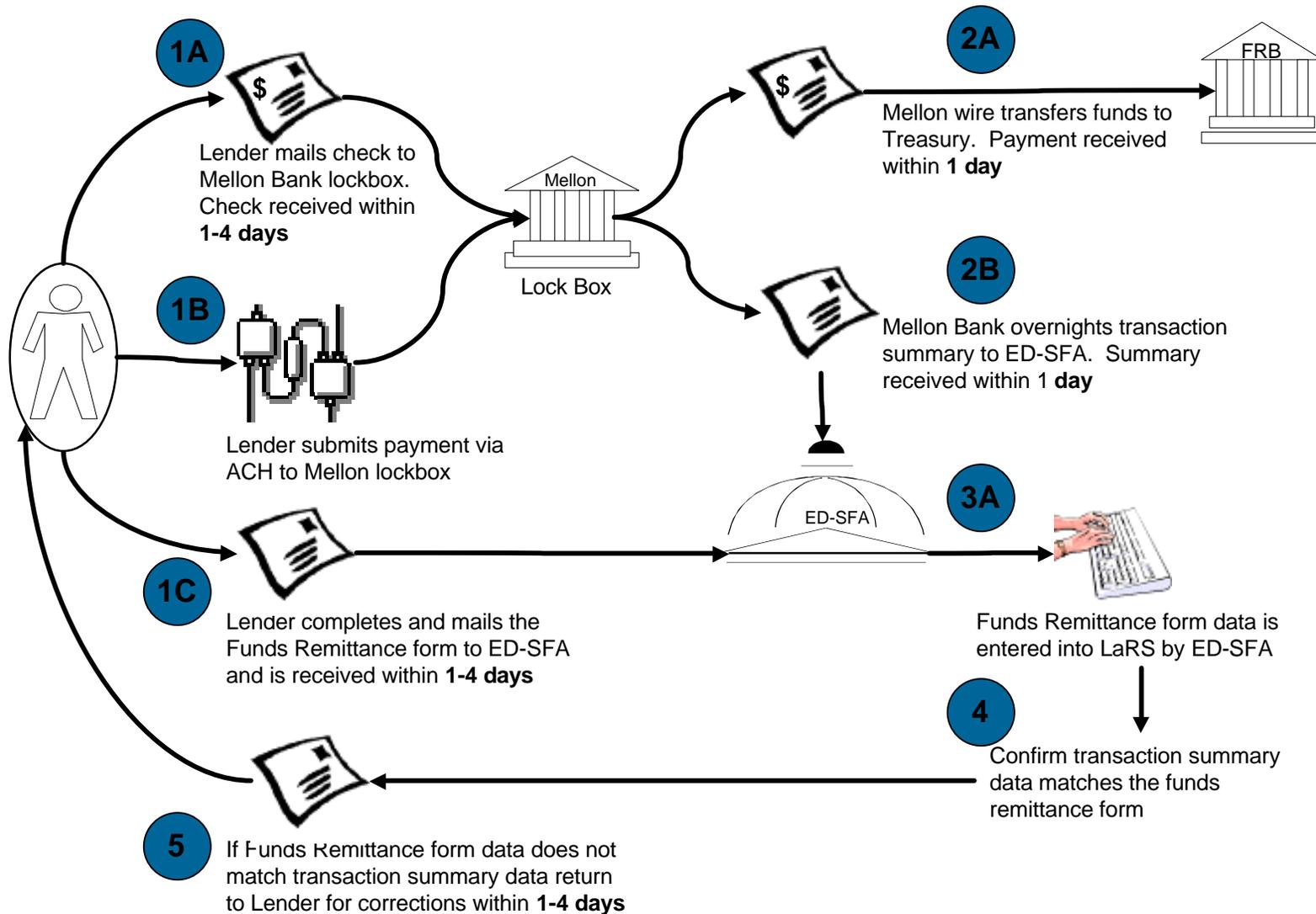




# Future Paper-based LaRS Process



# Future Paper-based Funds Remittance Process



# What is the Business Purpose?



## **Business Case:**

Several current processes within the Lender reporting subsystem are not automated and require manual intervention. Over time, these labor intensive processes have become rigid, error-prone and expensive for the Community and SFA.

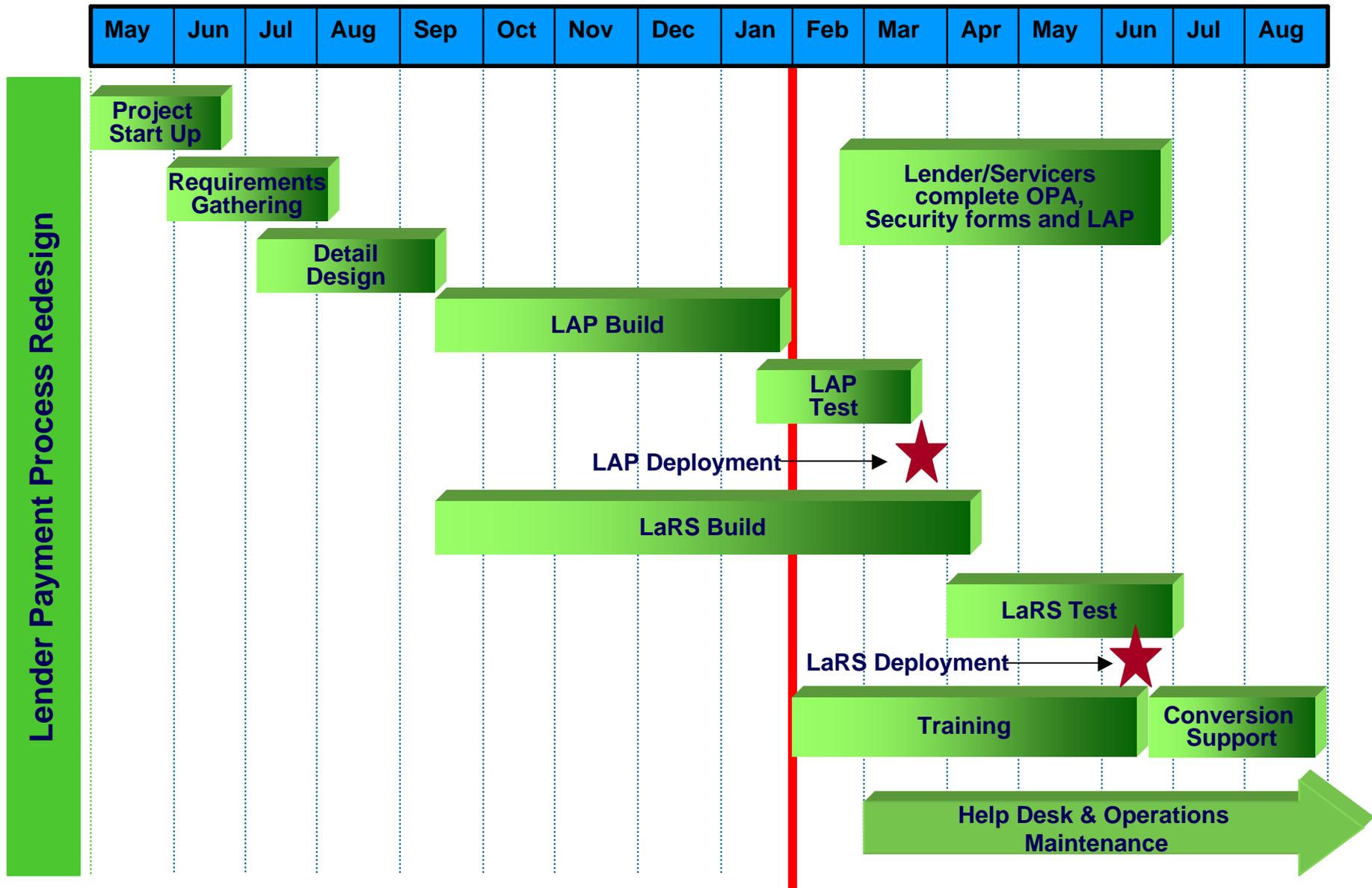
## **Objective:**

The objective of this initiative is to modernize the Lender reporting process and leverage the successful work with the Community that has been accomplished by the FP Channel over the last two years. New business activities include:

- enabling FFELP participants to electronically complete and submit reports;
- developing ad hoc query and analysis functionality;
- complying with legislative and statutory requirements;
- integrating access through SFA's Financial Management System for both the Community and SFA; and
- providing timely notification of errors following submission.



# Revised Project Timeline



# Background Summary



The redesigned Lender process is a “business-to-government” (B2G) solution that will provide web-based capabilities to more than 4,000 FFEL lenders. This effort will result in significant benefits over the next 3-5 years, including:

- A single, integrated web-based process will free Lenders from the duplication of effort that is associated with the current Lender processes.
- Lenders will have access to customized information and will have the ability to query financial information.
- LaRS submissions may be processed and disbursed with minimal ED-SFA involvement.
- Lender Application Process (LAP)
  - The new application process improvements will be reduced from six manual steps to three. By consolidating these steps, the need for duplicate data entry has been eliminated.
  - The time associated with admitting a Lender into the program will be reduced, on average, from 16 days to 8 days.

# Background Summary



- LaRS Submission On-Line Data Entry
  - Lenders/Servicers data submissions will occur through a secure connection to the Oracle Federal Financial product.
  - Profile data entered into the LAP will be saved and used within LaRS. This will eliminate the need for a Lender to re-enter profile data on a quarterly basis.
  - Logic throughout the LaRS application will prevent errors and verify data accuracy.
  - Numerous LaRS fields are populated based on previously entered data. This may reduce total amount of data entry by up to 40%.
  - Lenders/Servicers will have the ability to view historical reports on submitted LaRS.
  
- LaRS Submission On-Line File Transfer
  - Lenders/Servicers data submissions will occur through an existing secure connection within the Oracle Federal Financial product.
  - The Lenders/Servicers will receive process notification messages via email within 24 hours of submission detailing the status of the submission.
  - The Lenders/Servicers will have the ability to view historical reports on submitted LaRS.