

U.S. Department of Education

**Student Financial Assistance
(SFA)**



Deliverable 77.2.02

***COD Customer Service
Conceptual Design and Transition Plan***

May 31, 2001



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1. Executive Summary

This document highlights the Common Origination and Disbursement (COD) Customer Service conceptual design and transition plan. The design presents the overall responsibilities of COD Customer Service along with the overall answer center organization structure. Please note that this document does not contain the details of the location and logistics of the COD Call Center facility itself. This information will be provided in the future in accordance with the overall COD workplan.

The COD system solution will allow for a unified support mechanism for schools participating and disbursing funds in the Direct Loan, Pell Grant, and Campus Based Programs.

This new Common Origination and Disbursement process will require a new approach to customer service support. The customer service solution presented is divided into multiple components.

The first component defines the customer support functions. In this component, the basic services and responsibilities of customer service are presented.

The second component requires the creation of a new call center. This center will be established to support outreach activities to schools as well as incoming inquires from schools and SFA personnel regarding Direct Loan Origination, Pell Grant Origination, and Campus Based Programs. These outreach activities include providing schools daily information regarding batch process and system performance, i.e. system down time, job aborts, or production failures. These outreach activities also include providing reporting of outstanding transactions to insure timely reporting of disbursement records.

A third fundamental component to customer service is the ability to manage the workflow of incoming processes as well as providing the schools with the tools necessary to provide their students/parents increased customer services. The incoming processes include the results of regular batch processing and record failures. Another prime source of incoming information is direct inquires from schools and SFA staff. Through the use of this workflow management process, the COD solution will be able to monitor and provide schools and SFA with trend analysis and feedback regarding their origination processes and potential problem areas. The feedback will assist schools, SFA and customer service in providing better service to students/parents. In addition, the workflow processing will enable customer service to track and monitor incoming issues from schools and SFA.

2. Customer Support Functions

2.1. School Support

COD will use school profiles containing information about each school, provided by the existing Loan Origination Center, to develop support practices to meet each school's needs. COD will use the COD website, COD Customer Service representatives, and reports to schools to provide schools with all the data and support needed to deliver loans and grants to students.

The COD School Services Team will act as a help desk for schools and will be available to help identify and resolve issues for schools such as rejected batches and rejected transactions. COD representatives with high security access will be empowered to perform all activities schools are capable of, in addition to some functions schools will not be allowed to perform. Some of the primary features available to schools and the COD representatives are listed below:

- 1) Correct and resubmit rejected transactions
- 2) Create and submit new transactions
- 3) Submit, request, and receive ad-hoc reports
- 4) Create, modify and delete user IDs
- 5) View Promissory Notes
- 6) Create and view school specific bulletin boards
- 7) Create data requests to rebuild a school's loan/grant system
- 8) Search for borrower/grantee or batch information
- 9) View/update borrower/grantee or batch detail
- 10) View/update student/parent demographics
- 11) Request bulk fulfillment items
- 12) Re-acknowledge batches
- 13) Perform real-time credit checks

The COD website will provide schools with a method of self-service to resolve many issues using the features listed above, and the COD Center will continue to provide quality customer service to schools requiring assistance. Updates made by schools through the website will be visible to COD representatives in real-time. The ability of COD representatives to complete the same actions as a school provides the COD representative with the ability to be proactive when assisting schools in resolving issues and discrepancies between systems. COD representatives will have access to the same data as schools and will be able to assist schools in resolving issues related to topics such as transaction processing, funding, and reconciliation. Schools will have the ability to request predefined reports to assist in identifying discrepancies between a school's system and the COD system. COD representatives will also have access to view any ad-hoc reports requested by each school.

COD representatives will have the ability to view images of Promissory Notes and the Promissory Note manifests through the Virtual Data Center (VDC). COD representatives will have daily interaction with the imaging center personnel and will be updated on the status of incoming Promissory Notes. Representatives at the COD Center will also be prepared to respond to school inquiries related to the receipt and processing of Promissory Notes.

Transaction processing support to schools is necessary to help schools with accepted batch transmission transactions that are not successfully posted during a processing cycle. Exceptions will be tracked each time a batch, or a record within a batch, does not complete successfully during a processing cycle within COD. The transaction problem will be described with a reject reason. COD representatives will work these exceptions daily and they will contact schools by phone or email to alert them of the failed batches/records and assist schools in resolving the issues. COD representatives will have outlined procedures on how to resolve issues by reject reason and will have the ability to update the record when requested to do so by a participating school. By empowering COD representatives with the ability to view and update batch and transaction information for the school, COD representatives can assist schools in resolving issues in a timely manner and ultimately provide better service to students.

Funding support for schools provided by COD will consist of representatives having access to funding information such as obligations and credit lines. Schools have different methods available to access and drawdown funds for disbursement and COD representatives will be trained to assist schools in receiving the funds they are due. COD representatives and schools will have similar views of data allowing for consistent communication between the school and COD representatives.

Reconciliation support will be provided to schools to allow the reconciliation of outstanding cash balances reported by COD to the school's internal records. Performance measures such as the Program Ceiling amount, School Ceiling amount, Current Funding Level, and Disbursement to drawdown ratio will be set and reconciliation specialists will contact SFA when certain limits or conditions are met. In addition, written notification will be systematically generated to schools when performance measures are not met. If performance measures are not met, the reconciliation specialist will review the item and contact the school to assist in reconciling the account and closing the issue. By taking a proactive approach to reconciliation support, schools will become more conscious of the need for periodic reconciliation and year end close outs will require less effort.

The ability of schools and representatives to request predefined reports/queries will add flexibility to existing methods of reconciliation. New presentations of data showing Pell and Direct Loan data in similar formats will also assist schools and COD in resolving outstanding discrepancies with less effort.

2.2. Borrower Support

The COD Borrower Services Team will respond to inquiries from borrowers regarding loan status, credit decisions, and the credit appeal process. Borrowers will continue to be referred to their institution for questions relating to payment of specific disbursements. This is necessary to maintain the school to borrower relationship. COD representatives will work with borrowers/applicants to resolve credit decision issues and inform them of available alternatives. The Borrower Services Team will also be responsible for sending new Promissory Notes and endorser addendums as needed.

2.3. Interface Support

Multiple systems exist within the origination and disbursement process and each system must interact with COD to achieve the desired goal of originating a loan or a grant. The COD Center will be responsible to maintain system balancing between the COD system and the other systems it interacts with. COD representatives will have access to the multiple systems involved with the origination and disbursement environment and will be trained to help troubleshoot and identify corrective action when issues develop. If, at any time, a transmission (incoming or outgoing) involving the COD system is unsuccessful, an exception item will be identified within COD and a representative will be alerted that there has been a transmission problem. Representatives will be able to access different systems and review the raw data from the transmission as well as having access to technical support teams from COD and TSYS to help resolve these issues. By alerting COD representatives of transmission issues, the representatives will be able to contact the school and begin resolving the issue immediately. A list of associated systems that will be accessible within the COD Center is listed below:

1. Common Origination and Disbursement System
2. Loan Origination System
3. Recipient Financial Management System
4. Pell Grant Recipient Financial Management System
5. Direct Loan Servicing System
6. Grant Administration and Payment System
7. Central Processing System
8. National Student Loan Data System
9. Financial Management System
10. Middleware
11. Virtual Data Center Imaging System

COD representatives will act as the initial point of contact when the schools have interface issues with COD processing. This will allow the school services group to monitor, track and insure the school's issue is resolved. In the cases where the

COD representative cannot offer the appropriate response, “warm-handoffs” will be provided.

2.4. Outreach Activities

COD will take a proactive approach to resolve issues with the goal of preventing problems from occurring and attempting to make contact with schools to assist with issue resolution without waiting for schools to contact COD. Reports and exceptions generated from the COD system will allow COD representatives to be aware of failed transactions and batches quickly.

COD will have a group of representatives working an early shift to review and act on priority issues prior to the start of any regular shift. This group of representatives will be able to review voice mail messages, reports and exception items at an early hour. Schools will be contacted by email (if requested) to be alerted of issues resulting from the nightly process. COD representatives can begin working on these issues and research or resolve the issues prior to schools contacting the COD Center.

COD will provide SFA and management with reports identifying trends and historical patterns (format and data to be defined). COD representatives will alert SFA personnel of all open issues involving a school prior to an SFA visit to that school, allowing SFA to work with the school and COD toward issue resolution. Frequent meetings between COD and SFA personnel will provide the opportunity to identify and resolve future problems and provide better customer service to schools.

COD will report on the metrics proposed as the SFA Performance Measures for Schools below.

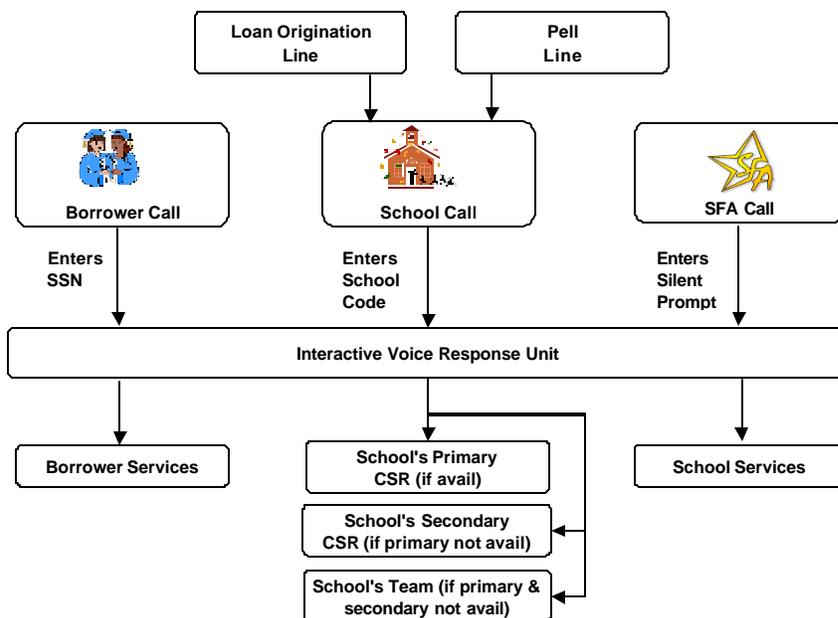
POTENTIAL MEASUREMENT		PELL	DL
1	Average reported disbursement to draw down ratio ¹	X	X
2	Average accepted disbursements to obligated funds ratio	X	
3	Average float ²	X	X
4	Average number of days from disbursement to reporting of the disbursement		X
5	Average number of days from occurrence of change in disbursement amount to reporting of the change in disbursement amount	X	X
6	Average number of days from occurrence of change in disbursement date to reporting of the change in disbursement date		X
7	% of Accepted Disbursements (where today > 30 days since disbursement date) without P-Notes on file		X

3. Workflow Management

Workflow Management is defined as the recording, tracking, working, and reporting of activities performed by the COD representatives in response to telephone calls, emails, letters, faxes, etc. The COD Workflow Management process will utilize an Interactive Voice Response Unit (IVR), Imaging System, Call Management System, and the Total System (back-end application) queuing technology.

3.1. IVR and Call Management System

Incoming calls to COD will be prompted by the IVR to enter a primary language and a unique identifier (school code for schools, SSN for borrowers – SFA will have a silent prompt to connect directly to a dedicated SFA team member). Calls will be routed dependent on the incoming telephone line and the input of the caller. Callers to the Applicant Services Line will be routed to the Borrower Services Team within COD and the Social Security Number (SSN) entered by the borrower will allow the COD representative to have access to the borrower's account without having to request that information again. Callers to the School Services Line will be routed to the School Services team member assigned to that school. If the primary team member is not immediately available to accept the call, the call will then be routed by the IVR to the secondary team member assigned to that school. If neither the primary nor secondary team member is available, the call will then be routed to another member of the team assigned to that school. Calls received after the normal hours of operation (8 a.m. EST – 8:30 p.m. EST) will have the option of leaving a voice mail message for their team. The picture below depicts call routing at the COD Center.



The COD Call Management System will allow for tracking of phone statistics on incoming and outgoing calls within the COD Center. Incoming and outgoing call information will be reported on a periodic basis to management and SFA. Standard phone reporting includes the following statistics:

Ref.	Reports on Inbound Calls	Reports on Outbound Calls
1.	Total Calls	Total Calls
2.	Calls Handled	
3.	Calls Abandoned	
4.	Percentage Answered	
5.	Average Speed of Answer	
6.	Average Talk Time	Average Talk Time
7.	Average Hold Time	
8.	Average After Call Work Time	
9.	Average Abandon Time	
10.	Blockage Rate	

In addition to the standard reporting package provided to management, additional reporting including the statistics listed above will be available on individuals and teams. Supervisors and Team Leads will use this information to determine the need for additional resources, training, and to complete performance evaluations.

The Call Management System will also interact with a workforce management tool. The workforce management tool will help to identify how many employees are needed to answer incoming calls and what time of the day the employees are needed. This tool helps to forecast how many calls will be received as well as the day and time of the week when the highest call volume is expected based on historical volumes.

For the details on reports generated by the queues, please refer to section **3.6 Reporting from Queues**.

3.2. Queuing Technology

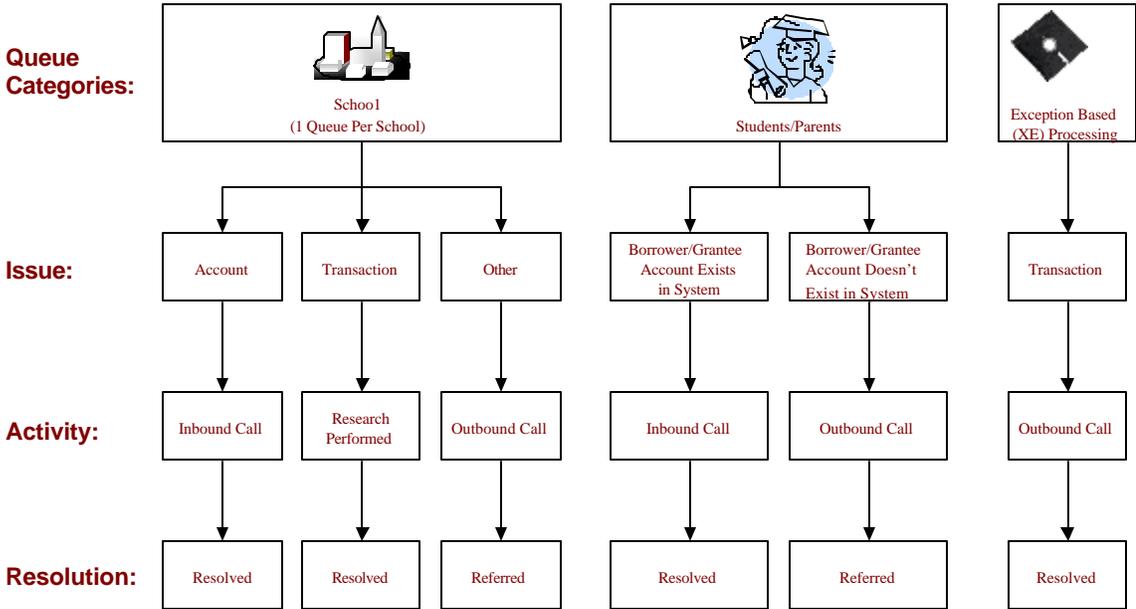
Queuing technology will allow the COD representatives to manage their daily workflow. Queues will allow COD representatives to create and track issues associated with a particular school or borrower in a school queue or a borrower queue. This process is being established to enable the COD representatives to effectively track and work individual issues associated with a particular school or borrower. Additionally, by utilizing queues and this workflow management process, COD management can effectively monitor a representative's workload

and make any necessary changes to balance the workload throughout the COD team to better serve schools or borrowers.

The COD Workflow Management Conceptual Design outlines how data is logically stored and processed after the COD representative at the COD Call Center has received a call or an issue has been opened by other means such as by web, email, failed records during batch processing, and correspondence. This design serves as a high-level logical data model and provides a foundation upon which to build a detailed design of how data is presented in the COD application. For a depiction of the COD Workflow Management Conceptual Design, please refer to the picture below.

COD Customer Service

Workflow Tracking Tool- Conceptual Design



There are four primary levels or tiers of data storage in COD Workflow Management: **Queue**, **Issue**, **Activity**, and **Resolution**.

3.2.1. Queue

There are three categories of queues in the COD application: queues for Schools, queues for Borrowers, and queues for Exception items (ie, XE). The primary key to track the School issues will be a unique school identifier, the primary key to track the Borrowers will be their Social

Security Number (SSN), and the primary key to track Exception Transactions (XEs) will be an issue number (containing an Interface ID and a Reject Reason Code). Here are some examples for a queue for Schools: G00000 Anytown University; a queue for Borrowers: #123-45-6789 Jane Doe; and a queue for Exception Transactions (XEs): Issue #DLS001-02 where DLS is the Interface ID, 001 is the Sequence Number, and 02 is the Reject Reason Code.

3.2.2. Issue

There are three types of issues for Schools: Account, Transaction, and Other. A caller could have an issue with the Account, Transaction, or Other aspect of a particular School.

There are two types of issues to address the two categories of Students/Parents: Borrower/Grantee Account does exist in the COD application or the Borrower/Grantee Account does not exist in the COD application.

3.2.3. Activity

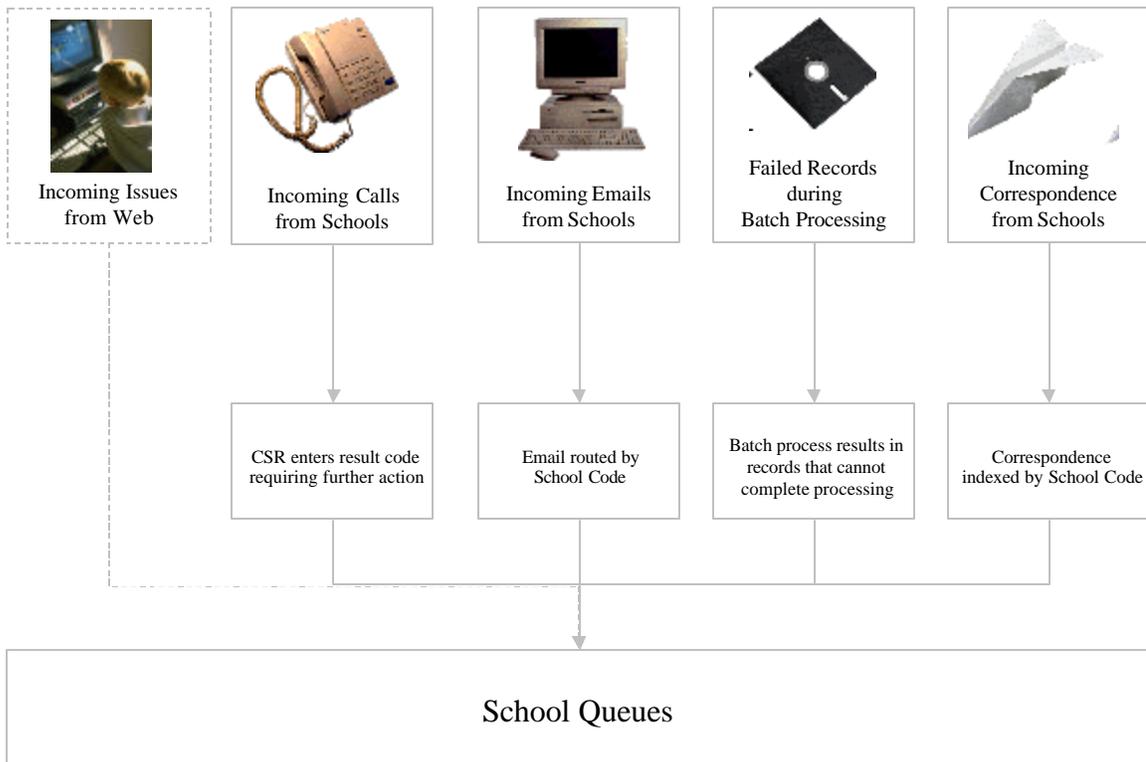
The activity level denotes the events or activities that a COD representative performs in order to bring the issue to resolution. Examples of activities include Inbound Calls, Outbound Calls, Research, etc.

3.2.4. Resolution

The resolution level denotes how the issues (derived from the initial call and correlating to a particular school or borrower) were resolved. Some examples could be resolved or referred.

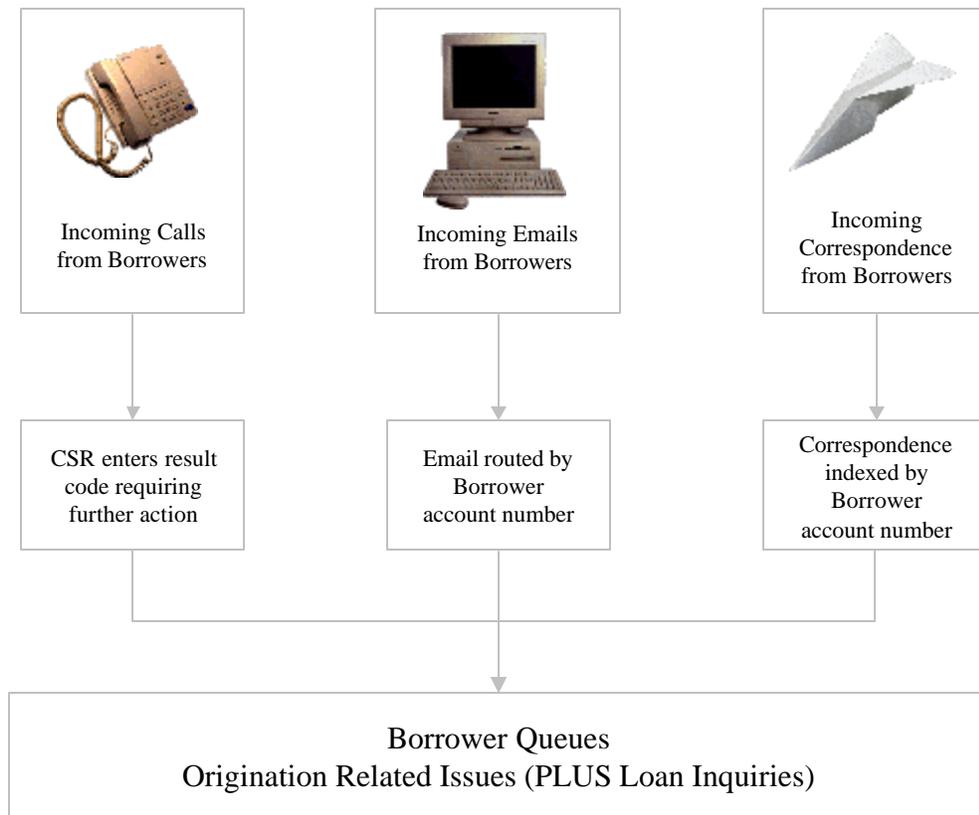
3.3. COD Incoming Workflow Items into School Queues

The picture below depicts the flow of data (via web, telephone call, email, failed records during batch processing, and correspondence) into the COD Center and into the school queues. When schools make incoming telephone calls to the COD Center, the COD representative will log an issue and enter an action code on the issue denoting further required action. A unique school identifier will route both incoming emails and incoming correspondence. Failed records during batch processing will be sent directly into the school queue. Ultimately, these incoming workflow items will reside in a unique queue for each school and will be worked accordingly until any issues are resolved.



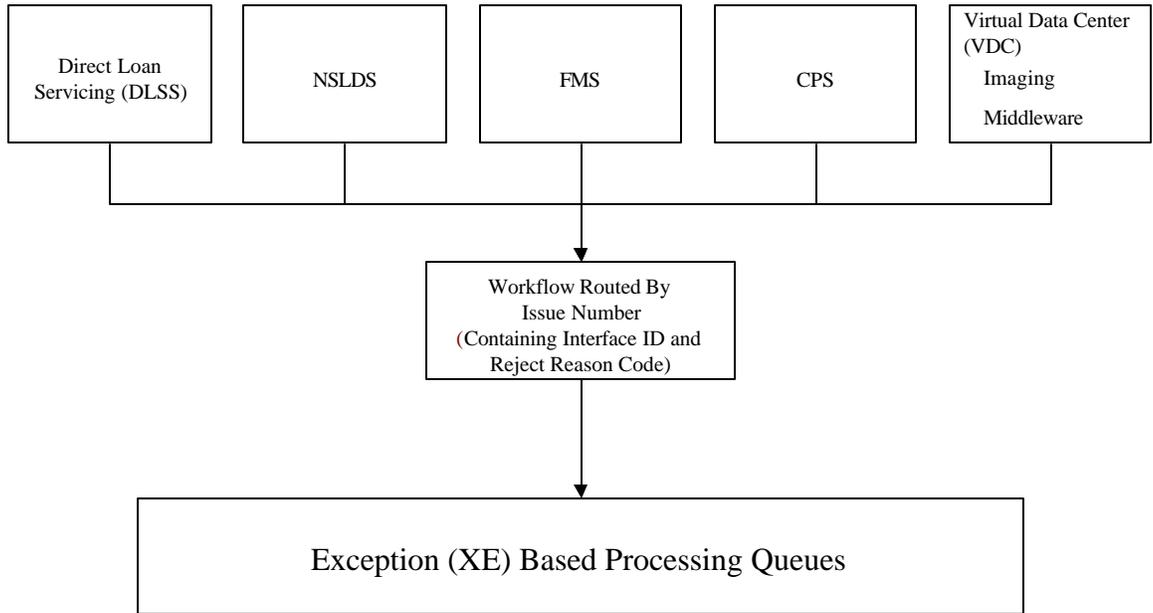
3.4. COD Incoming Workflow Items into Borrower Queues

The picture below depicts the flow of data (via web, telephone call, email, failed records during batch processing, and correspondence) into the COD Center and into the borrower queues. When borrowers make incoming telephone calls to the COD Center, the COD representative will log an issue and enter an action code on the issue denoting further required action. The borrower's account number will route both incoming emails and incoming correspondence. Ultimately, these incoming workflow items will reside in a unique queue and will be worked accordingly until issues are resolved.



3.5. COD Incoming Workflow Items into Exception (XE) Queues

The picture below depicts the flow of exception (XE) transaction data/COD interfaces (DLSS, NSLDS, FMS, CPS, and VDC Middleware) into the COD Center and into the exception (XE) based processing queues.



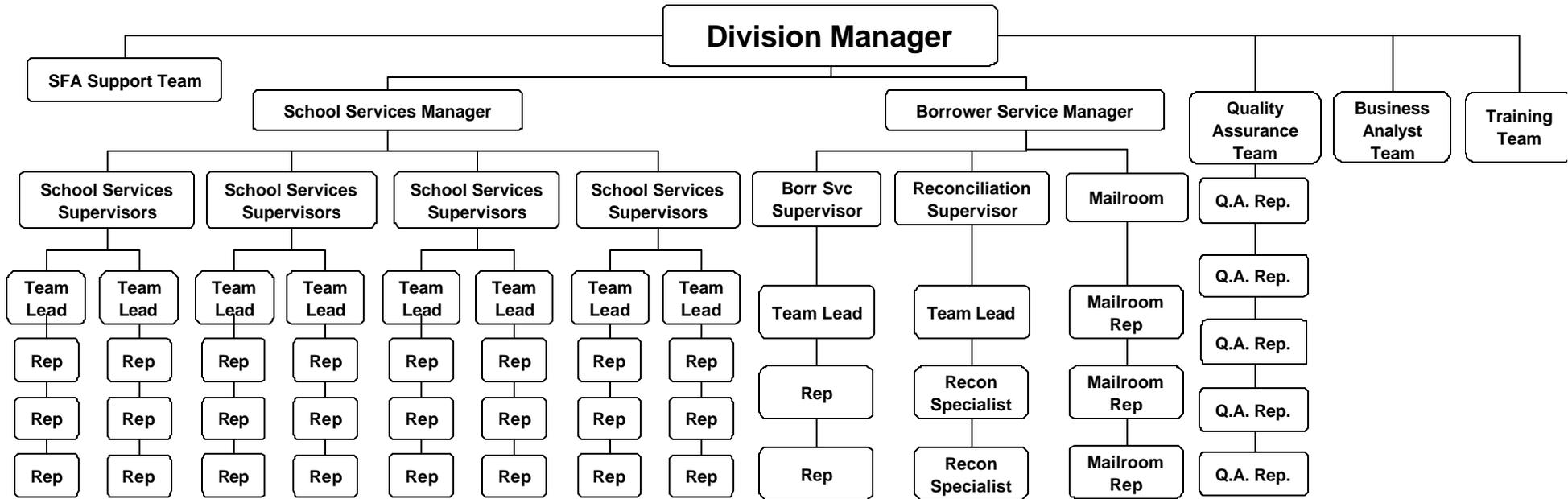
3.6. Reporting from Queues

The COD system will provide multiple reports relating to queued items. A group of reports will run on a periodic basis as well as some on-demand reports only created by user request. The results of these reports will be shared with SFA and COD management to help identify trends, performance, and potential problems within COD or within a school's system. Summary reports will help to identify the volume of workflow and allow COD to distribute the work efficiently.

4. Team Structure

The COD Center will consist of a SFA Support Team, a School Services Team, a Borrower Services Team, a Reconciliation Team, a Quality Assurance Team, a Business Analyst Team and a Training Team. All teams will meet daily to exchange ideas and offer assistance to other teams as needed. Methods used to identify and resolve issues within each team will be documented and available to other teams for review. By leveraging the knowledge of each team across the entire center, issues will be identified and resolved faster than if each team acted independently. An organization chart for the COD call center is represented on the next page.

COD Call Center Organization Chart



COD Call Center Staff
SFA Team
School Services Team
Customer Service Team
Reconciliation Team
Mailroom
Business Analysis Team
Quality Assurance Team
Training Team
Estimated Average Overall Staffing: 98

4.1. SFA Support Team

The SFA Support Team will be dedicated to responding to calls from all SFA staff. This team will also make outgoing calls as needed in response to questions or inquiries from SFA. These representatives will have knowledge of all system processes for each school. This team will be directly involved with all other teams within the COD Center and will be aware of outstanding issues with all schools. This group of representatives will be highly skilled and knowledgeable on all systems involved with COD and will be able to provide SFA with updates and detailed information about issues relating to schools.

The SFA team will work proactively to identify issues with schools using reports and ad-hoc queries to determine if a trend is emerging (for example – every Tuesday, all batches from a particular school reject). Once identified, these issues will be brought to the attention of SFA at regularly scheduled meetings between the team and SFA personnel.

4.2. School Services Team

The School Services Team will consist of multiple groups responsible for servicing incoming requests from schools, third-party servicers, Direct Loan Servicing, third party developers, and Campus Based programs. Each team member will have knowledge and training on the Pell, Loan Origination, and COD systems as well as CPS, DLSS, NSLDS, Clearinghouse, and GAPS.

School Services Teams will each be responsible for a group of schools and all of the incoming calls, outgoing calls, and workflow involved with those schools. Each team will assign a primary representative to each school/third party servicer within its group of schools, this team member will be the initial contact each time that school calls unless he/she is unavailable. A secondary representative from within the same team will also be assigned to each school and will be the next point of contact for a school if the primary representative is not immediately available. By allowing each school to have a primary and secondary representative, school contacts become familiar with dealing with the same people. Those representatives, in turn, will become familiar with each school's needs and this will promote a consistent level of service to the schools if the primary contact are not available. If both the primary and secondary representative is busy at the time of the call, the school will be routed to an available member of the team responsible for that school. Documentation of all issues and contact with schools within the COD system will enable any representative at the COD Center to respond to an inquiry by a school.

Team members accepting incoming calls will be trained on all levels of customer service needs and will have the ability to view and analyze the data as it is seen by

the school. Representatives will be trained to understand the unique requirements of schools using certain third-party software, mainframes, or combo systems. The ability to update fields within COD as well as having access to updated batch information empowers a COD representative with the means to resolve issues for schools and assist in teaching schools the methods to resolve the issues themselves.

In addition to viewing and updating data, COD representatives will have the ability to access other systems such as GAPS, DLSS, RFMS, LOS, NSLDS and the Virtual Data Center (images of correspondence & Promissory Notes). COD representatives will have the ability to search for borrower or batch information, resend acknowledgments, request fulfillment and update a school file. Procedure manuals, error code reference manuals and the technical reference manual will be available to representatives at all times as reference sources.

4.3. Borrower Services Team

The Borrower Services Team will be dedicated to borrower specific inquiries, endorser issues and the processing and handling of credit appeals. Incoming calls to the applicant services line will be routed to a representative within this team. These representatives will have knowledge on all of the systems that a school services representative uses and additional knowledge relating to the handling of borrower and endorser inquiries and credit appeals. This team will work all workflow queues involving credit appeals and borrower inquiries. Borrower Services representatives will have the ability to update demographic information as required and the ability to send correspondence to borrowers as requested by borrowers. The Borrower Services Team will also be responsible for completing skip trace activities on returned mail.

4.4. Reconciliation Team

The Reconciliation Team will have the primary function of assisting school reconciliation activities with COD and FMS on a periodic basis. Reconciliation team members will use reports created by the COD system as well as queue items to monitor school performance relating to rejected transactions and cash balances. If schools fall below acceptable performance measures in certain areas, a queue item will be created and reconciliation specialists from COD will alert SFA of the issue and provide support in resolving the issue. Some of the areas where performance will be monitored are drawdown to disbursement ratio, current funding level, program ceiling amount, school ceiling amount, float amount, or drawdown tracking/aging. Access and training on multiple systems including LOS, RFMS, COD, DLSS, GAPS, and CPS will allow these specialists to assist schools during the reconciliation process. COD representatives will use reconciliation reports and access to multiple systems and data provided by the

COD system to assist schools with identifying differences created by failed transactions or batches. A Work in Process Report will be created that provides a summary level of detail of the work in process transactions. A reconciliation specialist will review the report and contact the school to assist in resolving rejects. Reconciliation representatives will have the ability to update and correct data within the COD system in appropriate situations allowing for resolution of issues without the need for escalation.

The Reconciliation Team will provide support to SFA in handling all Post Year Closeout activities. COD will utilize the existing mechanisms that will enable Post Year Closeout activity to be created and forwarded to Direct Loan Servicing and FMS.

In addition to their responsibilities to assist schools during the reconciliation process, reconciliation team members will also assist in reconciling the COD system with other systems such as Direct Loan Servicing and Financial Management System (FMS). These representatives will have access to the raw data sent from the COD system and knowledge of the procedures on how to resolve 'XE' issues. The Reconciliation Team will work all financial rejects received from DLSS and FMS and resubmit the corrected data.

4.5. Quality Assurance Team

The Quality Assurance Team will be responsible for monitoring the quality of work done within the COD Center as well as the methods used to complete this work. Phone monitoring, email/correspondence reviews, and process reviews will be completed by members of the Quality Assurance Team on a regular basis to allow this team to make recommendations to management on process improvement techniques. The team will actively review current quality and performance indicators to develop processes to track and correct issues and consistently deliver quality services. Additionally, the Quality Assurance Team will address congressional issues.

Department managers and senior management will review monthly Quality Initiative Reports presenting Quality Testing results for the current period as well as trend data. Aberrations to expected results will require explanations by managers as well as action plans as required for improving future results.

Management will foster and create an environment where Quality Assurance and continuous improvement are incorporated into the daily business operations. This will be evidenced by incorporating Quality Assurance into every position starting with initial training/orientation sessions, as part of the performance evaluation process and establishing incentives for meeting quality goals in performance of completing position responsibilities.

Daily Operations Reports will include actual call and processing volumes against established standards. These timely reports will be reviewed at Managers Operations meetings and adjustments to staffing will be made to ensure standards are maintained.

The Quality Management Program will actively monitor Key Indicators, Quality Trending Performance Reports, and review Quality Assessment Reviews as well as action plans to address quality issues as they are identified.

In order to further achieve this objective, the Quality Assurance Team will incorporate many of the processes/principals identified by the International Organization of Standardization (ISO) and highly recognized Performance Based Organizations (PBO).

- *Objectives and Goals:*

The Quality Assurance Team quality process also includes defining clear objectives for the entire team, as well as different functions and operating lines/Service Centers and for each individual team member. These goals and objectives are constantly reinforced at team meetings and displayed on signs/posters/banners in the Call Center.

The Quality Assurance Team will incorporate Results Driven Objectives with Specific Measurable goals, including Individual Performance Levels, Customer Service Standards, Identified Targets for Improved Service, which are designed to produce results that our customers value. Our ongoing measurements with standards and goals will be prominently displayed in common employee areas as well as discussed at team/individual performance meetings.

- *COD representative:*

Initial orientation training, team coaching available during calls, incentive program for achieving high levels of quality, call monitoring, quality testing score card, performance trending, timely feedback on call monitoring results (identify positive areas and areas for improvement).

The Quality Assurance Team will have a management-initiated process supported by all employees. ISO International Organization Principals include the involvement of people to actively encourage team members to provide input on the process. COD will accomplish this by:

- Including employee-run Process Improvement Teams, Focus Groups (which identify a process perform detailed analysis of related processing issues and identify recommend cost effective measures that

enhance the process to create increased response and customer service) and Total Quality Management Training.

- Daily communication of Team Quality results gives staff and team immediate feedback on their performance standards.
- Actively seeking team member input during team meetings as it relates to quality or processing concerns identified.

4.5.1. Disaster Recovery

The COD Center will have a comprehensive recovery program in place that helps ensure consistent and uninterrupted processing. These measures include Safety and Soundness (e.g. preventive planning and controls over the physical environment in which employees and information systems operate), data security and thorough backup of all data and program files. In the event of a catastrophic event that impacts any of the operations, a detailed Business Resumption Recovery Plan will be implemented to cover all aspects of the programs administered.

The recovery of data processing and operations functions are supported by detailed Business Resumption plans and procedures that cover the backup and off-site storage of electronic data files. The system recovery plan also addresses the use of backup data processing facilities that are capable of supporting all of the COD team data processing needs. Arrangements will be made to recover the telecommunications network and support functions in a manner that will minimize the impact to our client and program participants.

The COD Center's comprehensive corporate Business Resumption Process for the program is similar in design to the ones developed for and currently in place at other AFSA locations. This program will be designed to handle catastrophic events that would affect the program facilities or surrounding areas. The recovery strategy that AFSA uses is based on a Business Resumption organization designed around distinct Business Resumption Teams that are responsible for all aspects of the recovery process.

The Business Resumption Plan contains all of the information necessary for general notification, assessment and relocation of all staff and operations in the event of a disaster. It includes the following:

- Call Lists for all team managers, emergency personnel, key organizations, and support vendors (e.g. electricians, hardware and office suppliers, telecommunication providers, etc)

- Listings of the space, equipment and system needs of each operational department
- Travel & lodging contacts
- Guidelines & general recovery procedures
- Inventories of off-site disaster recovery storage boxes
- Media guidelines
- Vendor commitment letters
- Locations and maps for all command center and recovery sites

Routine testing of the Business Resumption Recovery capability will be performed annually between the Data Processing and recovery facilities as well as with all Business Resumption Teams. The following three (3) types of tests are performed by AFSA: Relocation Test, Tabletop/Walkthrough Test, and Notification.

The primary objective of each test is to ensure that the plans will successfully support the recovery objectives of the organization in the event of a real disaster. They also provide a learning process for those individuals who are involved in the recovery process. Prior to any test, Program Management will jointly agree to the specific pass/fail criteria that will be used to evaluate the tests. Any unsuccessful tests will be repeated until the requirements of the test have been successfully met.

The COD Business Resumption Plan will be created and made available before February 2002.

4.6. Business Analyst Team

The Business Analyst Team will be responsible for researching system problems and working with the development staff to define, develop, and resolve these problems. This team will also be available as necessary for meetings with SFA and to work to implement needed changes to the COD system.

The Business Analysis Team will act as the liaison between the end users and system development team. The team will provide support in developing on-going requirements and proposed business solutions. The team will participate in all requirements gathering sessions and work with Schools, SFA and Customer Service to develop these solutions.

The team will function as the resident experts on the business processes as well as system processes. The team will research on-going system problems/issues as they develop and provide interim solutions if necessary. The team will also provide support to schools as necessary as they develop their system process for the common process.

5. Recruitment and Employee Retention

5.1. Recruitment

Recruitment of potential employees will begin with gathering qualifications and thorough job descriptions prior to interviewing. Outreach programs within the community to schools, colleges, job fairs and local community agencies will be used to contact possible candidates and educate them about available positions. Human Resources, Line of Business and Training will all work together to act as recruiters during these outreach programs and the entire recruitment process. Advertising tools such as TV, radio, and print media, as well as internal advertising using posters, flyers, and job postings will also be used to attract applicants.

COD will use behavior based interviewing to determine the best candidates for positions. Once hired, retention of these employees will be improved by the advantages of working within the COD center. In addition to competitive benefits and flexible working schedules, COD will offer an attractive career path including paid training, promotions from within and opportunities within a multi-faceted organization. Work & life programs, recognition programs, and company organized family and employee events will also promote the rewards of working within this center and encourage long-term employment.

5.2. Employee Retention

In order to minimize attrition and encourage continued education of COD personnel, an incentive program will be developed within the COD Center. The incentive program will provide benefits to representatives meeting superior levels of customer service. Periodic evaluations referencing call tracking, call monitoring and certification training will be used to determine the performance level of each COD team member. These evaluations will play a key role in the development of representatives and will allow employees to be eligible to receive incentive benefits.

COD representatives with consistently high achievement in assisting callers will receive special recognition.

6. Training

6.1. New Hire Training

COD Customer Service will use certification training. This is a performance based training method that certifies both knowledge and skill application. School Service representatives will be provided with an Individual Learning Plan that includes procedures and systems common to the COD program as well as Customer Service skills. The training will contain a strong focus on Excellence in Customer Service. The training program will include the basics of Customer Service, the Exceptional Telephone Representative, and a Computer Based Training (CBT) that assesses problem solving abilities as well as customer service skills.

Trainees' knowledge will be assessed at the end of each training module. A score of 95% is required on a closed book test for each assessment. If a trainee fails to score a minimum of 95% on the test, the trainee will have the opportunity to take the exam again after additional training is given. The final exam will consist of knowledge and skill based questions, scenarios and video taped role-plays to demonstrate customer service skills. Automated testing software (TCS) will be utilized for all quizzes, the final exam and for other competency based tests performed during the employees' tenure. This software will allow instantaneous feedback to the representative taking the test such as test scores. A report may be produced to identify areas of weakness for each representative and to note where additional training maybe needed.

Training will also include On the Job Training (OJT) with qualified coaches. During the start up phase and in the absence of live telephone work, the training will rely heavily on video taped role-plays in which performance is measured against quality control standards.

The Training Team will be responsible to train all COD personnel. They will also develop training programs and schedules while working with supervisors and managers to assess skill levels and schedule recurrent training.

6.2. Recurrent Training

Recurrent training will be planned based on needs analysis, but we occur at minimal intervals of six months. Recurrent training will include:

- Knowledge based training
- Skill based training
- Customer service skills training

Re-certification and benchmarking will occur on an annual basis.

6.3. Additional Training

Career and Leadership Development will be an ongoing portion of employee training. AFSA's Career and Leadership Development department will also provide training in "Teambuilding" and "Coaching and Modeling" for Team Leads as well as job coaches.

7. Staff Qualifications

The following are the basic staff qualifications for the four primary customer support teams.

7.1. School Services Representative

- 2 years college education or equivalent relevant work experience.
- Ability to learn and understand the student aid programs and regulatory requirements as presented in the training program.
- Developed oral and written communication skills.
- Strong analytical and problem solving skills.
- Commitment to customer service.

7.2. Borrower Services Representative

- High school diploma or equivalent with 1-3 years prior work related experience.
- Ability to learn and understand the student aid programs and regulatory requirements as presented in the training program.
- Developed oral and written communication skills.
- Excellent organizational and interpersonal skills.
- Strong analytical and problem solving skills; attention to detail.
- Commitment to customer service.

7.3. Reconciliation Representative

- 4 year college education or equivalent relevant work experience in Accounting or related field.
- Knowledge of Government Accounting Processes, i.e. Appropriations.
- Ability to learn and understand the student aid programs and regulatory requirements as presented in the training program.
- Developed oral and written communication skills.
- Strong analytical and problem solving skills.
- Commitment to customer service.

7.4. Quality Assurance Representative

- 4 year college education or equivalent relevant work experience in Business or related field.
- Ability to learn and understand the student aid programs and regulatory requirements as presented in the training program.
- Developed oral and written communication skills.
- Strong analytical and problem solving skills.
- Commitment to customer service.

8. Transition

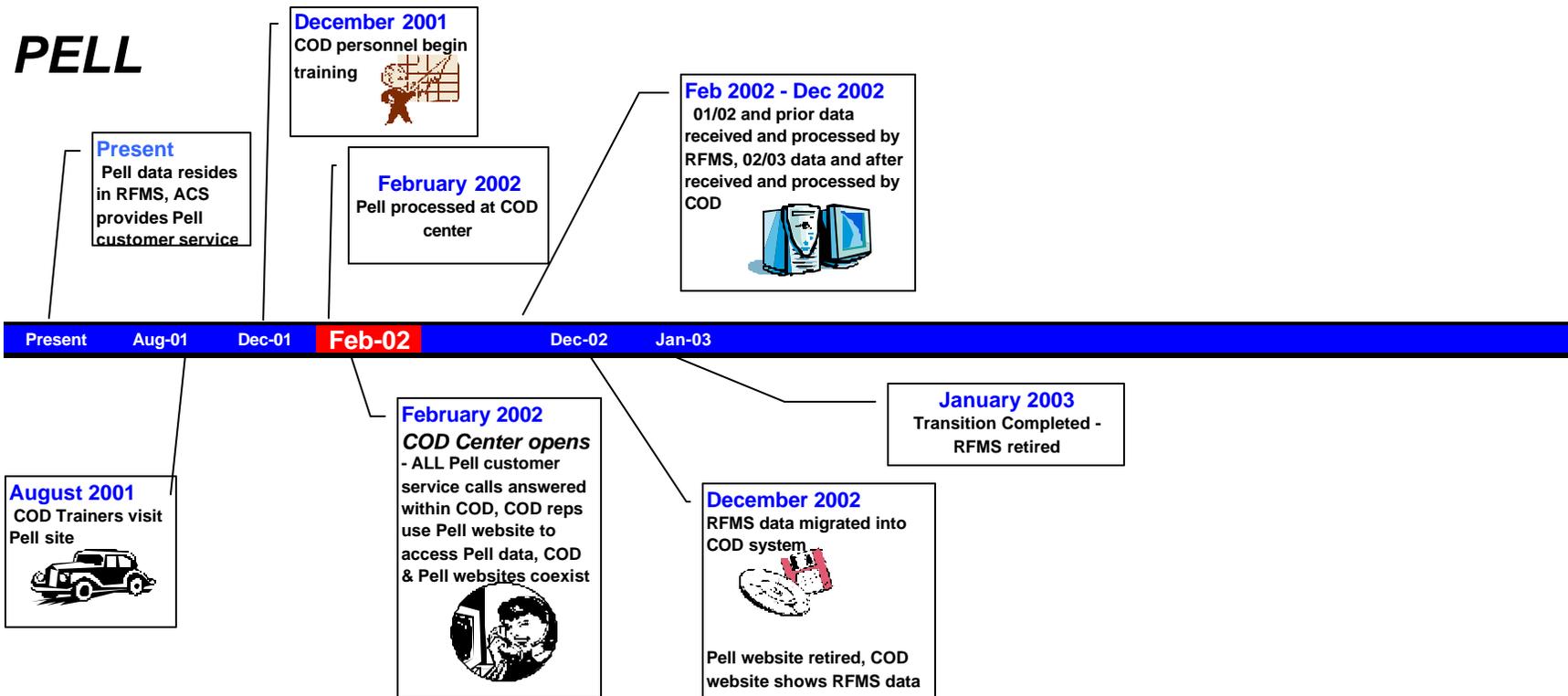
8.1. Introduction

The transition process will begin in February 2002 with the opening of the COD Call Center and complete upon retirement of the Loan Origination System and RFMS. This section of the customer service document will identify the business components affected by the transition and outline COD's strategy to be used during this period of time.

8.2. Transition Timeline

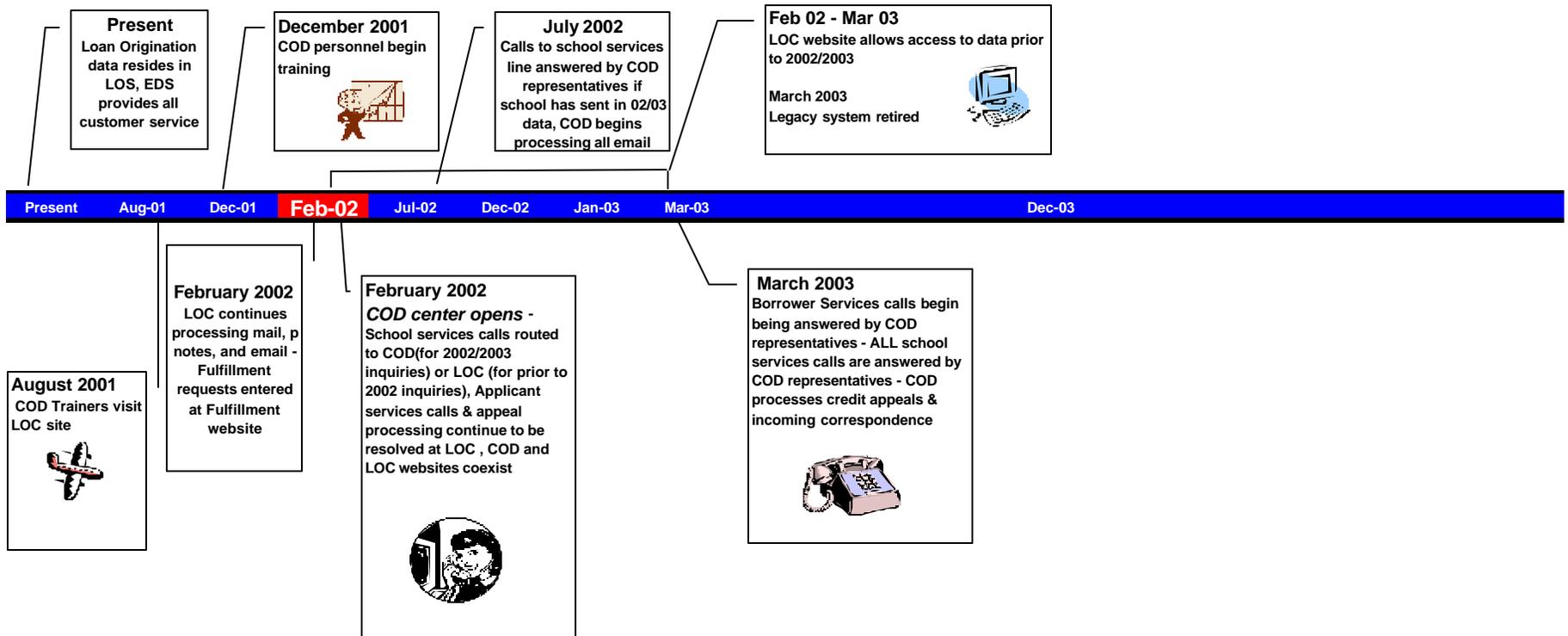
Please refer to the pictures on the following pages which highlight the COD Transition timeline for Pell and Direct Loans.

TRANSITION TO COMMON ORIGINATION AND DISBURSEMENT



TRANSITION TO COMMON ORIGINATION AND DISBURSEMENT

Direct Loans



8.3. Incoming Calls

There are four incoming phone lines that will be centralized within the Common Origination and Disbursement Center. The phone numbers of the existing lines and where they are currently answered are:

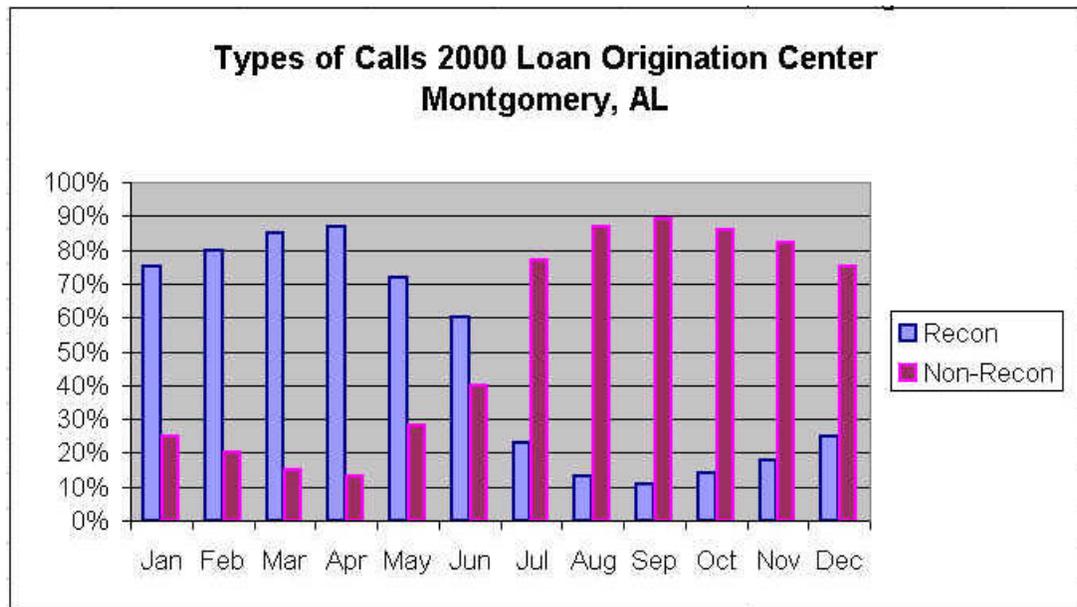
- 1-800-848-0978 School Services –
Loan Origination Center, Montgomery, AL
- 1-800-557-7394 Applicant Services –
Loan Origination Center, Montgomery, AL
- 1-800-557-7395 TDD – (currently used for consolidation & origination)
Loan Origination Center, Montgomery, AL
- 1-800-474-7268 Pell Customer Service –
Pell Center, Rockville, MD

In order to centralize incoming calls within one center without creating drastic changes to the school process, and to leverage existing knowledge from within the current centers, COD will begin accepting and answering these lines with a multi-phased approach.

8.3.1. Phase I

The initial phase will begin in February 2002, at that time COD will begin receiving all calls to the LOC School Services and Pell customer service lines. At this time, all calls to the Pell customer service line will be routed to COD representatives and these representatives will respond to all Pell inquiries. Schools initiating calls to the Loan Origination School Services Line with inquiries regarding prior year data will be routed to the existing call center during this phase to allow existing customer service representatives to assist these schools using the existing legacy system. The calls will be routed using an Interactive Voice Response (IVR) system. The IVR will prompt a school to input a language preference, OPE code, and the program year the inquiry is about. By prompting the schools for input on the program year of the inquiry, calls can be routed to the center with the best ability to resolve the school's issue. A silent prompt will be available to SFA personnel, and by choosing that prompt, SFA personnel will have the ability to route their call to either center (this prompt will continue to exist after the transition is completed but will just connect SFA directly to a COD representative).

Prior historical trends for Direct Loans (see chart below) indicate that the majority of calls received by LOC customer service lines from February to June each year are calls relating to reconciliation issues for previous years, or questions regarding prior year data. The data needed to resolve inquiries regarding reconciliation for years prior to 2002/2003 will continue to remain on the LOS. When schools input the year of the inquiry into the IVR, the call will be routed to the LO center if the inquiry references data prior to 2002/2003. Assuming the historical trend of reasons for calls continues in 2002, the majority of call volume would be routed to representatives at the LO center during this initial phase of transition. This will give COD representatives the opportunity to monitor these calls and gain additional experience before the majority of call volume is routed to COD representatives. Calls regarding 2002/2003 data would be routed to COD representatives and these representatives would request assistance from LOC representatives as needed by initiating a 'three-way call', where the COD representative, LOC representative, and the school contact remain on the call until the issue is resolved. During this first phase, calls to LOC representatives by COD representatives will be a crucial part of the experience gained by a COD representative.



Each year, beginning in July, the types of calls received shifts from inquiries regarding reconciliation to inquiries regarding loan status and batch information. The majority of loan status and batch questions received after June are about current year loans (2002/2003 in this case). Since loan data for current year loans will be located within COD, July 2002 is the beginning of the second phase of the centralization of origination and disbursement centers.

8.3.2. Phase II

During Phase II, calls to the Pell customer service line will continue to be routed to COD representatives.

Calls to the Loan Origination customer service line will continue to be routed using updated business rules residing within the IVR. A daily update to the IVR from the COD system will allow the IVR to route calls from any school that has transmitted year 2002/2003 data to be routed to a COD representative. It is assumed that schools that have submitted 2002/2003 data are presumably calling with inquiries relating to that data. Any school that still has not submitted a 2002/2003 record will continue to have calls routed to the LOC in Montgomery. COD representatives will continue to have the ability to initiate a call to the LOC to request assistance from those representatives or to transfer control of the call to those centers if the inquiry is regarding prior year data.. The additional experience acquired by COD representatives between February and July will allow these representatives to respond to the majority of incoming calls from schools without requiring assistance from other centers.

COD will establish a TDD line at the COD Center in July 2002. The existing Loan Origination/Consolidation TDD line will become a TDD line specifically for Loan Consolidations. Notification will be sent to schools and students that TDD inquiries regarding Direct loans or Pell grants should all be directed to the COD TDD line. Any requests received by Loan Consolidations relating to loan origination will be forwarded to the COD Center.

8.3.3. Phase III

The final phase, to be completed in March 2003, will consist of COD receiving the calls to the current applicant services line. With historical data indicating March to be a relatively reduced number of incoming applicant calls, this is an appropriate time to transition these calls from LOC to COD. During the period prior to March, COD representatives will have the opportunity to monitor applicant calls to LOC and take note of how these calls are resolved by experienced representatives at the existing center. COD representatives will continue to have the ability to use 'three-way calling' as needed during this phase.

By using a phased approach to centralize all incoming calls into the COD Center, COD allows its representatives to gain experience and valuable knowledge from existing representatives at the current centers. The use of

three way calling will allow COD to benefit from existing relationships between LOC representatives and school contacts to develop a trust and understanding between school contacts and COD team members while continuing to provide the highest level of customer service available.

8.4. Website

Separate websites currently exist for Pell and Loan Origination. These websites will continue to exist during the transition period to allow schools to view data on the existing legacy systems. A COD website presenting both Direct Loan and Pell data will be created to allow schools access to the 2002/2003 and newer data. The COD website will have direct links to the existing Pell and Loan Origination sites.

During the transition period, schools will be prompted to input the year of the inquiry after successfully logging into the COD website. Inquiries regarding loan data prior to 2002/2003 will allow the user to use the existing websites to access the data. Inquiries relating to loan data from the year 2002/2003 or after will use the COD website. Pell and Loan Origination websites will be retired when the respective legacy data is no longer needed or can be accessed through the COD website.

8.5. Email

Currently, Pell and LO Centers each have an email address that schools can use to contact these centers. Each center will continue to manage their incoming email using existing methods until July 2002. During the period from February to July 2002, a COD email address will be provided to each center and if there are any emails needing the attention of a COD representative, the existing centers will forward the email to the COD address for attention. Schools initiating an email while on the COD website will have the option of sending the email to the Pell, COD, or Loan Origination Center.

After July 2002, COD will have an email management process in place and the incoming email to Pell and LOC will be electronically routed to the COD Center to be worked by a COD representative. Any email created while using the COD website will also be received at COD, the website option for choosing to send the email to Pell or LOC will be eliminated. All incoming email to COD will be routed to the appropriate team (by OPE number) within COD or routed to the LO center as needed. Outgoing email, from all centers, will give the appearance to the sender of a single entity responding to all email.

8.6. Incoming Mail, including Promissory Notes

LOC currently works incoming mail in a variety of ways depending upon the type of mail. Therefore, the description of the transition process for incoming mail is divided into two categories: Promissory Notes and other incoming mail.

8.6.1. Promissory Notes (Loan Origination Only)

Currently, Promissory Notes are manually reviewed at the LOC and returned if they do not pass certain visual edits. If a Promissory Note passes visual review, the note is then imaged and the data on the Promissory Note is converted to electronic format ('metadata') using Optical Character Recognition (OCR) and data entry. This Promissory Note metadata is then moved into the LOS where the systematic editing and processing begins.

Promissory Notes will continue to be received by the Loan Origination Center until February 2003 and the Promissory Note data will be forwarded to the COD systems as needed. After February 2003, an SFA enterprise solution for imaging will take responsibility for imaging Promissory Notes and providing the metadata to COD.

8.6.2. Other Correspondence (Loan Origination Only)

Other types of correspondence are currently separated within the LOC by document type and then forwarded to the appropriate team to complete processing on the hard copy of the document. Once the processing is completed, the document may/may not be imaged depending upon the document type and the need for access to the document's information in the future.

LOC has identified the majority of incoming mail throughout the year to be related to the processing of credit appeals. When COD begins operation in February 2002, LOC will continue to receive and process incoming mail. This approach will be used due to LOC's continued processing of credit appeals during that time. If any piece of incoming mail requires attention by a COD representative, the mail will be copied and sent by overnight mail to the COD Center. In addition, COD will have the ability to scan any correspondence received at the COD Center into the VDC after having completed any necessary processing.

Beginning in February 2003, mail received by the LOC or COD will be imaged into the VDC and COD representatives will be responsible to complete all processing on this correspondence. The VDC imaging

system will interact with the COD system and the COD Center will use the queuing technology within the COD system to track and manage workflow created by incoming mail. COD representatives will have access to the image through the VDC and processing of this correspondence will be completed by accessing these images.

8.7. Fulfillment (Loan Origination Only)

School requests for bulk fulfillment are currently requested to representatives at each center or entered on the existing websites. After these orders are accepted, each system has an existing fulfillment procedure that includes forwarding these requests to a warehouse to be packaged and/or sent to the school. Beginning February 2002, representatives at all centers will be required to enter fulfillment requests from schools directly into a common fulfillment website. This fulfillment website will then proceed to compile these requests and transmit the requests to a warehouse for fulfillment.

Any system correspondence generated by LOS through normal processing cycles will continue to be fulfilled by the existing processes at each center throughout the transition period. Any correspondence generated by COD will be transmitted to a warehouse for fulfillment on a daily basis. Due to the time frame of the transition and the decreasing amount of correspondence which will be generated by systems other than COD it is not feasible to forward correspondence generated by LOS through the COD system.

8.8. Skiptrace

Any returned bulk mail will be returned to the warehouse and warehouse personnel will notify the COD Center of the return. When COD is notified of a return of bulk material, team members will contact the school to verify the address of the mailed items and make any changes necessary.

Returned correspondence generated by COD will be received at the COD Center and team members will follow skiptrace procedures to update the borrower/applicant's address and forward the returned mail to the updated address. Returned mail generated by LOS will continue to be managed using current procedures at LO.

8.9. Data Access

Multiple systems will be maintained during the transition period until the prior year information is either migrated to the COD system or is no longer required on a day-to-day basis. In order to provide schools with the information needed to

resolve their inquiries, COD representatives will need access to, and training on, these multiple systems. All COD team members will have access to COD, LOS and RFMS systems as long as these systems remain accessible. Certain COD team members will also have access to GAPS, CPS, DLSS, NSLDS/Clearinghouse, and FMS to help reduce the need to transfer calls and increase the likelihood that a call can be resolved immediately.

LOC representatives will be given access to the COD website to enable these representatives to view data within the COD system. Limited update access will be given to representatives for systems at other centers to maintain fiscal control of the data residing within each system. Representatives from each center will have the ability to contact representatives at other centers to request assistance in updating information outside the range of their access.

Representatives at all centers will also have access to imaged data residing at the VDC through the web interface.

8.10. Issue Tracking

In each existing center, a database of issues requiring additional attention is maintained to assist in tracking and recording of these issues. During the transition period, issues regarding prior years will continue to be maintained within these databases and issues regarding current year data will be maintained within the COD system.

At the time LOC/Pell centers are no longer tasked with resolving issues, an evaluation of open issues will be done by COD to determine the best method to continue resolving these issues within the COD Center.

Between February 2002 and full integration of queuing technology, an interim COD Customer Service issue tracking tool will be created. This tool will serve two purposes:

1. Track implementation-related system issues and how these issues affect daily system processing.
2. Exception Processing through normal production (i.e. rejected transactions).

Reports will be generated from this tool and provided to SFA on a regular basis.

8.11. Reporting

Reporting of information from the Pell and LO Center to SFA personnel is currently completed on a daily, weekly and monthly basis. Information regarding call tracking, issue resolution and quality control are currently reported to SFA.

During the transition period, this information will be tracked separately by the LO Center and forwarded to SFA. However, Pell information will be reported directly by COD.

Regular meetings will be held among COD and the centers to ensure the availability of needed information.

8.12. System Processes

During the normal processing cycle, each system will create exceptions needing attention by customer service representatives. When these exceptions are created by the COD system, the items will be systematically placed into queues for completion by COD representatives. The workflow queues within COD will allow the tracking and management of all workflow items within the COD Center. During the transition period, workflow items created by other systems will use the existing methods available at each center for routing these items to representatives. Each call center will be required to maintain system balancing and resolve any discrepancies.

8.13. Training/Employee Morale

A COD training program for COD team members will be developed leveraging practices at current centers, knowledge from SFA University and best in business practices. Supervisors and Team leaders will begin training in December 2001 and will complete a seven-week training program. Phone monitoring and on-the-job training will be included within the training course as well as visits to the existing centers in Montgomery, AL and Rockville, MD.

8.14. Quality Control

COD will establish a Quality Assurance Team to ensure a high level of customer satisfaction and employee improvement during and after the transition period. This team will be responsible for monitoring and reporting levels of performance and improvement to management. Pell and LO centers will continue to maintain current methods of quality control throughout the transition period.

8.15. Middleware

The middleware component will play a crucial role during the transition period. The middleware will allow the COD system to send and receive data to schools that have not yet converted to the common record format. COD representatives will have access to the data residing within this component and representatives

will be trained to troubleshoot problems existing between the middleware and school/third party software. A technical support team at the VDC will be present to assist representatives in resolving any issues involving the middleware.

9. Assumptions

The following are assumptions associated with the COD Customer Service Conceptual Design.

9.1. Direct Loan Assumptions

1. EDS will continue to support Promissory Note intake. This intake includes:
 - a. Reviewing the Promissory Note for quality control, i.e. signed in pen.
 - b. Matching the Promissory Notes received to the paper manifest provided by school.
 - c. Imaging the Promissory Note along with all key verification requirements.
 - d. Imaging the manifest.
 - e. Returning rejected Promissory Notes.
 - f. Returning manifest to schools.
 - g. Storing the original Promissory Note.
2. Daily communication will occur between the LOC and COD to identify Promissory Note packages that have been received but not imaged.
3. PLUS credit appeal processing and incoming applicant services calls will be serviced by EDS Customer Service through March 2003. This service includes:
 - Answering incoming calls and routing accordingly.
 - Receiving and approving/denying PLUS credit appeals. This would include accessing the COD system and performing the override function for 2002/2003 loans as well.
 - Creating queue items within COD for borrower related issues.
 - Regenerating borrower correspondence as requested by the borrower.
 - Imaging all borrower correspondences received.
4. Effective March 2003, COD Customer Service assumes the functions above.

Please Note: The COD system will request all credit bureau information for all loan records for the 2002 award year and beyond.
5. Existing Direct Loan Origination call volume will remain consistent with existing historical data.

9.2. Pell Assumptions

1. Full data migration of Pell Data in December 2002 and the COD Customer Service Center will support *all* inquiries regarding Pell processing beginning in February 2002.
2. NSLDS identifier conflict resolution with Pell data was not included in this document.
3. Existing Pell call volume will remain consistent with existing historical data.

9.3. Additional Assumptions

1. The COD Center hours of operations will be 8:00 a.m. to 8:30 p.m. Eastern Standard Time (EST) with on-line system availability from 5:00 a.m. through 12:00 a.m. EST.
2. COD Customer Service will have Internet access to all images of Promissory Notes and manifest (both current and prior years).
3. COD representatives will have access to view Promissory Note images through the Virtual Data Center (VDC).
4. The design assumes close out of prior year activity has occurred by December 2002 and minimal processing is required on prior year records.
5. COD Customer Service will be able to access all legacy systems.
6. COD will receive excess cash for year 2002/2003 and beyond.
7. The existing 800 numbers for Pell and Direct Loans will not be changed and a new COD 800 number will not be created.