

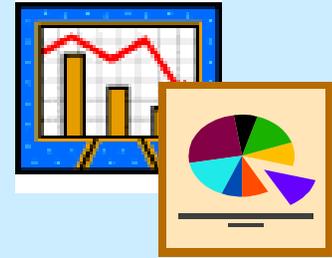


Program Analysis Division



Purpose of Meeting

- Re-introduce PAD and its Capabilities
- Identify Issues the Schools Channel wants analyzed
- Discuss the ability of PAD to address the Schools Channel's needs



SFA Helps Put America Through School

- SFA is committed to serving students
 - As customers
 - Through schools
 - Through financial institutions



SFA is all about service!

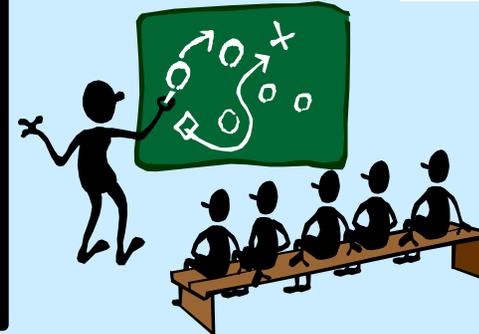


About SFA Services...



Challenge:

- Program services and delivery are performed by different teams
- Each has its own Mission, Performance Plan, and Scorecard



Solution:

Evaluate and analyze program delivery & services at an enterprise-wide level



Outcomes:

- Improve customer service and program delivery
- Focus SFA resources effectively
- Reduce unit cost
- Develop sound strategic plans



Unique Role of PAD

Performs analyses that:



Enable Proactive Process Modification

Identify information and opportunities to Proactively Modify Processes to:

- Improve customer satisfaction
- Improve employee satisfaction
- Reduce unit costs

Promote Program Integrity

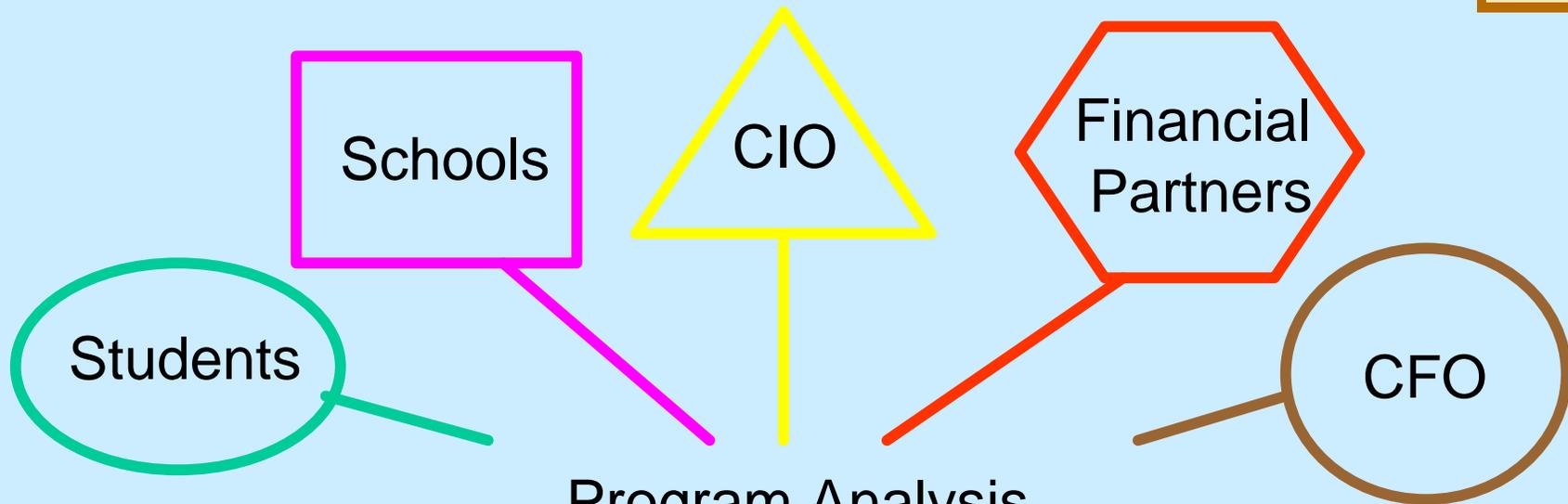
Evaluate :

- Whether programs achieve intended purpose
- The quality of service delivery
- If programs are meeting customer needs



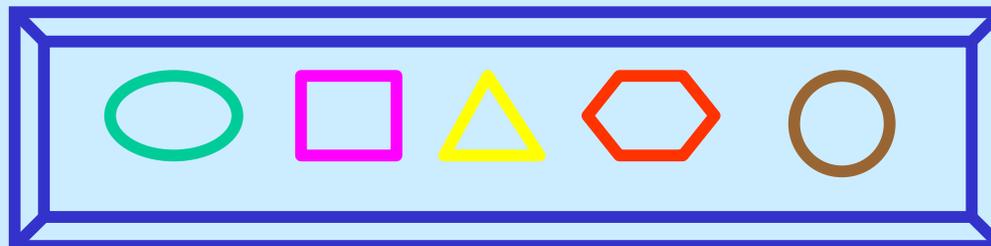
Unique Role of PAD

Analyses focused on
Improving Processes and
Promoting Program Integrity



Program Analysis

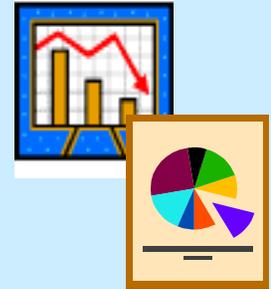
Single source for summary statistics and reports
Coordination of analyses for cross-Channel issues





Process Approach for discrete, small scope issues

Example: Mid – Year Transfers
policy change



Process Approach Methodology

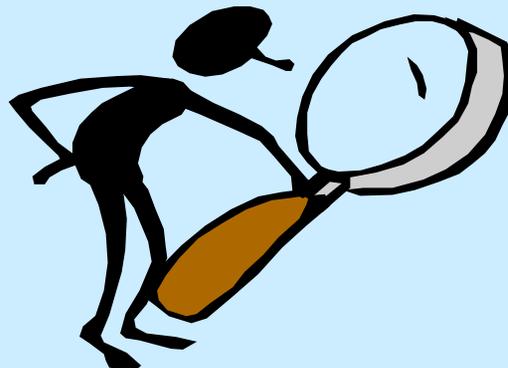
Analysis is done by:

- PAD Staff
- Dedicated for a defined period of time
- Augmented by PAD external experts



Benefits of Mid-Year Transfers Analysis

- Better understanding of customers
- Identification of dollars at risk due to policy change
- Establish a baseline to monitor student behavior over time



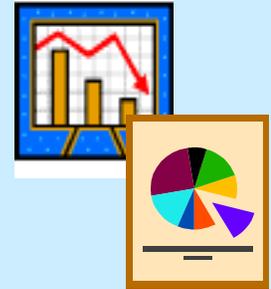


Process Approach

For general, moderate scope issues

Example: DL vs. FFEL Cohort

Default Rates Analysis



Process Approach Methodology

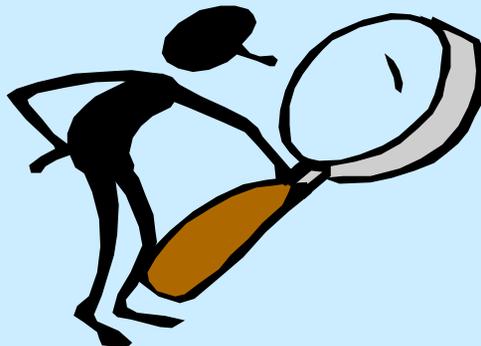
Analysis is done with PAD
leading a team of:

- Channel staff
- Dedicated for a defined period of time
- Augmented by PAD external experts



Benefits of DL vs. FFEL Analysis

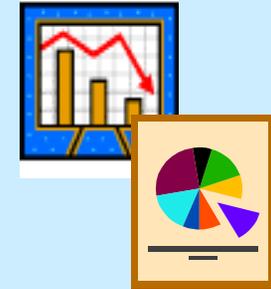
- Identify steps needed to reduce DL CDR
- Improve loan program oversight
- Improve program integrity





Current Analysis Projects

Statistical analyses and trending for sound decisions



Program Analysis Studies

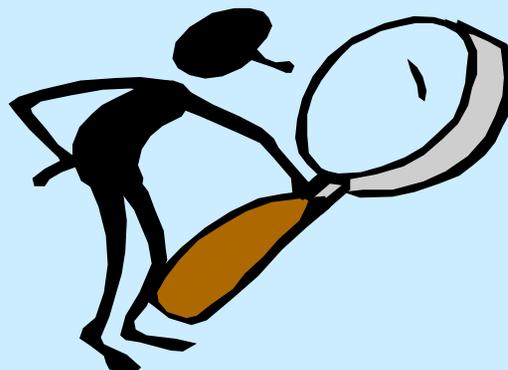
- Mid -Year Transfers
- Unpaid refunds study
- OIG Corrective Action plan on consolidating defaulters
- Direct Loan vs. FFEL cohort default rates



Benefits

Information needed to assess:

- \$ risk and impact on program integrity
- Impact on customers and partners
- Operational process and cost alternatives





Schools Channel's Needs



- Interest in current analyses
- Schools Channel's analysis needs
- Long term directions, initiatives, vision



Next Steps



- Contact within the Schools Channel with whom to discuss next steps
- Identify one or two key issues requiring cross-Channel analysis