



# FSA Now

The Monthly Newsletter for FSA Staff & Operating Partners

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## Tuning in to FSA

FSA recently hit the airwaves. In June, Student Aid Awareness developed a partnership with the nationally syndicated "Tom Joyner Morning Show" and ABC Radio Networks.

Almost 20 links to FSA Web sites appear on the "Tom Joyner Morning Show" Web site. Also, during its live Web casts, the show airs one of four messages with information on general student aid, FAFSA on the Web, default and repayment options.

SAA chose to partner with the "Tom Joyner Morning Show" in an effort to reach one of its key consumers, African Americans. The show broadcasts in over 120 markets and has over five million listeners. It is commonly ranked number one or two in the markets. According to a survey, 40 percent of listeners claimed they would buy a product Tom Joyner endorses. The morning show is also well



Janet Thomas and Hazel Mingo meet with Tom Joyner after attending a live taping of his show in Philadelphia.

known for raising scholarship money for students to attend Historically Black Colleges and Universities.

In only its third month of existence, the partnership is already proving to be a successful endeavor. There have been over two million "im-

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## Making Work "eZier"

In an effort to become more technologically advanced, the Schools Channel is creating an electronic alternative to receiving countless volumes of paper each year. The new initiative, known as eZ-Audit, will provide schools with a paperless, single point of submission for annual financial statements and compliance audits via the Web.

eZ-Audit is scheduled to go live in 2003 and will greatly simplify the reporting process for the Schools Channel and its partners. The Schools Channel annually receives over 13,000 financial statements and audit reports and manages over one million pages of information. This new system will eliminate the substantial amount of paper used, many manual processing steps and the number of reports that are inevitably lost in such a complex structure.

Randy Wolff, director of Data Management and Analysis, praised the addition of eZ-Audit. "With eZ-Audit, reports will fly from schools to FSA at break-neck speed. It will automatically direct reports to the

right people in FSA, allow reports to flow through the review process quickly, provide schools with a self-service area to check the status of a review any time, and give authorized users 24/7 access to view their reports online."

The Schools Channel will benefit from eZ-Audit in many ways. The initiative will improve overall effectiveness and efficiency in the channel. Also, it will provide real-time reporting to immediately identify missing reports and quickly assess the status of work in progress. Staff will have immediate electronic access to financial statements and audits and will have more time to perform in-depth investigations, analysis and technical assistance.

Universities will benefit from eZ-Audit, as well. First, they will receive instant confirmation of receipt. Also, schools will no longer need

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# Data What? - Data Marts Explained

So, what exactly is a data mart?

With high speeds, constant updates and a wealth of resources brought together in one place, data marts have taken a leap forward in FSA's modernization process, sweeping the old, costly and time consuming analysis process aside with a brand new system that brings federal aid into the future.

Replacing the old FARS (Financial Accounting and Reporting System), the Credit Management and Financial Partners Data Marts have become a huge triumph for FSA, consolidating information formerly spread throughout various databases. The data marts not only merge these records, but also bring them all together to be processed, analyzed and placed into detailed reports.

Now in-depth borrower information, school and loan statistics, loan risk scorecards, risk assessment tools, and delinquency statistics can be obtained easily. For example, the Credit Management Data Mart automatically makes detailed transaction summary reports, performs detailed portfolio analysis and covers the rates of Direct Loan repayments.

The Financial Partners Data Mart has cut time and greatly increased convenience for customers. Reports that used to take weeks of analysis can now be completed in only a few minutes.

Users can gain immediate access to data marts through the Web, modifying and improving upon basic searches and creating new reports through the central database.

Data marts not only save time, but money. What used to be a very costly process has quickly brought in \$1 million in loans, more than covering the costs of the new systems. The upkeep of the data marts is also less costly than the old paper-laden, decentralized system.

The newest version of the Financial Partners Data Mart, released October 1, intensifies the search for oversights, centralizes access to information from different areas, and provides access to users from guaranty agencies.

Data marts will eventually become a hub of customer information and a crucial support of channel business functions, becoming a vital element in the ongoing transformation of Federal Student Aid to a more efficient, modern organization.

Data mart access can be gained through registration and login. Admission to the Financial Partners Data Mart is through the Financial Partners portal (<http://www.fp.ed.gov/PORTALSWebApp/fp/dmart.jsp>), and the Credit Management Data Mart can be found on the Students Channel page on FSANet ([http://fsanet/students/main/perf\\_reports/cmdm.html](http://fsanet/students/main/perf_reports/cmdm.html)).



The Financial Partners data mart.

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## *eZ-Audit*

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to make copies or send reports in the mail, and the time for submitting the forms should be less than one hour. They'll have the opportunity to access their reports online at anytime, view the self-service area to check status and have a Help Desk representative available for assistance.

## *Tuning in to FSA*

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pressions" to Web site pages that contain information about FSA.

Commented SAA's Hazel Mingo, "The 'Tom Joyner Morning Show' plays an important role in raising the consciousness of the black community with respect to financing postsecondary education. ED has the information and the 'Tom Joyner Morning Show' has the means to disseminate financial aid information to a large community in need of this information."

The "Tom Joyner Morning Show" airs locally on WMMJ Majic 102.3 FM Monday through Friday from 6 – 10 a.m. To view FSA information on the morning show's Web site, go to <http://www.tomjoyner.com> and click on the HBCU Support link.

# Default Rates Remain Low

Student loan default rates are at 5.9 percent for the fiscal year 2000, Secretary of Education Rod Paige announced on September 12.

Though this number is up .3 percent from last year, these default rates are down 16.5 percent from 10 years ago. This trend of low default rates is unparalleled in the financial aid program, a trend that Paige hopes will continue.

In a press release, Paige explains the slight increase from last year: "Student loan repayment, like other consumer debt, is sensitive to changes in the economy." To keep loan default rates low despite economic changes, a variety of new programs and more sophisticated tracking systems have been implemented. Financial institutions have a debt-counseling program for borrowers in trouble, and the Department of Education helps schools and financial partners with the Default Prevention Day, teaching schools to practice good prevention habits, and matches with the National Directory of New Hires, which tracks down defaulted borrowers.

For schools, FSA also offers electronic default notification through the National Student Loan Data System. As of September 9, schools are able to request their cohort default rate at the NSLDS Web site, where information can be viewed online or through download. Taking this system online increases processing time and provides schools with a more comprehensive and efficient way to sort and analyze their loan default data.

Schools that have a high percentage default rate for too many years face losing their ability to participate in federal aid programs.

In 2002, there were 37.8 billion dollars loaned in federal aid for students, more than three times the amount awarded in 1990, a number reflecting the growing cost of college and the continuing efforts of the government to assure that more students can afford an education.

# EXTRA! EXTRA!

### **NLSDS II Project Underway**

The first stage of the National Student Loans Data System (NSLDS) makeover is five weeks ahead of schedule. This stage of the makeover includes building a platform where the new system will be developed.

The new system will save taxpayer dollars by requiring less staff to operate the server rather than a large, cumbersome mainframe and will operate in

real time, decreasing processing time.

### **FSA University Releases Annual Report**

FSA University released its 2000-01 annual report to inform FSA staff about its activities. The report includes updates on transformation, learning and performance, improving performance, lessons learned and celebrations. It highlights FSA University's goal to serve as a one-stop resource for meaningful and quality courses and services for FSA's in-

ternal and external customers and FSA managers, staff and operating partners.

### **A New Financial Partners Portal**

Version 2.0 of the Financial Partners Portal went live on September 30, 2002. The redesigned portal aggregates information and services to help loan partners better work with FSA.

To view the portal, go to [fp.ed.gov](http://fp.ed.gov).