



# UNITED STATES DEPARTMENT OF EDUCATION

## Federal Student Aid

**TO:** Secretary Rod Paige  
U.S. Secretary of Education

**FROM:** Terri Shaw  
Chief Operating Officer

**RE:** FSA Weekly Report

**DATE:** January 19, 2004

### **THE WEEK AHEAD**

**GAO “High Risk” Designation:** FSA continues to meet with GAO officials to discuss FSA financial management improvements. This is part of GAO's ongoing assessment of the Student Financial Assistance program's “high risk” designation. The results of GAO's review will be part of their report to be issued in January 2005.

**Private Career Colleges & Schools Conference (PCCS):** On January 21-23, FSA representatives will present at the annual PCCS conference.

### **FSA IN THE FIELD**

**Legislative and Regulatory Requirements Workshop:** On January 7-11, FSA's Student Aid Awareness conducted four training sessions on federal student aid to more than 75 TRIO Professionals during the Legislative and Regulatory Requirements Workshop in New Orleans, LA. The training enhances the knowledge base of TRIO professionals in assisting and preparing low income and minority youth and adults for a postsecondary education.

### **OPERATIONAL METRICS**

**Application Activities through January 11, 2004:** The Central Processing System (CPS) has processed 127,682 applications for the 2004-2005 cycle, a 15.6% decrease over the 2003-2004 cycle.

**Program Disbursements:** Through the week ending January 10, annual Pell and Direct Loan disbursements reached \$11.6 billion and \$11.4 billion respectively for the 2002-2003 academic year and \$6.96 billion and \$7.03 billion respectively for the 2003-2004 academic year. Through the week ending January 13, annual FFEL disbursements reached \$28.7 billion for the 2002-2003 academic year and \$12.8 billion for the 2003-2004 academic year. Through December, annual Direct Consolidation Loan disbursements reached \$1.74 billion.

**Total Default Recoveries:** Through January 9, total FSA Default Recoveries for FY04 reached \$375.4 million, an increase of 20% from this time last year. Total non-consolidation recoveries

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are \$318.5 million, an increase of 45%. Combined Recoveries from our private collection agency efforts have reached \$313.8 million, up 22% over the same period in FY03.

**1-800-4-FED-AID through January 10, 2004:** Year to date, the Federal Student Aid Information Center (FSAIC) has received 277,583 calls, a 16.6% decrease over last year. Service levels have increased with 98.7% of calls completed, a 0.6% increase over last year and the average speed to answer reduced by 32.1% over last year to 9.5 seconds.

**Direct Loan Servicing Call Center Phone Activity through January 9, 2004:** Year-to-date, the Direct Loan Servicing Centers received 135,312 calls to the Interactive Voice Response System, a decrease of 8.84% over 2003. Of those calls received, Borrower Services representatives handled 104,130, a decrease of 5.65% over 2003. The average speed of answer was 2.04 seconds, a decrease of 46.17% over 2003. The resolve rate for the Voice Response System was 22.94%, a decrease of 9.94% over 2003. The Abandoned Call Rate was 0.08%, a decrease of 44.08% over 2003.

**Information for Financial Aid Professionals (IFAP.gov) Website Usage:** For the week ending January 10, [www.ifap.ed.gov](http://www.ifap.ed.gov) received 79,365 visits or 2.5 million hits.

**Schools Portal Usage:** For the week ending January 10, [www.fsa4schools.ed.gov](http://www.fsa4schools.ed.gov) received 14,685 visits or 1.2 million hits.

### **KEY ISSUES**

**Financial Partners Establishes Cohort Default Rate:** On January 10, a draft of the FY '02 Cohort Default Rate was calculated in the National Student Loan Data System (NSLDS). The rate is under review and will be published to all guaranty agencies on February 17, 2004.

**National Student Loan Data System (NSLDS):** Financial Partners announced this week that Applied Engineering Management (AEM), a certified small business, was chosen to support and maintain NSLDS operations. This contract will improve access and customer support to NSLDS users and increase data integrity of the NSLDS database. This award has a base period of one year with four, one-year extensions and will result in an annual savings to FSA of approximately 35% over the current operational cost of NSLDS.

**Common Services for Borrowers (CSB):** The Common Services for Borrowers (CSB) contract has officially begun and Borrower Services is now operating a single contract for the four legacy systems: Direct Loan Servicing (DLSS), Loan Consolidation (LC), Debt Collections (DMCS), and Conditional Disability Discharge Tracking (CDDTS). The legacy systems will begin to be phased out under Phase 1 (LC) and continue through Phase 2 (DLSS, DMCS, and CDDTS).

**Security & Privacy:** The Security and Privacy Team announced the establishment of the Online Security Center (OSC). This is a one-stop-shop for all FSA IT Security questions and concerns. The OSC is found on FSAnet at [http://sfanet.ed.gov/cio/products/it\\_security\\_portal/](http://sfanet.ed.gov/cio/products/it_security_portal/) and is intended for System Security Officers, System Managers, System Owners, and any FSA employee who needs to know about IT security and privacy.

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### **ON THE HORIZON**

**Michigan Student Financial Aid Association Conference:** On January 26, FSA will present at the Michigan Student Financial Aid Association Conference in Pontiac, MI.

**Oregon Association of Student Financial Aid Administrators Conference:** On February 1-3, FSA will present a Federal Update session and two interest sessions on R2T4 and Helping New Financial Aid Administrators Work with ED at the Oregon Association of Student Financial Aid Administrators Conference.

**College Goal Sunday:** On February 8, FSA representatives will serve as site coordinators for College Goal Sunday, a yearly event spearheaded by the Kansas Association of Financial Aid Administrators (KASF AA). Students planning to attend college in the Fall of 2004 will receive assistance in completing the FAFSAs and general information about the financial aid process.

**Coalition of African American Professional and Community Organizations:** On February 13, 2004, FSA representatives will present to the Coalition of African American Professional and Community Organizations at the 4<sup>th</sup> Annual Career Expo and College Fair.

### **CONTACT INFORMATION**

Please contact Chris Greene at 377-4003 with any questions.