

TO: Secretary Paige  
FROM: COO Greg Woods  
OSFA  
RE: Weekly Report  
DATE: February 27, 2001

## **THE WEEK AHEAD**

**Direct Loan Conference:** COO Greg Woods will address the conferees of the Direct Loan Conference in Houston, Texas, on March 7-9. In addition, he will chair two general sessions, one on electronic signature and the other a listening session with career colleges. SFA expects to roll out e-signature of loan promissory notes later this year.

**Schools Portal:** On March 7, SFA will announce the launch of the first portal of its kind, the “Schools Portal,” available at [sfa4schools.sfa.ed.gov](http://sfa4schools.sfa.ed.gov). It will be the industry’s first single-linked gateway to all Title IV federal student financial aid information, resources, and activities.

The Schools Portal has five sections—*SFA Links*, *SFA Search*, *SFA Calendar*, *SFA Headlines*, and *My SFA*. *SFA Links* features access to student data, bookstore, training/conferences, a reference library, and participation and funding. The *SFA Search* function will help financial aid professionals quickly find the information they’re looking for. *SFA Calendar*, a much-requested function, provides information on upcoming events, processing deadlines or NPRM due dates. *SFA Headlines* will provide the most current SFA news and policy or rule changes. With *My SFA*, financial aid professionals can customize a portal page to their specific needs using an ID and password.

## **KEY NEWS**

**Spanish Version of the Direct Loan Servicing Web Site:** SFA has launched the first Spanish language loan servicing Web site in the student lending industry. The Spanish option for the entire Direct Loan Servicing Web site went live on February 20, 2001, at <http://www.dlservicer.ed.gov>. The site includes deferment and forbearance forms in Spanish, the ability to download the interest deduction form for tax purposes, and also to apply on-line for an Electronic Debit Account. These enhancements were made in conjunction with the School Year Software Release 2001/2002, and additional enhancements are expected in late March.

**National Directory Of New Hires (NDNH):** The first data match between SFA and the NDNH database proved an astounding success. Of the 1.9 million SFA collection records, there were 1,092,454 successful matches. Of the matches, over 424,000 are eligible for collection activity, with the total unpaid loan balances equaling **\$2.02 billion**.

Data received from the initial match was added to borrower accounts on February 1, and was included in the transfer to contract collection agencies on February 3. Under this partnership with HHS, matches are anticipated quarterly, with the next match scheduled for late March or early April. SFA expects to include ten guaranty agencies in this match as a pilot before allowing all agencies to participate.

**Default Recoveries:** Combined recoveries for the first quarter of FY2001 are **\$240.29 million**, an 11% increase compared to the first quarter of FY2000. In addition, combined private collection agency recoveries are up 15% and Administrative Wage Garnishment collections are up 25%.

**Entrance Conference for OIG Review of the Accenture Consulting Contract:** OIG auditors met with SFA and OCFO/Contracts staff on Thursday, February 22, to begin review of SFA’s contract with Accenture (formerly Andersen Consulting.) The review is to determine the relationship between subsequent task orders and the original contract and assess whether contractor performance is in accord with the contract.

**Free Application for Student Assistance (FAFSA):** SFA has processed 953,241 FAFSA applications so far for the 2001-2002 award year. Of those, 32% (307,279) were filed electronically. The average turnaround time for processing an application is 4.4 days, way under our goal of 7 days. In addition, 99.52% of FAFSA applicants are responding to the drug question. Last year's initial response rate was a low 80%.

### **RESOLUTION OF KEY ISSUES**

Nothing to report.

### **PUBLIC AFFAIRS ACTIVITIES**

Nothing to report.

### **REGULATORY ACTIVITIES**

**Advanced Notice of Proposed Rulemaking on Electronic Records (ANPRM):** An ANPRM was submitted to the Secretary for approval and signature on February 16. It sets forth proposed performance standards regarding the accuracy, integrity, and accessibility of electronic records that would apply to lenders, guaranty agencies, schools, and other parties participating in any student financial assistance program authorized under Title IV of the Higher Education Act of 1865, as amended. Under the Electronic Signatures in Global and National Commerce Act (E-Sign Act), each participant in the Department's student financial assistance programs could create their own performance standards regarding the accuracy, integrity, and accessibility of electronic records created under the student financial assistance programs on March 1, 2001, unless, by that date, the Secretary announces that he will be initiating a rulemaking proceeding to establish such performance standards. The development of standards has broad school and financial community support. If approved by the Secretary, the ANPRM will be sent to the Office of Management and Budget for clearance. The NPRM itself will provide the community the opportunity for further comment. (Contact: Rosa Cason, Ken Depew, 401-8300)

### **POLICY DOCUMENTS**

Nothing to report.

### **GRANT ACTIVITIES**

Nothing to report.

### **ON THE HORIZON**

**SFA Front-to-Back:** SFA is preparing for the upcoming "Student Aid Front-to-Back" training course for employees. Organization-wide training is scheduled to begin in May. SFA's operating partners will participate as well. This is the third and final course in the core curriculum for SFA employees and will provide employees with a thorough understanding of the financial aid process.

### **CONTACT INFORMATION**

If you have questions regarding the content of the report, please contact Karen Santos Freeman at 205-1531.