



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: May 10, 2004

THE WEEK AHEAD

Direct Loan Coalition Conference: On May 16 & 17, Terri Shaw and several FSA representatives are scheduled to participate in panel discussions at the Direct Loan Coalition Conference in Washington, DC.

Utah Association of Student Financial Aid Administrators Conference: From May 12-13, FSA representatives will be presenting at the Utah Association of Student Financial Aid Administrators Conference.

Western Association of Student Financial Aid Administrators Conference: From May 16-18, FSA representatives will be presenting at the Western Association of Student Financial Aid Administrators Conference.

Eastern Association of Student Financial Aid Administrators Conference: From May 16-19, FSA representatives will be presenting at the Eastern Association of Student Financial Aid Administrators Conference.

Electronic Application Processing: On May 13, FSA representatives will conduct Electronic Application Processing Training for the Student Aid community at the Washington, DC training facilities.

Fundamentals of Title IV Aid: This week, FSA representatives are conducting Fundamentals of Title IV Aid Training for the Student Aid community at the Dallas Regional Training facilities.

FSA IN THE FIELD

1st Annual Technology and Standards Conference: On May 3, Terri Shaw gave the Keynote Address at the 1st Annual Technology and Standards Conference in Crystal City, Virginia.

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National Association of College Admissions Counselors (NACAC) College Fair: On May 1, FSA representatives attended the NACAC College Fair in Nashville, TN and on May 5-6, FSA representatives attended the NACAC College Fair in Edison, NJ.

Minnesota Association of Financial Aid Administrators Conference: From May 5-7, FSA representatives made presentations at the Minnesota Association of Financial Aid Administrators Conference.

Fundamentals of Title IV Aid: Last week, FSA representatives conducted Fundamentals of Title IV Aid Training for the Student Aid community at the Seattle Regional Training facilities.

Partnership with Bureau of Indian Affairs (BIA): In support of the Department's goal of increasing access to postsecondary education, FSA is conducting outreach to raise awareness among Native Americans that federal student aid is available for college. As part of this campaign, FSA provided information to the BIA to create a CD-ROM for distribution to the Native American community. The CD includes electronic versions of FSA publications such as *The Student Guide* and the *College Preparation Checklist* as well as information about tribal colleges and BIA higher education grants.

OPERATIONAL METRICS

Application Activities through May 3, 2004: The Central Processing System (CPS) has processed 6.29 million applications for the 2004-05 cycle, a 4% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending May 1, annual Pell and Direct Loan disbursements reached \$11.8 billion and \$11.0 billion respectively for the 2003-04 academic year. Through the week ending May 4, annual FFEL disbursements reached \$26.1 billion for the 2003-04 academic year. Through March, annual Direct Consolidation Loan disbursements reached \$3.28 billion.

Direct Loan (DL) Servicing: As of March 31, FSA was servicing 17.4 million DL accounts (a 2.3% increase over last year) with a total portfolio value of \$83.1 billion (a 3.3% increase over last year) representing 6.5 million borrowers (a 3.5% increase over last year).

Consolidation Activity through March 31, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled 1.5 billion, a 6.9% decrease over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 1.7 billion, a 3.2% decrease over last year. Consolidations from the Direct Loan Program into the FFEL program totaled \$4.8 billion, a 22.5% increase over last year.

Total Default Recoveries: Through the end of April, total FSA Default Recoveries for FY04 reached \$1.075 billion, an increase of 17% from this time last year. Total non-consolidation recoveries reached \$948 million, an increase of 28%. Combined Recoveries from our private collection agency efforts have reached \$704 million, up 25% over the same period in FY03.

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For the month of April, total recoveries were \$189.2 million, an increase of 5% over April 2003. Combined recoveries from our private collection agencies (PCS) were \$123.5 million, an increase of 28% over April 2003. The \$123.5 Million figure for PCA recoveries represents the largest single month in our history for recoveries from PCA-assigned accounts.

1-800-4-FED-AID through May 1, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 2.91 million calls, a 10% decrease over last year. Service levels have increased with 98.8% of calls completed, a .3% increase over last year. The average speed to answer decreased by 24% over last year to 9.1 seconds.

Direct Loan Servicing Call Center Phone Activity through April 30, 2004: Year to date, the Direct Loan Servicing Centers received 2.1 million calls to the Interactive Voice Response System, a decrease of 7% from 2003. Of those calls received, Borrower Services representatives handled 1.5 million calls, a decrease of 8% from 2003. The average speed of answer was 5.2 seconds, a decrease of 21% from 2003. The resolve rate for the Voice Response System was 28%, an increase of 4% from 2003. The Abandoned Call Rate was 0.24%, a decrease of 10% from 2003.

Student Aid on the Web: For the week ending May 1, *Student Aid on the Web* recorded 410,068 visits, 6,793,962 hits and 717,426 page views, representing annual increases of 248%, 78%, and 81% respectively. Through May 1, *MyFSA*, the *Student Aid on the Web* feature that allows students and parents to establish their own personal password protected accounts for use as they move through the financial aid life cycle, has recorded 31,181 new accounts.

Customer Service Call Center Statistics: For the week ending April 30, the Customer Service Call Center received 370 inquiries and posted 38 items to IFAP.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending April 30, www.ifap.ed.gov received 66,818 visits or 2.2 million hits.

Schools Portal Usage: For the week ending April 30, www.fsa4schools.ed.gov received 12,382 visits or 1.3 million hits.

Financial Partners Portal: For the week ending April 23, 2004, the Financial Partners Portal received 38,192 hits and 2,200 visits.

Students.gov: In April, students.gov recorded approximately 208,000 visits, a 39% increase over April 2003. As of May 3, students.gov had registered over 15,000 people to "InfoSource", a subscription service that highlights the features of students.gov.

KEY ISSUES

Update on interest rate change for 2004: Student loan interest rates are set yearly based on the 91-day T-Bill rate on the last auction day in May. Due to the probability that rates will decrease slightly, FSA has been authorized to hold consolidation applications pending determination of the final rate at the end of the month.

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Common Services for Borrowers (CSB) Transition: FSA senior management was briefed on the projected savings from CSB and the relationship to loan volumes. Estimated savings over the 10-year period will decrease as volumes decrease. In addition, a significant portion of the savings accrues over the last 5 years of the contract.

E-Gov/eLoans: On April 29, SBA signed the FY04 eLoans Memo of Understanding. All five eLoans partner agencies have now signed the FY04 eLoans MOU.

2005-2006 Free Application for Federal Student Aid (FAFSA): On May 11, the first public comment period for the 2005-2006 FAFSA closes. The FAFSA Design Group will meet on May 19th to review the draft and determine if any changes to the form are necessary. In addition, FSA's request to extend the FAFSA printing contract was denied by GPO. FSA has submitted specifications to GPO in preparation for re-bidding a new contract for a base year plus three option years. This contract will be awarded by July 1.

ON THE HORIZON

Presentations at Regional and State Financial Aid Administrator Conferences: FSA representatives will be making presentations at the following state financial aid administrator conferences in the coming weeks:

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| May 17-19 | Wyoming Association of Student Financial Aid Administrators Conference |
| May 18-21 | Georgia Association of Student Financial Aid Administrators Conference |
| May 19-21 | Ohio Association of Student Financial Aid Administrators Conference |

National Association of State Student Grant and Aid Programs (NASSGAP) Spring Conference: From May 23-26, FSA representatives are scheduled to provide a LEAP/SLEAP program update at the NASSGAP Spring Conference in Washington, DC.

Private Career Colleges and Schools: From June 2-4, FSA representatives are scheduled to present a session on Default Management at the Region V Private Career Colleges and Schools Annual Summer Workshop.

CONTACT INFORMATION

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