



## 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 17, 2004

#### **THE WEEK AHEAD**

**Direct Loan Coalition Conference:** From 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.

**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.

**American Council for Technology (ACT) Conference:** On May 26, Terri Shaw is scheduled to participate in panel discussions on Innovative E-Gov Projects at the ACT Conference in Philadelphia, PA.

#### **FSA IN THE FIELD**

**National Council of Higher Education Loan Programs (NCHELP):** The NSLDS team will be participating in the NCHELP Program Operations meeting May 19-21 in San Diego, CA.

**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.

#### **OPERATIONAL METRICS**

**Application Activities through May 10, 2004:** The Central Processing System (CPS) has processed 6.61 million applications for the 2004-05 cycle, a 3.7% increase over the 2003-04 cycle.

**Program Disbursements:** Through the week ending May 8, annual Pell and Direct Loan disbursements reached \$11.9 billion and \$11.1 billion respectively for the 2003-04 academic year. Through the week ending May 11, annual FFEL disbursements reached \$26.6 billion for the 2003-04 academic year. Through April, annual Direct Consolidation Loan disbursements reached \$3.87 billion.

**Direct Loan (DL) Servicing:** As of April 30, FSA was servicing 17.3 million DL loans (a 2.6% increase over last year) with a total portfolio value of \$82.9 billion (a 3.2% increase over last year) representing 6.4 million borrowers (a 3.6% increase over last year).

**Consolidation Activity through April 30, 2004:** Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled 1.8 billion, a 5% decrease over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 2.0 billion, a .2% decrease over last year. Consolidations from the Direct Loan Program into the FFEL program totaled \$5.4 billion, a 22.3 % increase over last year.

**Total Default Recoveries:** Through May 7, total FSA Default Recoveries for FY04 reached \$1.115 billion, an increase of 17% from this time last year. Total non-consolidation recoveries reached \$983.6 million, an increase of 28%. Combined Recoveries from our private collection agency efforts have reached \$720 million, up 25% over the same period in FY03.

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 8, 2004:** Year to date, the Federal Student Aid Information Center (FSAIC) has received 3.05 million calls, a 10.5% decrease over last year. Service levels have increased with 98.8% of calls completed, a .2% increase over last year. The average speed to answer decreased by 27.5% over last year to 8.7 seconds.

**Direct Loan Servicing Call Center Phone Activity through May 7, 2004:** Year to date, the Direct Loan Servicing Centers received 2.2 million calls to the Interactive Voice Response System, a decrease of 6.8% from 2003. Of those calls received, Borrower Services representatives handled 1.6 million calls, a decrease of 8.3% from 2003. The average speed of answer was 5.2 seconds, a decrease of 20.9% from 2003. The resolve rate for the Voice Response System was 27.7%, an increase of 4.4% from 2003. The Abandoned Call Rate was 0.24%, a decrease of 7.7% from 2003.

**Student Aid on the Web:** For the week ending May 8, *Student Aid on the Web* recorded 357,235 visits, 6,036,176 hits and 634,132 page views, representing annual increases of 231%, 77.3%, and 73.3% respectively. Through May 8, *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 31,956 new accounts.

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**Customer Service Call Center Statistics:** For the week ending May 8, the Customer Service Call Center received 319 inquiries and posted nine items to IFAP.

**Information for Financial Aid Professionals (IFAP) Web site Usage:** For the week ending May 8, www.ifap.ed.gov received 62,869 visits or 1.7 million hits.

**Schools Portal Usage:** For the week ending May 8, www.fsa4schools.ed.gov received 12,817 visits or 1.1 million hits.

**Financial Partners Portal:** For the week ending May 7, 2004, the Financial Partners Portal received 55,336 hits and 2,521 visits.

### **KEY ISSUES**

**Colorado Voluntary Flexible Agreement (VFA):** The Financial Partners State Agency Liaison reported that the Colorado VFA is being prepared for Congress. Under the legislation authorizing VFAs, the Secretary is required to notify the Chairperson and Ranking Members of the authorizing committees in Congress no later than 30 days before completing a new VFA. As with the June 2003 VFA Report to Congress, notification is also being sent to the Chairperson and Ranking Member of the Subcommittee on 21<sup>st</sup> Century Competitiveness of the House of Representatives.

**USAF Forms 2000 Reporting:** The Financial Partner Services Group participated in a meeting with USAF to discuss resolution of several outstanding issues related to financial reporting on the Forms 2000. USAF agreed to make all of the requested data changes in order to be compliant with Forms 2000 instructions and consistent with all other guaranty agencies in reporting the Recall amounts.

**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.

**Common Services for Borrowers (CSB) Transition:** Implementation of “warm transfer” capabilities among system locations in the Utica (Direct Loan Servicing Center), Iowa City (Debt Management Collection System Public Inquiry Contract) and Montgomery (Loan Consolidation) call centers. A warm transfer allows a customer service representative to stay on the line as they pass a caller from one call center to another. This is a necessary step to becoming a virtual call center.

A Spanish language consolidation site is moving into System Acceptance Testing, the final step prior to live production.

CSB has been reviewed by the Enterprise Architecture team and has been approved. The CSB Business Case is moving forward as scheduled.

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**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 19<sup>th</sup> 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 21   | Financial Aid Training Day in Chicago, IL.   |
| June 2-4 | Private Career Colleges & Schools Annual Summer Workshop in Chicago, IL.             |
| June 14  | American Association of Cosmetology Schools Financial Aid Workshop in Las Vegas, NV. |

**Private Collection Agency Task Order Procurement:** The Third Party Private Collection Service Task Order Solicitation should be ready for publication by May 21. The release of the solicitation will be followed by a pre-bid conference, tentatively scheduled for June 3 in Atlanta, GA.

**2004 Women's Leadership Forum:** On June 10, Terri Shaw will participate on an executive panel moderated by CNN's Judy Woodruff. The panel topics will center on the need to innovate and new ways of doing business to drive results and high performance. The Forum will take place at the Willard Hotel in Washington, DC.

### **CONTACT INFORMATION**

Please contact Joe Aiello at 377-4002 with any questions.