



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 24, 2004

THE WEEK AHEAD

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

Terri Shaw visits Region IV: On May 19-20, Terri Shaw was in Atlanta with FSA staff and updated them on current FSA issues.

Association of International Educators: FSA Foreign School staff will be participating in the 56th Annual Conference of NAFSA, Association of International Educators on May 24-29 in Baltimore, MD.

OPERATIONAL METRICS

Application Activities through May 17, 2004: The Central Processing System (CPS) has processed 6.89 million applications for the 2004-05 cycle, a 3.6% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending May 8, annual Pell Grant disbursements reached \$11.9 billion for the 2003-04 academic year. Through the week ending May 15, annual Direct Loan disbursements reached \$11.2 billion for the 2003-04 academic year. Through the week ending May 18, annual FFEL disbursements reached \$27.1 billion for the 2003-04 academic year. Through April, annual Direct Consolidation Loan disbursements reached \$3.87 billion.

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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 May14, total FSA Default Recoveries for FY04 reached \$1.182 billion, an increase of 16% from this time last year. Total non-consolidation recoveries reached \$1.05 billion, an increase of 27%. Combined Recoveries from our private collection agency efforts have reached \$760.12 million, up 23% over the same period in FY03.

1-800-4-FED-AID through May15, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 3.2 million calls, a 10.8 % decrease over last year. Service levels have increased with 98.9% of calls completed, a .3% increase over last year. The average speed to answer decreased by 29.2% over last year to 8.5 seconds.

Direct Loan Servicing Call Center Phone Activity through May14, 2004: Year to date, the Direct Loan Servicing Centers received 2.4 million calls to the Interactive Voice Response System, a decrease of 6.82% from 2003. Of those calls received, Borrower Services representatives handled 1.7 million calls, a decrease of 8.3% from 2003. The average speed of answer was 5.062 seconds, a decrease of 20.63% from 2003. The resolve rate for the Voice Response System was 27.74%, an increase of 4.25% from 2003. The Abandoned Call Rate was 0.23%, a decrease of 9.71% from 2003.

Student Aid on the Web: For the week ending May15, *Student Aid on the Web* recorded 363,469 visits, 6,226,212 hits and 652,919 page views, representing annual increases of 234.8%, 83.3%, and 75.1% respectively. Through May 15, *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 32,724 new accounts.

Customer Service Call Center Statistics: For the week ending May 15, the Customer Service Call Center received 308 inquiries and posted seven items to IFAP.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending May 15, www.ifap.ed.gov received 61,721 visits or 1.8 million hits.

Schools Portal Usage: For the week ending May 15, www.fsa4schools.ed.gov received 12,923 visits or 972,700 hits.

Financial Partners Portal: For the week ending May 14, 2004, the Financial Partners Portal received 52,428 hits and 2,224 visits.

KEY ISSUES

Update on interest rate change for 2004: Today the T-Bill rate will be announced and the Department plans to issue a press release announcing the new rate because we anticipate a decrease in the interest rate. As of May 6, Loan Consolidation has been authorized to hold applications so borrowers can receive the lowest rate possible.

Pell Grant 2004-05 Award Year: Pell Operations has generated the Initial Authorization in the Pell Grant program and has notified schools electronically. Schools can start drawing down funds in GAPS on July 1, 2004. This amounts to \$5.5 billion for 4,674 schools who have a minimum authorization of \$4,000 and is 50 percent of the prior year authorization. This is the largest Initial Authorization generated in the 31-year history of the Pell Grant program.

E-Gov/Loans: The eLoans initiative received “green” scores on its May 0224 E-Gov Dashboard from OMB. OMB scores E-Gov initiatives on deployments, resources and timeliness.

FY05 Data Strategy: FSA completed the first draft of the FY05 Data Strategy business case and it was approved by the IPC on May 20, 2004.

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 21st 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.

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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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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| 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. |
| June 19-24 | Midwest Association of Student Financial Aid Administrators in Berea, OH. |

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.

Chief Architect Forum (CAF): On June 2, FSA will help facilitate the CAF meeting by exploring best practices for submitting a consolidated Exhibit 300 for Enterprise Architecture. The meeting will take place in Washington, DC.

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.