



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 31, 2004

THE WEEK AHEAD

Private Career Colleges & Schools Annual Summer Workshop: From June 2-4, FSA representatives are scheduled to present at the Private Career Colleges & Schools Annual Summer Workshop in Chicago, IL.

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.

FSA IN THE FIELD

American Council for Technology (ACT) Conference: On May 26, Terri Shaw participated in panel discussion on Innovative E-Gov Projects at the ACT Conference in Philadelphia, PA. As a result, FSA was highlighted in a May 28 article in Government Computer News.

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

TRIO Training: On May 14 and 15, FSA representatives conducted training for more than 90 TRIO professionals in Honolulu, HI. The training supports the Department's goal of increasing access to postsecondary education and preventing student loan defaults.

Career Day at Iron Horse Middle School: On May 19, FSA representatives prepared & distributed information on financial aid, career and college choices at Iron Horse Middle School in San Ramon, CA.

"How to Pay for College": On May 20, FSA representatives delivered a presentation to approximately 50 employees at the Federal Reserve Board on "**How to Pay for College.**" The presentation was part of their *Lunch and Learn* series.

OPERATIONAL METRICS

Application Activities through May 24, 2004: The Central Processing System (CPS) has processed 7.17 million applications for the 2004-05 cycle, a 3.0% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending May 22, annual Pell Grant disbursements reached \$12.1 billion for the 2003-04 academic year. Through the week ending May 22, annual Direct Loan disbursements reached \$11.2 billion for the 2003-04 academic year. Through the week ending May 25, annual FFEL disbursements reached \$27.2 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 21, total FSA Default Recoveries for FY04 reached \$1.211 billion, an increase of 16% from this time last year. Total non-consolidation recoveries reached \$1.08 billion, an increase of 27%. Combined Recoveries from our private collection agency efforts have reached \$776 million, up 24% over the same period in FY03.

Total Guarantor Recoveries: Total Guarantor Default Recoveries through April 30 were \$2.31 billion, an increase of 5% over the same period last year. Combined ED and Guarantor recoveries through the end of April reached \$3.38 billion, a 9% increase over the same period in FY03. Total non-consolidation recoveries for ED and Guarantors combined reached \$2.08 billion, an increase of 15%.

Direct Loan Delinquency Summary: The Direct Loan portfolio delinquency rate for April 2004 is 10.84%, an increase from the March delinquency rate of 10.24% and a decrease from the April 2003 delinquency rate of 12.01%.

1-800-4-FED-AID through May 22, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 3.4 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 26.4% over last year to 8.1 seconds.

Direct Loan Servicing Call Center Phone Activity through May 21, 2004: Year to date, the Direct Loan Servicing Centers received 2.5 million calls to the Interactive Voice Response System, a decrease of 6.62% from 2003. Of those calls received, Borrower Services representatives handled 1.8 million calls, a decrease of 8.1% from 2003. The average speed of answer was 5.06 seconds, a decrease of 19.19% from 2003. The resolve rate for the Voice

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Response System was 27.76%, an increase of 4.24% from 2003. The Abandoned Call Rate was 0.23%, a decrease of 8.52% from 2003.

Student Aid on the Web: For the week ending May 22, *Student Aid on the Web* recorded 361,652 visits, 6,060,082 hits and 641,326 page views representing annual increases of 193.6%, 71.2%, and 72.1% respectively. *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 33,571 new accounts.

FAFSA on the Web: On May 24, FAFSA on the Web received the 5.5 millionth Web application for 2004-05 award year, nine weeks earlier than this year.

Customer Service Call Center Statistics: For the week ending May 22, the Customer Service Call Center received 360 inquiries and posted four items to IFAP.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending May 22, www.ifap.ed.gov received 59,436 visits or 1.7 million hits.

Schools Portal Usage: For the week ending May 22, www.fsa4schools.ed.gov received 11,386 visits or 975,581 hits.

Financial Partners Portal: For the week ending May 21, 2004, the Financial Partners Portal received 49,513 hits and 2,146 visits.

KEY ISSUES

Private Collection Agency (PCA) Task Order Procurement: On May 21, FSA sent invitations to bid on both the "unrestricted" PCA competition and the "small business" competition. A total of 29 contractors were recommended for the "unrestricted" portion of the competition; 10 contractors were recommended for the "small business" portion of the competition. A pre-proposal bidders conference for prospective contractors has been scheduled for June 3 in Atlanta.

eLoans: On May 27, the eLoans team will meet with Jack Koller, OMB's E-Gov G2C Portfolio Manager to discuss possible security/privacy/authentication concerns that OMB may have with citizen access to CAIVRS.

GovLoans.gov: On May 26, the GovLoans interagency working group met to discuss transition plans and next steps for the project. The meeting focused on citizen usability testing scheduled for June, media outreach plans and enhancements to be implemented with the second release of GovLoans in September 2004.

Update on interest rate change for 2004: On May 24, interest rates on federal student loans dropped to 3.37% for the year beginning July 1, 2004. As of May 6, Loan Consolidation was authorized to hold applications and begin processing them after the July 1 interest rate change at the lower rate.

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2005-2006 Free Application for Federal Student Aid (FAFSA): On May 19, the FAFSA Design Group met to review the new draft of the FAFSA, which reflects the decision to postpone adding questions requesting information on an applicant's spouse. Therefore the questions and numbering sequence for the 2005-06 FAFSA will be unchanged.

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:

June 6-9	Mississippi Financial Aid Administrators Conference
June 7	California Association of Student Financial Aid Administrators
June 19-24	Midwest Association of Student Financial Aid Administrators
June 27-29	Southern and Southwestern Associations of Student Financial Aid Administrators

FSA in the Classroom: FSA representatives will be conducting training sessions at the following events in the coming weeks:

June 7-11	Fundamentals of Title IV Aid in Philadelphia
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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.

American Association of Cosmetology Schools: On June 14, FSA representatives are scheduled to present at the American Association of Cosmetology Schools Financial Aid Workshop in Las Vegas, NV.

CONTACT INFORMATION

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