



## 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:** June 7, 2004

### **THE WEEK AHEAD**

**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.

**Fundamentals of Title IV Aid Training:** From June 7-11, FSA representatives will be conducting Fundamentals of Title IV Aid training at the Philadelphia regional office.

**Mississippi Financial Aid Administrators Conference:** From June 6-9, FSA representatives will be making presentations at the Mississippi Financial Aid Administrators Conference.

**California Association of Student Financial Aid Administrators Conference:** On June 7, FSA representatives will be making presentations at the California Association of Student Financial Aid Administrators Conference.

### **FSA IN THE FIELD**

**Private Career Colleges & Schools Annual Summer Workshop:** From June 2-4, FSA representatives presented at the Private Career Colleges & Schools Annual Summer Workshop in Chicago, IL.

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

### **OPERATIONAL METRICS**

**Application Activities through May 31, 2004:** The Central Processing System (CPS) has processed 7.42 million applications for the 2004-05 cycle, a 3.3% increase over the 2003-04 cycle.

**Program Disbursements:** Through the week ending May 29, annual Pell Grant disbursements reached \$12.2 billion for the 2003-04 academic year. Through the week ending May 29, annual Direct Loan disbursements reached \$11.3 billion for the 2003-04 academic year. Through the week ending June 1, annual FFEL disbursements reached \$27.4 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 31, total FSA Default Recoveries for FY04 reached \$1.243 billion, an increase of 15% from this time last year. Total non-consolidation recoveries reached \$1.11 billion, an increase of 25%. Combined Recoveries from our private collection agency efforts have reached \$791 million, up 23% 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 29, 2004:** Year to date, the Federal Student Aid Information Center (FSAIC) has received 3.5 million calls, a 10.5 % 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 27.3% over last year to 8.0 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 29, *Student Aid on the Web* recorded 361,247 visits, 6,168,426 hits and 649,589 page views representing increases of 42.4%, 66%, and 44.9% respectively.

**Students.gov:** In May 2004, Students.gov logged 214,603 visitors or 5.5 million hits, an increase of 19% over May 2003. As of June 1st, 14,902 had subscribed to Students.gov "InfoSource", a service that highlights the features of students.gov.

**Customer Service Call Center Statistics:** For the week ending May 29, the Customer Service Call Center received 327 inquiries, posted one item to FSA Tech, and posted seven documents to IFAP.

**Information for Financial Aid Professionals (IFAP) Web site Usage:** For the week ending May 29, www.ifap.ed.gov received 57,313 visits or 2.0 million hits.

**Schools Portal Usage:** For the week ending May 29, www.fsa4schools.ed.gov received 11,720 visits or 2.0 million 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**

**Perkins Loan Teacher Cancellation Reimbursements:** The Federal Perkins Loan Regulations allow for all or part of a student's loan to be cancelled if the student meets the requirements outlined under sections 674.53. For the 2002-2003 Perkins award year, Teacher Cancellation Payments totaled \$132 million. On May 25, 2004, FSA paid \$66.6 million to 1746 schools for Teacher Cancellation Reimbursements resulting in a \$65 million shortfall. For the 2003-2004 Perkins Award year, the Department will need \$151.4 million to cover new Teacher Cancellation Reimbursements in addition to the past due amounts.

**Security and Privacy Day:** On May 25, the FSA Security and Privacy Team presented an all-day seminar on security and privacy, with speakers from FSA and other government agencies. An array of topics were covered including the Privacy Act, computer forensics, spy ware detection and prevention, social engineering, and training in the use of ED's new Performance Improvement and Planning Portal.

**eLoans:** On June 1, the eLoans partner agencies met to discuss workgroup progress, the eLoans transition strategy and next steps for moving forward.

**GovLoans:** GovLoans has contracted with Human Factors International to conduct usability testing on the site beginning in the next few weeks. The feedback received from citizens during usability testing will be used to improve the second release of GovLoans.gov.

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**The Loan Consolidation Website:** The Loan Consolidation Website is undergoing final certification as a Spanish language site. Independent quality control unit (IQCUC) testing will begin on June 7, 2004 and is expected to take approximately one week.

**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. As of June 1, 2004, over 30,106 consolidation applications had been received.

### **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 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:

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| June 14-17 | WEBEX Direct Loan Training in Spanish |
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### **CONTACT INFORMATION**

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