



## 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:** July 7, 2003

#### **THE WEEK AHEAD**

**The National Association of Student Financial Aid Administrators (NASFAA):** On July 8, Terri Shaw is scheduled to present to NASFAA's Board of Directors at their Annual Conference in Salt Lake City. Almost 50 FSA and OPE staff will also be in attendance to make approximately 16 presentations on a variety of topics to representatives of FSA's school partners.

**San Francisco Partnering Meeting:** On July 10, FSA and the Montana Guaranteed Student Loan Program will co-sponsor a partnering meeting in San Francisco. The agenda includes an update on Financial Partner Services, Lender/Guarantor reporting, and Voluntary Flexible Agreements (VFAs).

#### **OPERATIONAL METRICS**

**Application Activities through June 29, 2003:** The Central Processing System (CPS) has processed 8,197,460 applications for the 2003-2004 cycle, a 7.8% increase over the 2002-2003 cycle.

**1-800-4-FED-AID through June 28, 2003:** Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 4,598,949 calls, a 3.0% increase over last year. Service levels have increased with 98.7% of calls completed, a 4.8% increase over last year and the average speed to answer reduced by 72.6% to 10 seconds.

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

**FAFSA on the Web Volume Reaches 5 Million:** On June 29, FSA received the 5 millionth FAFSA On The Web application for the 03-04 cycle, five months ahead of last year.

#### **KEY ISSUES**

**Sallie Mae Monthly Payment Error:** FSA continues to assess the impact of Sallie Mae's recent disclosure that a Sallie Mae system problem caused over 1 million borrowers to make inaccurate monthly payments. FSA, OPE, OGC, and OIG met with Sallie Mae officials to discuss the

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problem and later briefed Under Secretary Hickok on policy implications and proposed options for resolution. FSA representatives are planning to meet with Sallie Mae officials this week to continue their review of the issue.

**Studentaid.ed.gov:** Last week, Terri Shaw and members of FSA's Student Aid Awareness group met with OMB officials to gain approval for Release 2 of [studentaid.ed.gov](http://studentaid.ed.gov), FSA's on-line guide for college-bound students and their families on planning and paying for college. On Friday, FSA representatives are scheduled to meet with White House officials to introduce them to the site.

**Incentive Evaluation Processing:** FSA staff are reviewing processing errors that were detected in certain Direct Loans during the automated incentive evaluation process. Although several system-programming problems were identified, the main issues have been successfully tested and resolved. Affected accounts are being corrected and the incentive evaluation program has been reactivated.

**Voluntary Flexible Agreements (VFA):** FSA drafted the Voluntary Flexible Agreement (VFA) Report to Congress. VFA's replace the standard agency agreement for selected guarantors that develop innovative methods for delinquency and default prevention. Final approval was provided last week and the report was released to Congress.

### **ON THE HORIZON**

**Common Services for Borrowers (CSB) Procurement:** The Department of Education has completed Phase I of FSA's CSB procurement. ACS Education Solutions, AT&T Government Solutions, and Sallie Mae, Inc. were initially selected to submit proposals under Phase II; however, AT&T Government Solutions, Inc. later withdrew from the competition. Today is the deadline for proposals.

**Boston Summit:** FSA's Eastern and Northern Regions will be hosting a "Boston Summit" partnership meeting on August 27, 2003 in Boston, MA. The "Boston Summit" is an annual meeting focusing on guaranty agency operations and finance.

**Default Aversion Information Sharing Session:** FSA and the a guaranty agency American Student Assistance (ASA) will host a "Default Aversion Information Sharing Session." This session is scheduled for late October in Boston, MA. The session will provide an opportunity for the guarantors from the two regions to share successes on default aversion practices.

**Community Partnership, HBCU Training:** ED, FSA, the White House Initiative on Historically Black Colleges and Universities (HBCUs), and the National Association for Equal Opportunity in Education announced this week that they will be jointly sponsoring nine two-day workshops around the country during June and July. The workshops will provide training and technical assistance to financial aid and business office staff members at HBCUs. Topics to be addressed include verification; reconciliation and best practices, untangling the web, return of Title IV funds, and satisfactory academic progress.

### **CONTACT INFORMATION**

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