



## 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 12, 2004

#### **THE WEEK AHEAD**

**Fundamentals of Title IV Administration:** From July 12-16, FSA representatives will be conducting Fundamentals of Title IV Administration training in Denver, Colorado and Walnut, California.

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

**Regional Office Visits:** On July 7, Terri Shaw visited FSA's Kansas City regional office to meet with FSA staff as part of her second tour of FSA facilities.

**League of United Latin American Citizens (LULAC):** From July 6-9, FSA representatives presented at the LULAC convention in San Antonio.

**National Federation of the Blind (NFB):** From June 28-July 5, FSA representatives attended the NFB's annual convention in Atlanta to distribute information on planning and paying for college. This year's convention drew over 2,300 delegates, including parents, students, and teachers. This annual event is the largest gathering of blind and visually impaired people in the country.

**American Library Association (ALA):** From June 26-29, FSA representatives attended the ALA convention in Orlando.

**National Native American Youth Initiative (NNAYI):** On June 23, FSA representatives spoke to Native American high school students about the federal student aid application process at the National Native American Youth Initiative. The annual NNAYI program brings students from across the country to Washington to learn about health-related education and careers.

**American Schools Counselors Association:** On June 27-30, FSA representatives provided information on planning and paying for college to counselors from across the United States during the 2004 American School Counselors Association (ASCA) Annual Conference in Reno, NV. More than 1,200 elementary, middle and high school counselors attended the event.

## **OPERATIONAL METRICS**

**Application Activities through July 5, 2004:** The Central Processing System (CPS) has processed 8.73 million FAFSA applications for the 2004-05 cycle, a 3.6% increase over the 2003-04 cycle.

**Program Disbursements:** Through the week ending July 3, annual Pell Grant disbursements reached \$12.5 billion for the 2003-04 academic year. Through the week ending July 3, annual Direct Loan disbursements reached \$11.6 billion for the 2003-04 academic year. Through the week ending July 7, annual FFEL disbursements reached \$28.9 billion for the 2003-04 academic year. Through May, annual Direct Consolidation Loan disbursements reached \$3.96 billion.

**Direct Loan (DL) Servicing:** As of May 31, the Direct Loan Portfolio reached 17.3 million loans (a 2.8% increase over last year) with a total value of \$82.6 billion (a 3.4% increase over last year) representing 6.4 million borrowers (a 3.8% increase over last year).

**Consolidation Activity through May 31, 2004:** Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled \$1.86 billion, a 6.5% decrease over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 2.1 billion, a 1.0% decrease over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$5.8 billion, a 19.8% increase over last year.

**Total Default Recoveries:** Through the end of June, total FSA Default Recoveries for FY04 reached \$1.388 billion, an increase of 15% from this time last year. Total non-consolidation recoveries reached \$1.247 billion, an increase of 24%. Combined Recoveries from our private collection agency efforts have reached \$885.75 million, up 23% over the same period in FY03.

**Guarantor Recoveries:** Through the end of May, total Guarantor Default Recoveries for FY04 reached \$2.570 billion, an increase of 5% from this time last year. Through the end of April, combined ED and guarantor recoveries reached \$3.813 billion, a 9% increase over last year. Total non-consolidation recoveries for ED and guarantors combined reached \$2.44 billion, an increase of 13.3%.

**Direct Loan Delinquency Summary:** The Direct Loan portfolio delinquency rate for May 2004 is 11.77%, an increase from the April delinquency rate of 10.84% and a decrease from the May 2003 delinquency rate of 12.63%.

**1-800-4-FED-AID through July 3, 2004:** Year to date, the Federal Student Aid Information Center (FSAIC) has received 4.25 million calls, an 10.6 % decrease over last year. Service levels have increased with 99.0% of calls completed, a .3% increase over last year. The average speed to answer decreased by 27.0% over last year to 7.3 seconds.

**Direct Loan Servicing Call Center Phone Activity through July 2, 2004:** Year to date, the Direct Loan Servicing Centers received 3.1 million calls to the Interactive Voice Response System, a decrease of 6.7% from 2003. Of those calls received, Borrower Services

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representatives handled 2.2 million calls, a decrease of 7.7% from 2003. The average speed of answer was 5.1 seconds, a decrease of 12.8% from 2003. The resolve rate for the Voice Response System was 28.1%, an increase of 3.6% from 2003. The Abandoned Call Rate was 0.22%, a decrease of 4.3% from 2003.

**Student Aid on the Web:** For the month of June, *Student Aid on the Web* recorded 1.65 million visits, 29.5 million hits and 3.08 million page views representing increases of 39.4%, 63.3%, and 46.3% respectively over the same period last year.

Through the end of June, *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 39,167 new accounts. To date 3,408 students have submitted their FAFSA applications and 1,182 have applied for admission to college using the transfer module and the data entered in their *MyFSA* accounts.

**Information for Financial Aid Professionals (IFAP) Web site Usage:** For the week ending July 3, [www.ifap.ed.gov](http://www.ifap.ed.gov) received 64,905 visits and 1.8 million hits.

**Schools Portal Usage:** For the week ending July 3, [www.fsa4schools.ed.gov](http://www.fsa4schools.ed.gov) received 13,480 visits and 1.1 million hits.

**Customer Service Call Center Activity:** For the week ending July 3, the Customer Service Call Center received 488 inquiries, posted one item to FSATech, and posted eight documents to IFAP.

### **KEY ISSUES**

**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 July 1, over 56,000 consolidation applications totaling over \$1 billion had been received. On July 9, FSA began processing these applications and estimates completing the effort by July 16.

**E-Gov/eLoans:** *eLoans:* On July 2, OMB and ED eLoans representatives met to discuss the eLoans Transition Strategy. OMB was supportive of the strategy and is interested in investigating next steps to move it forward. On July 6, ED eLoans representatives briefed Edward McPherson and Terri Shaw on the Transition Strategy and OMB's feedback.

*GovLoans.gov:* The GovLoans team is working with FSA Communications and ED's Office of Public Affairs Contract Officer's Representative to negotiate a GovLoans outreach task as a part of the existing Ketchum Communications contract.

### **Students.gov:**

*Student Survey:* A survey of FSA's summer interns was completed to obtain impressions of [students.gov](http://students.gov)'s content and navigation, among other features. Preliminary indications show

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students find little difference between government and commercial sites and most students like students.gov enough to return to it.

*Monthly Activity:* In June, students.gov logged 243,397 visitors and 5.8 million hits, an increase of 13% from May. In June students.gov added 265 new subscribers to InfoSource.

### **ON THE HORIZON**

**Pac 10 Loan Conference:** On July 19, FSA representatives will be presenting at the Pac 10 Loan Conference in Ocean Shores, Washington.

### **CONTACT INFORMATION**

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