



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: August 2, 2004

THE WEEK AHEAD

Annual Tribal Schools Conference: On August 1-4, FSA representatives are making presentations at the Annual Tribal Schools Conference in Polson, Montana.

Bureau of Indian Affairs, Office of Indian Education Program Conference (BIA-OIEP): On August 5, FSA representatives will be participating in a panel discussion on Early Awareness for Native American students, parents and principals.

FSA IN THE FIELD

National Association of Student Financial Aid Administrators Conference (NASFAA): From July 18-20, FSA representatives presented at the NASFAA National Conference in Minneapolis, Minnesota.

2004 National Council for Community and Education Partnerships (NCCEP): On July 28, FSA representatives presented a financial aid workshop to members of the GEAR-UP and the college access community at the 2004 National Council for Community and Education Partnerships (NCCEP) annual conference in Washington, DC. The theme of this year's conference program, "Cultivating Student Success", was chosen to summarize the role, function and vision of the national GEAR-UP initiative aimed at improving college access for low-income students.

Interagency Collaboration: For the second year, FSA participated in the U.S. Department of Labor's Youth Career Skills Challenge at Catholic University in Washington, DC. Sponsored by Labor's Office of Youth Services, the Skills Challenge brings together youth from 36 grant sites around the country to participate in a wide variety of activities designed to help them improve their basic skills, explore different careers, and develop work readiness skills. The program focuses on employment and academic skill attainment. SAA conducted three workshops on financial aid and exhibited materials during the college and career fair.

La James College of Hairstyling: On July 21, FSA representatives presented an introduction to DL Consolidation at the school director's monthly staff meeting in Des Moines, Iowa.

OPERATIONAL METRICS

Application Activities through July 26, 2004: The Central Processing System (CPS) has processed 9.48 million FAFSA applications for the 2004-05 cycle, a 3.0% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending July 17, annual Pell Grant disbursements reached \$12.6 billion for the 2003-04 academic year and \$130.0 million for the 2004-2005 academic year. Through the week ending July 24, annual Direct Loan disbursements reached \$11.8 billion for the 2003-04 academic year and \$193.5 million for the 2004-2005 academic year. Through the week ending July 27, annual FFEL disbursements reached \$30.4 billion for the 2003-04 academic year and \$53.5 million for the 2004-2005 academic year. Through June, annual Direct Consolidation Loan disbursements reached \$4.01 billion.

Direct Loan (DL) Servicing: As of June 30, the Direct Loan Portfolio reached 17.3 million loans (a 2.5% increase over last year) with a total value of \$82.2 billion (a 3.2% increase over last year) representing 6.4 million borrowers (a 3.8% increase over last year).

Consolidation Activity through June 30, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled \$1.87 billion, a 5.9% decrease over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 2.1 billion, a .2% decrease over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$6.2 billion, a 24.2% increase over last year.

Total Default Recoveries: Through July 23, total FSA Default Recoveries for FY04 reached \$1.505 billion, an increase of 14% from this time last year. Total non-consolidation recoveries reached \$1.336 billion, an increase of 24%. Combined Recoveries from our private collection agency efforts have reached \$980.6 million, up 20% over the same period in FY03.

Guarantor Recoveries: Through the end of June, total Guarantor Default Recoveries for FY04 reached \$2.758 billion, an increase of 4% from this time last year. Through the end of June, combined ED and guarantor recoveries reached \$4.146 billion, a 7% increase over last year. Total non-consolidation recoveries for ED and guarantors combined reached \$2.74 billion, an increase of 12.7%.

1-800-4-FED-AID through July 24, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 4.77 million calls, an 11.6 % decrease over last year. Service levels have increased with 99.1% of calls completed, a .3% increase over last year. The average speed to answer decreased by 32.0% over last year to 6.8 seconds.

Direct Loan Servicing Call Center Phone Activity through July 23, 2004: Year to date, the Direct Loan Servicing Centers received 3.55 million calls to the Interactive Voice Response System, a decrease of 6.3% from 2003. Of those calls received, Borrower Services representatives handled 2.5 million calls, a decrease of 7.6% from 2003. The average speed of answer was 5.30 seconds, a decrease of 10.85% from 2003. The resolve rate for the Voice

Weekly Report to Secretary Paige
August 2, 2004

Response System was 28.70%, an increase of 4.0% from 2003. The Abandoned Call Rate was 0.24%, a decrease of 3.2% from 2003.

Student Aid on the Web: Through the first eight weeks of this summer, Student Aid on the Web has received more than 3.1 million visits representing an increase of 33.2% over the same period last year. The site is averaging over 6.7 million hits per week compared to 4.4 million last year and has recorded 5.8 million page views compared to 4.1 million last summer representing increases of 53.3% and 41.9% respectively.

Through the week ending July 24, *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 41,876 new accounts. To date 3,733 students have submitted their FAFSA applications and 1,204 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 24, www.ifap.ed.gov received 75,945 visits representing 2.0 million hits.

IFAP/FSA School Portal Disaster Recovery Exercise: On July 26 and July 27, IFAP's Disaster Recovery group participated in the annual ITA Disaster Recovery (DR) Exercise. IFAP and the School Portal system was one of many ITA systems that was recovered during the exercise.

Schools Portal Usage: For the week ending July 24, www.fsa4schools.ed.gov received 14,778 visits representing approximately 1.0 million hits.

Customer Service Call Center Activity: For the week ending July 23, the Customer Service Call Center received 337 inquiries and posted 24 documents to IFAP.

Students.gov: For the week ending July 24, Students.gov received 56,740 visits. On average, visitors spend five minutes on the site and review 2.5 pages during each visit with 60% of the traffic coming from the AOL domain. As of July 26th, 15,332 people subscribed to Students.gov "InfoSource", a subscription service, which highlights the features of students.gov.

FAFSA on the Web: On August 3, FSA will receive the 7.5 millionth web application for the 2004-2005 cycle, seven months ahead of last year. The 2004-2005 volume is on pace to exceed the web application volume (7.8 million) for the entire 2003-2004 cycle by the end of August.

KEY ISSUES

Consolidation Interest Rate Notice Letters: As of July 27, over 3,797,485 letters were sent to Direct Loan borrowers notifying them of the July 1 interest rate change. The letter advises borrowers of their new interest rates and suggests they consider loan consolidation to benefit from the lowest fixed interest rate in Direct Loan history. FSA has already seen a large increase in applications and estimates an additional 268,000 loan consolidation bookings over the next three months.

Weekly Report to Secretary Paige
August 2, 2004

2004-2005 Federal Work-Study Community Service Waiver Decisions: Final determinations were made on all 67 requests for waivers of the community service requirements in the Federal Work-Study (FWS) Program. A two-tiered panel composed of FSA and OPE staff reviewed the waiver requests and agreed upon the decisions. Of the 55 requests for a waiver of the requirement that schools spend at least 7% of their F W S federal allocation on employment in community service activities, 40 requests were approved and 15 denied. Of the 59 requests for a waiver of the requirement that schools have at least one student or one project doing reading tutoring as part of the school's community service activity, 45 requests were approved and 14 denied.

ON THE HORIZON

Fundamentals of Title IV Administration: On August 23-24, FSA representatives will be conducting Fundamentals of Title IV Administration at the San Francisco Regional Training Facility.

CONTACT INFORMATION

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