



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 16, 2004

THE WEEK AHEAD

FSA Software Developers Conference: On August 19, FSA will host software professionals from across the country at the Software Developers Conference at the Crystal Gateway Marriott in Arlington, VA. The agenda includes updates on FSA's XML framework, NSLDS, CPS and COD.

Oregon Association of Student Financial Aid Administrators (OASFAA): On August 19, FSA representatives will participate in the Summer One-Day Drive-In Training at the OASFAA Conference in Salem, Oregon.

FSA IN THE FIELD

League of United Latin American Citizens (LULAC): As part of FSA's ongoing outreach efforts, FSA representatives conducted a financial aid workshop for the League of United Latin American Citizens (LULAC) National Education Service Centers. The eighteen National Education Service Centers located across the United States and Puerto Rico are part of the largest Talent Search project funded by the Department. Each year they provide a variety of services including counseling, tutoring and mentoring to more than 12,000 young people and their parents. The Centers also provide financial aid information to students interested in postsecondary education.

California Partnership Meeting: On August 4, FSA's San Francisco office hosted representatives from EDFUND (guaranty agency), the California Bureau for Private Postsecondary Education, the California Attorney General's Office, ACCSCT (the accrediting agency) and the Office of the Inspector General at the semi-annual California Partnership Meeting. Discussion topics included challenged schools, partner communication and corporate schools.

Southern Association of Student Financial Aid Administrators (SASFAA): On August 6-7, FSA representatives provided a Federal Update at the SASFAA Executive Board Meeting in Atlanta, GA.

OPERATIONAL METRICS

Application Activities through August 9, 2004: The Central Processing System (CPS) has processed 10.0 million FAFSA applications for the 2004-05 cycle, a 3.0% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending August 7, annual Pell Grant disbursements reached \$12.6 billion for the 2003-04 academic year and \$321.9 million for the 2004-2005 academic year. Through the week ending August 7, annual Direct Loan disbursements reached \$11.8 billion for the 2003-04 academic year and \$235.5 million for the 2004-2005 academic year. Through the week ending August 10, annual FFEL disbursements reached \$30.8 billion for the 2003-04 academic year and \$195.8 million for the 2004-2005 academic year. Through July, annual Direct Consolidation Loan disbursements reached \$5.08 billion.

Direct Loan (DL) Servicing: As of July 31, the Direct Loan Portfolio reached 17.1 million loans (a 2.7% increase over last year) with a total value of \$82.0 billion (a 3.3% increase over last year) representing 6.3 million borrowers (a 3.5% increase over last year).

Consolidation Activity through July 31, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled \$2.85 billion, a 1.5% increase over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 2.96 billion, a 1.0% increase over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$7.2 billion, a 16.6% increase over last year.

Total Default Recoveries: Through August 6, total FSA Default Recoveries for FY04 reached \$1.553 billion, an increase of 13% from this time last year. Total non-consolidation recoveries reached \$1.379 billion, an increase of 23%. Combined Recoveries from our private collection agency efforts have reached \$1.02 billion, up 19% 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 August 7, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 5.19 million calls, an 11.8% decrease over last year. Service levels have increased with 99.1% of calls completed, a .2% increase over last year. The average speed to answer decreased by 27.8% over last year to 6.5 seconds.

Direct Loan Servicing Call Center Phone Activity through August 6, 2004: Year to date, the Direct Loan Servicing Centers received 3.85 million calls to the Interactive Voice Response System, a decrease of 5.8% from 2003. Of those calls received, Borrower Services representatives handled 2.7 million calls, a decrease of 7.2% from 2003. The average speed of answer was 5.60 seconds, a decrease of 18.94% from 2003. The resolve rate for the Voice

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Response System was 29.02%, an increase of 4.3% from 2003. The Abandoned Call Rate was 0.26%, a decrease of 1.3% from 2003.

Student Aid on the Web: For the week ending August 7, *Student Aid on the Web* recorded 437,755 visits, 7,924,492 hits and 609,176 page views representing increases of 32%, 50.8%, and 35.7% respectively over the same period last year.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending August 7, www.ifap.ed.gov received 84,012 visits representing 2.1 million hits.

Schools Portal Usage: For the week ending August 7, www.fsa4schools.ed.gov received 14,429 visits representing approximately 1.0 million hits.

Customer Service Call Center Activity: For the week ending August 7, the Customer Service Call Center received 344 inquiries and posted five documents to IFAP.

Campus-Based Call Center: The Campus-Based Call Center received 640 calls and 87 emails during the month of July.

Students.gov: For the week ending August 7, Students.gov received 61,113 visits representing approximately 1.4 million hits. Visitors spent an average of five and a half minutes on the site and reviewed 2.5 pages with 62% of all visitors coming from the AOL domain. For the month of July, Students.gov received 243,681 visitors representing approximately 5.76 million hits, a slight increase over last July.

KEY ISSUES

Consolidation Interest Rate Notice Letters: As of July 27, more than 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. As a result, consolidation applications for the month of July have increased by 37% over last July.

E-Gov/eLoans: On August 10, Harvard's Kennedy School of Government, National Center for Digital Government interviewed ED's eLoans team as part of an OMB-sanctioned study on the elements of and challenges to an interagency collaboration. OMB's E-Gov Office cleared Harvard's questions and our draft responses. Harvard will conduct follow-up interviews with some partner agencies and will share a draft of the study when it's available.

2005-2006 FAFSA: The 2005-2006 FAFSA, the Spanish FAFSA, the Renewal Application and all versions of FAFSA on the Web recently received clearance from OMB. FSA must now finalize any adjustments to the text or format, finalize the FAFSA tax references and prepare for printing.

ON THE HORIZON

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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.