



## 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 23, 2004

### **THE WEEK AHEAD**

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

### **FSA IN THE FIELD**

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

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

### **OPERATIONAL METRICS**

**Application Activities through August 16, 2004:** The Central Processing System (CPS) has processed 10.3 million FAFSA applications for the 2004-05 cycle, a 3.0% increase over the 2003-04 cycle.

**Program Disbursements:** Through the week ending August 14, annual Pell Grant disbursements reached \$12.7 billion for the 2003-04 academic year and \$483.2 million for the 2004-2005 academic year. Through the week ending August 14, annual Direct Loan disbursements reached \$11.8 billion for the 2003-04 academic year and \$389.6 million for the 2004-2005 academic year. Through the week ending August 18, annual FFEL disbursements reached \$31.3 billion for the 2003-04 academic year and \$605.4 million for the 2004-2005 academic year. Through July, annual Direct Consolidation Loan disbursements reached \$5.08 billion.

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**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).

**Direct Loan Delinquency Summary:** The Direct Loan portfolio delinquency rate for July 2004 rose to 11.93 percent from 11.50 percent in June. The delinquency rate for July 2003 was 12.01 percent.

**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 14, 2004:** Year to date, the Federal Student Aid Information Center (FSAIC) has received 5.4 million calls, an 11.8% decrease over last year. Service levels have increased with 99.2% of calls completed, a .3% increase over last year. The average speed to answer decreased by 30.0% over last year to 6.3 seconds.

**Direct Loan Servicing Call Center Phone Activity through August 13, 2004:** Year to date, the Direct Loan Servicing Centers received 3.98 million calls to the Interactive Voice Response System, a decrease of 5.7% from 2003. Of those calls received, Borrower Services representatives handled 2.8 million calls, a decrease of 7.2% from 2003. The average speed of answer was 5.54 seconds, a decrease of 20.34% from 2003. The resolve rate for the Voice Response System was 29.16%, an increase of 4.5% from 2003. The Abandoned Call Rate was 0.26%, a decrease of 2.7% from 2003.

**Student Aid on the Web:** For the week ending August 14, *Student Aid on the Web* recorded 427,931 visits, 7,898,527 hits and 830,226 page views representing increases of 32.8%, 55.4%, and 40.7% respectively over the same period last year. 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 44,964 new accounts through the week ending August 14th.

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**Information for Financial Aid Professionals (IFAP) Web site Usage:** For the week ending August 14, www.ifap.ed.gov received 71,987 visits representing 1.9 million hits.

**Schools Portal Usage:** For the week ending August 14, www.fsa4schools.ed.gov received 14,353 visits representing approximately 1.0 million hits.

**Customer Service Call Center Activity:** For the week ending August 13, the Customer Service Call Center received 353 inquiries, posted one document to FSATech and posted five documents to IFAP.

### **KEY ISSUES**

**Electronic Verification Certification (EVC):** In July 2003, FSA piloted Electronic Verification Certification (EVC) with the Pennsylvania Higher Education Assistance Authority (PHEAA) and began full implementation of EVC in December 2003. To date, 43 schools, nine guaranty agencies and one lender have registered to be EVC participants.

EVC allows loan holders to access, review, update, and certify loan verification certificates (LVCs) through a secure Website in real-time. The EVC technology brings a traditionally manual process onto the Web and promises to reduce costs and increase accuracy in the loan certification process.

**Update on Common Services for Borrowers (CSB) Transition:** The CSB Project is in Phase 1 development and testing and Phase 2 requirements gathering. Within Phase 1, the Loan Consolidation Reengineering is proceeding with implementation scheduled for October 8, 2004. The Data Mart is in parallel operations with implementation scheduled for October 1, 2004 and the Siebel front-end is undergoing "end to end" testing with implementation scheduled for October 8, 2004.

**E-Gov/eLoans:** On August 11, OMB provided agency CIOs with planned E-Gov initiative budget requirements for FY05 and FY06. The eLoans partner agencies are required to earmark \$400,000 each in FY05 (\$2 million total) and \$0 each in FY06. The eLoans initiative's total FY05 budget requirement of \$2 million equals just 1% of the total funding requirements of all the E-Gov initiatives (\$186 million).

**E-Gov/E-Authentication:** On August 12, ED/FSA/CIO and ED/OCIO/Information Assurance (IA) representatives met with staff from the E-Authentication Project Management Office (PMO) to discuss Education's recently submitted Ramp-up Plan/Data Call. GSA's PMO offered staff support to conduct a workshop on the E-Authentication Risk and Requirements Assessments that must be completed by December 15, 2004. FSA/CIO and ED/OCIO are in the planning stages for completing these risk assessments.

### **ON THE HORIZON**

### **CONTACT INFORMATION**

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