



## 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:** September 20, 2004

### **THE WEEK AHEAD**

**National Council for Higher Education Loan Professionals (NCHELP) Legislative Workshop:** On September 22, Terri Shaw will provide an update on FSA at the NCHELP Legislative Workshop in Washington, D.C.

**R2T4, Analyzing Data, and Conflicting Information (RAC) Training:** This week, FSA representatives are conducting RAC training sessions at Virginia Tech University, the University of Montana and the Dallas Regional Training Facility.

**CCCCO New Financial Aid Director's Training:** On September 21-22, FSA representatives are conducting New Financial Aid Director's Training in Sacramento, CA.

### **FSA IN THE FIELD**

**Cohort Default Rate Announcement:** The nation's student loan default rate dropped to an all-time low of 5.2%. FSA informed schools of their cohort default rate on Monday, September 13 and issued a press release on Tuesday, September 14.

**ED's Back-to-School Fair:** On September 14, FSA participated in the Department's Back-to-School Fair. FSA representatives distributed information to employees in attendance on planning and preparing for college.

**R2T4, Analyzing Data, and Conflicting Information (RAC) Training:** Last week, FSA representatives conducted RAC training sessions at Hope University as well as the Seattle, San Francisco and Kansas City Regional Training Facilities.

**National Scholarship Service College Fairs:** On September 14 and 16, FSA representatives attended National Scholarship Service College Fairs in Kansas City and St. Louis to distribute literature and answer questions on planning and paying for college.

**National Council for Higher Education Loan Professionals (NCHELP) Debt Management Committee Meeting:** On September 9, FSA representatives attended a meeting of

guarantor debt management leaders in Atlanta, Georgia. They provided updates on default recovery results in FSA and the guarantor community. They also gave an update on visible trends in the default collections environment and plans for future initiatives to increase effectiveness in default portfolio management.

**National Spanish Glossary Initiative:** On September 15 and 16, FSA representatives met with several organizations interested in promoting access to higher education and knowledge of federal financial aid to Hispanic communities. The meeting laid the groundwork for creating a glossary of standardized Spanish-language postsecondary education terms.

### **OPERATIONAL METRICS**

**Application Activities through September 13, 2004:** The Central Processing System (CPS) has processed 11.1 million FAFSA applications for the 2004-05 cycle, a 3.1% increase over the 2003-04 cycle.

**Program Disbursements:** Through the week ending September 11, annual Pell Grant disbursements reached \$2.1 billion for the 2004-2005 academic year, a 16% increase over last year. Through the week ending September 11, annual Direct Loan disbursements reached \$2.9 billion for the 2004-2005 academic year, an 8% increase over last year. Through the week ending September 14, annual FFEL disbursements reached \$4.2 billion for the 2004-2005 academic year, an 8% increase over last year. Through August, annual Direct Consolidation Loan disbursements reached \$6.9 billion.

**Direct Loan (DL) Servicing:** As of August 31, the Direct Loan Portfolio reached 17.5 million loans (a 4.0% increase over last year) with a total value of \$83.3 billion (a 4.8% increase over last year) representing 6.4 million borrowers (a 4.8% increase over last year).

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

**Consolidation Activity through August 31, 2004:** Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled \$3.70 billion, a 16% increase over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 3.30 billion, a 1.5% increase over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$7.8 billion, an 11.5% increase over last year.

**Total Default Recoveries:** Through the September 10, total FSA Default Recoveries for FY04 reached \$1.743 billion, an increase of 11% from this time last year. Total non-consolidation recoveries reached \$1.549 billion, an increase of 20%. Combined Recoveries from our private collection agency efforts have reached \$1.194 billion, up 19% over the same period in FY03.

**1-800-4-FED-AID through September 11, 2004:** Year to date, the Federal Student Aid Information Center (FSAIC) has received 6.1 million calls, an 11% 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 34.4% over last year to 6.0 seconds.

**Direct Loan Servicing Call Center Phone Activity through September 10, 2004:** Year to date, the Direct Loan Servicing Centers received 4.7 million calls to the Interactive Voice Response System, a decrease of 4.5% from 2003. Of those calls received, Borrower Services representatives handled 3.1 million calls, a decrease of 6.3% from 2003. The average speed of answer was 5.8 seconds, a decrease of 13.1% from 2003. The resolve rate for the Voice Response System was 29.4%, an increase of 5.2% from 2003. The Abandoned Call Rate was 0.26%, an increase of 4.0% from 2003.

**Information for Financial Aid Professionals (IFAP) Web site Usage:** For the week ending September 11, [www.ifap.ed.gov](http://www.ifap.ed.gov) received 52,394 visits representing 1.6 million hits, a decrease of 16% over last year.

**Schools Portal Usage:** For the week ending September 11, [www.fsa4schools.ed.gov](http://www.fsa4schools.ed.gov) received 11,143 visits representing almost 900,000 hits, a decrease of .20% over last year.

**Customer Service Call Center Activity:** For the week ending September 11, the Customer Service Call Center received 316 inquiries, posted one item to FSATech and posted 13 documents to IFAP.

### **KEY ISSUES**

**E-Gov/eLoans:** For the month of July, [GovLoans.gov](http://GovLoans.gov) averaged 36,000 visits per week, a significant increase since the site was launched at the end of April. Small Business Administration loans received the most traffic with more than 16,000 visits per week for July.

### **ON THE HORIZON**

**Electronic Access Conferences (EAC):** On November 1 - 4 and November 30 – December 3, FSA will host approximately 4,000 financial aid professionals from across the country at FSA's two EAC's in Orlando and Las Vegas.

**FSA in the Classroom:** FSA representatives will be conducting the following training sessions in the coming weeks:

September 27	Fundamentals of Title IV Atlanta Regional Training Facility
September 29	R2T4, Analyzing Data, and Conflicting Information (RAC) Chicago Regional Training Facility
September 29	R2T4, Analyzing Data, and Conflicting Information (RAC) Spokane Community College
September 30	R2T4, Analyzing Data, and Conflicting Information (RAC) Philadelphia Regional Training Facility

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October 4-8	Fundamentals of Title IV Chicago Regional Training Facility
October 5	R2T4, Analyzing Data, and Conflicting Information (RAC) New York Regional Training Facility
October 5	R2T4, Analyzing Data, and Conflicting Information (RAC) Atlanta Regional Training Facility

**Presentations at Conferences:** FSA representatives will be making presentations at the following state financial aid and higher education conferences in the coming weeks:

October 4-6	Idaho Association of Student Financial Aid Administrators (IASFAA)
October 6-8	Colorado Association of Student Financial Aid Administrators
October 7-8	National Scholarship Search Fair
October 20-22	Washington Financial Aid Administrators (WFAA)
October 27-28	National Association for College Admissions Counselors (NACAC)

### **CONTACT INFORMATION**

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