



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 22, 2003

THE WEEK AHEAD

Training for Operating Partners: From September 22 – 26, FSA will deliver customized Pell training to Common Origination and Disbursement Customer Service Representatives in Niagara Falls, NY.

National Educational Opportunity Centers: On September 27, Kay Jacks will be the keynote speaker at the National Educational Opportunity Centers' dinner meeting in San Diego, CA.

FSA IN THE FIELD

Student Aid on the Web: Release 2 of *Student Aid on the Web* went live on September 7. FSA is planning to formally launch the site in the coming weeks. FSA is working with OPA to coordinate all outreach and activities.

Students.gov Website Usage: During the week of September 7-13, Students.gov received 53,085 visits (1.4 million hits). Students.gov now links to 870 government and non-government student-focused websites (51% government/military; 35% educational or organizational; and 14% commercial/other).

OPERATIONAL METRICS

Application Activities through September 14, 2003: The Central Processing System (CPS) has processed 10.7 million applications for the 2003-2004 cycle, an 8.2% increase over the 2002-2003 cycle.

Program Disbursements: Through the week ending September 13, annual Pell and Direct Loan disbursements reached \$11.62 billion and \$11.30 billion respectively for the 2002-2003 academic year and \$1.80 billion and \$2.68 billion respectively for the 2003-2004 academic year. Through the week ending September 15, annual FFEL disbursements reached \$27.39 billion for the 2002-2003 academic year and \$3.72 billion for the 2003-2004 academic year. Through July, annual Direct Consolidation Loan disbursements reached \$5.73 billion.

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Total Default Recoveries: Through September 12, total FSA default recoveries for the fiscal year reached \$1.571 billion, up 22% year to date and representing 11% of the FY02 year-end portfolio balance. Total non-consolidation recoveries reached \$1.290 billion, up 38% year to date and representing 9.2% of the FY02 portfolio balance. Combined Recoveries from our private collection agency efforts reached \$998 million, up 32% year to date.

1-800-4-FED-AID through September 13, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 6.88 million calls, a 1.4% increase over last year. Service levels have increased with 98.9% of calls completed, a 3.0% increase over last year and the average speed to answer reduced by 67.9% over last year to 9 seconds.

Direct Loan Servicing Call Center Phone Activity through September 12, 2003: Year-to-date, the Direct Loan Servicing Centers received 4.79 million calls to the Interactive Voice Response System, an increase of 1.52% over 2002. Of the calls received, Borrower Services representatives handled 3.44 million calls, an increase of 1.18 percent over 2002. The average speed of answer was 7.09 seconds.

KEY ISSUES

Certification and Accreditation: During the week of September 15, FSA's Virtual Data Center (VDC) was certified and EZ-Audit was accredited. Accreditation of the VDC should be accomplished by September 25.

IT Security Vulnerabilities: CIO staff worked to alert FSA system owners of a new Internet vulnerability (Microsoft Security Alert 03-039). This was the first use of the FSA Special Threat Alert and Response (STAR) tracking alert system. All systems reported taking protective actions and developing timely remediation plans.

E-Gov/eLoans: On September 16, the ED eLoans team briefed Paul Mamo, OMB's new G2C Portfolio Manager, on the status of the eLoans initiative. Mr. Mamo was supportive of the general direction of the project.

Sallie Mae Monthly Payment Error: FSA continues to assess the impact of Sallie Mae's recent disclosure that a Sallie Mae system problem caused over 1 million borrowers to make inaccurate monthly payments. FSA, OPE, OGC, and OIG are reviewing policy implications and options for resolution.

ON THE HORIZON

FSA Regional Office Visit: On October 8-9, Terri Shaw is scheduled to visit FSA's Dallas regional office. This will conclude Terri's first tour of FSA's regional offices to meet with FSA staff.

Midwest Association of Student Financial Aid Administrators (MASFAA) Conference: On October 13, FSA representatives are scheduled to present at the MASFAA Regional Conference in Milwaukee, Wisconsin.

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Default Aversion Information Sharing Session: FSA and the guaranty agency American Student Assistance (ASA) will host a "Default Aversion Information Sharing Session." This session is scheduled for October 21-22 in Cambridge, MA. The session provides an opportunity for the guarantors from the two regions to share best practices.

The 2003 Electronic Access Conferences: FSA is hosting approximately 3000 financial aid professionals at the 2003 Electronic Access Conferences scheduled for November 2-5 in San Diego, CA and December 2-5 in New Orleans, LA. The conferences provide attendees with training and updates on Title IV programs.

Coalition Of African American Professional And Community Organizations: On February 13, 2004, FSA representatives will present to the Coalition Of African American Professional And Community Organizations at the 4th Annual Career Expo and College Fair in partnership with the Dallas Independent School District.

CONTACT INFORMATION

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