



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: October 14, 2003

THE WEEK AHEAD

Midwest Association of Student Financial Aid Administrators (MASFAA) Conference:

Yesterday, FSA representatives presented at the MASFAA Regional Conference in Milwaukee, Wisconsin.

NASSGAP 2003 Fall Conference: On October 12-15, FSA is scheduled to speak at the fall conference of the National Association of State Student Grant and Aid Programs (NASSGAP) in Indianapolis, IN. Topics include an update on FSA and Financial Partner initiatives and a presentation on the status of the Leveraging Educational Assistance Partnership Program (LEAP) and the Supplemental Leveraging Educational Assistance Partnership Program (SLEAP). The LEAP and SLEAP programs provide funds to states to encourage the retention and expansion of existing state grant programs helping students with the greatest need.

FSA IN THE FIELD

National Scholarship Service College Fairs: On September 30, FSA staff joined approximately 2000 Washington, DC metropolitan area high school students at the 2003 National Scholarship Service (NSS) College Fair in New Carrollton. The following week, FSA staff participated in the National Scholarship Service College Fair in New Orleans, LA where over 2500 students were in attendance. In all, NSS and the National Association of College Admissions Counselors will host 37 events across the country reaching approximately 150,000 students. FSA staff will be in attendance at all the events distributing information on planning and paying for college.

Student Aid on the Web: Last week, FSA joined OVAE at the High School Leadership Summit where we introduced *Student Aid on the Web* to those in attendance. FSA staff provided live presentations to all interested parties. For the week ending October 4, *Student Aid on the Web* recorded 153,892 visits, 3,878,273 hits and 439,138 page views.

Students.gov Website Usage: In September 2003, students.gov recorded 222,549 visitors representing 5.8 million hits, a 264% increase in usage over last September. In FY03, students.gov had 1,969,893 visitors to the website, a 198% increase over FY02.

OPERATIONAL METRICS

Application Activities through October 5, 2003: The Central Processing System (CPS) has processed 11.0 million applications for the 2003-2004 cycle, an 8.1% increase over the 2002-2003 cycle.

Program Disbursements: Through the week ending October 4, annual Pell and Direct Loan disbursements reached \$11.65 billion and \$11.33 billion respectively for the 2002-2003 academic year and \$3.22 billion and \$3.75 billion respectively for the 2003-2004 academic year. Through the week ending October 6, annual FFEL disbursements reached \$27.9 billion for the 2002-2003 academic year and \$5.8 billion for the 2003-2004 academic year. Through August, annual Direct Consolidation Loan disbursements reached \$6.40 billion.

Total Default Recoveries: Through September 30, total FSA default recoveries for the fiscal year reached \$1.617 billion, up 21% for the year and representing 11.5% of the FY02 year-end portfolio balance. Total non-consolidation recoveries reached \$1.302 billion, up 37% for the year and representing 9.5% of the FY02 portfolio balance. Combined Recoveries from our private collection agency efforts reached \$1.03 billion, up 31% for the year. Through August 31, 2003, Guarantee Agency combined recoveries reached \$3.5 billion. Total non-consolidation recoveries during the same period reached \$1.7 billion.

Through October 7, total FSA default recoveries for the FY04 fiscal year reached \$47 million, up 48% year to date and representing 0.29% of the FY03 year-end portfolio balance. Total non-consolidation recoveries reached \$46.6 million, up 47% year to date and representing 0.29% of the FY03 portfolio balance. Combined Recoveries from our private collection agency efforts reached \$42.9 million, up 39% year to date.

1-800-4-FED-AID through October 4, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 7.17 million calls, a 1.0% increase over last year. Service levels have increased with 99.0% of calls completed, a 3.0% increase over last year and the average speed to answer reduced by 69.2% over last year to 8 seconds.

Direct Loan Servicing Call Center Phone Activity through October 3, 2003: Year-to-date, the Direct Loan Servicing Centers received 5.14 million calls to the Interactive Voice Response System, an increase of 1.06% over 2002. Of the calls received, Borrower Services representatives handled 3.69 million calls, an increase of .72% over 2002. The average speed of answer was 6.85 seconds. The resolve rate for the Voice Response System was 27.89%, an increase of 1.09% over 2002.

Electronic Debit Account (EDA): As of October 3, 2003, there were 601,453 borrowers enrolled in EDA. EDA is a service provided by the Department that, at the borrower's request, automatically debits the borrowers account for their monthly payment.

KEY ISSUES

2004-05 Free Application for Federal Student Aid (FAFSA): The 2004-2005 FAFSA is now available for schools to order via FSA's Bulk Publication Ordering System (BPOS). Due to the increase in the number of *FAFSA on the Web* filers, FSA anticipates printing fewer paper FAFSA's.

E-Gov/eLoans: OMB sent guidance to the E-Gov managing partners requesting that all E-Gov initiatives have their FY04 MOUs signed by all partner agencies by October 29, 2003. The eLoans partner agency leads (ED, HUD, SBA, USDA, VA, OMB) met on October 7 to discuss the draft MOU. The team met with Bill Leidinger and anticipates forwarding the eLoans MOU package to the partner agencies within the week.

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

GAO Audit -- Direct Loan Financing and Estimated Costs: GAO is initiating a follow-up assessment of key aspects of the Federal Direct Loan Program's financing and estimated costs as discussed in GAO-01-197 (Federal Direct Loan Program's Cost Estimates). An entrance conference date has not been scheduled.

Perkins Loan Portfolios: During the week of October 20, FSA representatives will assist Morris Brown College in liquidating and assigning their Perkins Loan Portfolio. Specifically, the training will focus on due diligence requirements and procedures for assigning notes to the Department.

FSA Staff Meeting: On October 21, Terri Shaw will host an FSA-wide staff meeting in Washington, DC. The meeting will be broadcast via teleconference to all FSA regions.

FAA Videoconference: On October 22, FSA will host a videoconference for Financial Aid Advisors (FAA) from across the country. The purpose of the conference is to provide FAA's with training and updates on Title IV programs.

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 guarantors to share best practices.

Accrediting Council for Continuing Education and Training: On October 23, FSA staff will make a presentation on Late Stage Delinquency Assistance to the Accrediting Council for Continuing Education and at the Council's Annual Conference in Ft. Lauderdale, FL.

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The 2003 Electronic Access Conferences: FSA is hosting 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. To date, over 1600 have registered for the San Diego conference and almost 900 for the New Orleans conference.

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.