

TO: Secretary Paige
FROM: Theresa S. Shaw, Chief Operating Officer, Federal Student Aid
RE: FSA Weekly Report
DATE: October 21, 2002

THE WEEK AHEAD

Income Verification: On October 21, FSA's new pilot "Verification Web site" goes into production. It will simplify and make electronic a process that currently is cumbersome and manual for applicants. Each year, a percentage of applicants is selected for verification of the income reported on their FAFSAs. At most schools, students must make paper copies of their (and, if they're dependent, their parent's) federal tax returns and provide them to the school. For 2003-04, eight schools are participating in this pilot Web program jointly developed by ED and IRS. The site allows selected students (and their parents or spouses) to go online and ask IRS to send tax information directly to the school. Based on our agreement with IRS, the pilot is limited to the first 600 taxpayers to use the Web site. (<https://consentpilot.sfa.ed.gov/IRSForm/home.jsp>)

"Address Match" Audit: On October 21, an entrance conference for this OIG audit will be held. The objectives of the audit are to identify addresses with excessive amounts of student aid awards and analyze the occurrences for reasonableness, and to identify schools that have a high number of applicants with the same address.

Videoconference: On October 24, FSA will present its annual Application Processing System videoconference, which will cover changes for the upcoming 2003-04 processing year. The videoconference will feature Northern Virginia Community College, Oklahoma State University, and Macro International.

KEY NEWS

OIG Drops Audit: OIG has notified FSA that, based on early results of their audit of foreign schools' default rates, they are terminating the audit. OIG soon will provide us with a letter to verify the decision. OIG requested a management representation letter from FSA, and the letter was provided on October 18.

Schools Lose Eligibility Due to Defaults: Three schools that had unacceptably high FY00 default rates have failed to file appeals. They now lose program eligibility and cannot reapply until October 1, 2004. The schools are Interboro Institute in New York, Capps College in Alabama, and Metro Technical Institute of Michigan.

RESOLUTION OF KEY ISSUES

Nothing to report.

PUBLIC AFFAIRS ACTIVITIES

Nothing to report.

REGULATORY ACTIVITIES

Nothing to report.

POLICY DOCUMENTS

Not applicable.

GRANT ACTIVITIES

Nothing to report.

ON THE HORIZON

EAC Registration: This year, ED hosts two Electronic Access Conferences (EACs), rather than the traditional three. Registration for the EAC to be held in Orlando on November 4-7 stands at 1,160. Registration for the Las Vegas EAC to be held December 3-6 stands at 1,366.

Software Developers Conference: Following the Orlando EAC, FSA CIO will host another of its Software Developers Conferences. The meetings are designed for third party software developers who develop financial aid software for schools. Registration stands at 92.

CONTACT INFORMATION

Please contact Karen Santos Freeman at 377-4001 with any questions.