



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 27, 2003

THE WEEK AHEAD

GAO Audit -- Direct Loan Financing and Estimated Costs: Today, GAO will conduct an entrance conference to initiate 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).

Education News Parents Can Use: Tomorrow, Terri Shaw is scheduled to meet with representatives of Education News Parents Can Use, the Department's new monthly television series, to discuss FSA's role in the November 18 episode entitled "*Getting Ready for College – Academic and Financial Preparedness*".

The 2003 Electronic Access Conferences: FSA is hosting financial aid professionals at the 2003 Electronic Access Conferences scheduled to begin on Sunday, November 2 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 1837 have registered for the San Diego conference and almost 1300 for the New Orleans conference. FSA is monitoring the impact of the wild fires in the San Diego area and will keep attendees apprised of any necessary changes to the conference schedule.

FSA IN THE FIELD

FSA Staff Meeting: On October 21, Terri Shaw hosted an FSA-wide staff meeting in Washington, DC. The meeting was broadcast via teleconference to all FSA regions. Bill Leidinger joined Terri during the Question and Answer session to address questions on One-ED.

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

Weekly Report to Secretary Paige
October 27, 2003

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

Default Aversion Information Sharing Session: On October 21- 22, FSA and the guaranty agency American Student Assistance (ASA) hosted a "Default Aversion Information Sharing Session." The two-day meeting focused on early and increased communications with students and their parents and was attended by 45 members of the guarantor community.

Accrediting Council for Continuing Education and Training: On October 23, FSA staff made 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.

IBM Briefing: On October 23-24, FSA CIO attended a briefing at the IBM Palisades Executive Conference Center in New York. IBM reviewed their products and future directions.

National Scholarship Service College Fairs: On October 18, FSA staff joined approximately 400 Texas high school students at the 2003 National Scholarship Service (NSS) College Fair in Houston. 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: For the week ending October 18th, *Student Aid on the Web* had 186,978 visits, 3,573,134 hits and 390,236 page views. For the same period one year ago our website had 18,804 visits, 389,024 hits and 46,396 page views representing increases of 893%, 818%, and 741%, respectively. Since its launch, the new personal profile feature, My FSA, has recorded over 6,000 individual profiles.

OPERATIONAL METRICS

Application Activities through October 19, 2003: The Central Processing System (CPS) has processed 11.2 million applications for the 2003-2004 cycle, an 8.0% increase over the 2002-2003 cycle.

Program Disbursements: Through the week ending October 18, annual Pell and Direct Loan disbursements reached \$11.6 billion and \$11.3 billion respectively for the 2002-2003 academic year and \$3.9 billion and \$4.1 billion respectively for the 2003-2004 academic year. Through the week ending October 21, annual FFEL disbursements reached \$28.2 billion for the 2002-2003 academic year and \$7.9 billion for the 2003-2004 academic year. Through September, annual Direct Consolidation Loan disbursements reached \$6.80 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,

Weekly Report to Secretary Paige
October 27, 2003

2003, Guarantee Agency combined recoveries reached \$3.5 billion. Total non-consolidation recoveries during the same period reached \$1.7 billion.

Through October 18, total FSA default recoveries for the FY04 fiscal year reached \$68.7 million, up 12.8% year to date and representing 0.43% of the FY03 year-end portfolio balance. Total non-consolidation recoveries reached \$59.7 million, up 30% year to date and representing 0.37% of the FY03 portfolio balance. Combined Recoveries from our private collection agency efforts reached \$66.3 million, up 30% year to date.

1-800-4-FED-AID through October 18, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 7.3 million calls, a 0.7% increase over last year. Service levels have increased with 99.0% of calls completed, a 2.9% increase over last year and the average speed to answer reduced by 67.9% over last year to 8 seconds.

Direct Loan Servicing Call Center Phone Activity through October 17, 2003: Year-to-date, the Direct Loan Servicing Centers received 5.35 million calls to the Interactive Voice Response System, an increase of 0.91% over 2002. Of the calls received, Borrower Services representatives handled 3.84 million calls, an increase of .56% over 2002. The average speed of answer was 6.70 seconds. The resolve rate for the Voice Response System was 28.58%, an increase of 3.32% over 2002.

KEY ISSUES

E-Gov/eLoans: On October 10, Bill Leidinger signed the eLoans FY04 MOU and forwarded the package to the partner agencies (HUD, SBA, USDA, VA, and OMB). The eLoans partner agency leads met on October 21 and are working to complete e-Gov FY04 MOU's by October 29.

GovLoans Gateway: On October 15, the eLoans team met with GovBenefits to plan the GovLoans Gateway. The application will educate citizens on federal loan programs and direct them to the best available loan information at both private sector and federal web sites. The team will begin gathering functional requirements in October with an anticipated implementation date of June 2004.

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 and OGC are reviewing policy implications and options for resolution.

ON THE HORIZON

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.

Weekly Report to Secretary Paige
October 27, 2003

CONTACT INFORMATION

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