

| ID No | MIT No | Str Plan No | High Risk Plan No | GOALS                                                                                                                                                                                                          | ORIGIN                            | RESP ORG | SUPPORTING ORG<br>(Including Operating Partners)                                  | PURPOSE                                                                                                                                                                                                                                                                                                                                 | DEFINITION OF SUCCESS                                                                                                                                                                           | COMPLETION DATE | PRIMARY IMPACT |       |       |       |
|-------|--------|-------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|-------|-------|-------|
|       |        |             |                   |                                                                                                                                                                                                                |                                   |          |                                                                                   |                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                 |                 | Integrity **   | C-SAT | UNITS | E-SAT |
| 1     |        | 5.3.2/6.2.1 | 2.1               | Develop the design concept for the Students-portal that will provide access to Student related online services. *                                                                                              | Mod Bprint & Victory List (ITIRB) | Students | CIO, Schools, Accenture                                                           | Define Students portal design concept, focusing on making it easy for students to move among various Students Channel services.                                                                                                                                                                                                         | Complete Students-portal design concept.                                                                                                                                                        | 9/30/2002       |                | X     | X     | X     |
| 2     |        | 5.2.2/6.2.1 | 3                 | Establish strategic and integrated partnerships with 5 national organizations that provide services to Student Aid Awareness targeted audiences in order to champion access to postsecondary education.        | Student Aid Awareness IPTs        | Students | SFA-wide                                                                          | Leverage resources of others yielding larger results with fewer dollars.                                                                                                                                                                                                                                                                | Successfully establish 5 national partnerships that target our identified audiences.                                                                                                            | 9/30/2002       |                | X     |       | X     |
| 3     |        | 5.2.2/6.2.1 | 3                 | Develop and disseminate 5 new information products that respond to the needs of the target audiences.                                                                                                          | Student Aid Awareness IPTs        | Students | Schools, NCS Pearson                                                              | Ensure that the right information is provided at the right time, to make informed decisions.                                                                                                                                                                                                                                            | Disseminate 5 new products to targeted audiences; feedback is positive.                                                                                                                         | 9/30/2002       |                | X     |       | X     |
| 4     |        | 5.3.2/6.2.1 | 2.1               | Reduce the unit cost for calls received at 4-FED AID.                                                                                                                                                          | Contract Transformations          | Students | Acquisitions and Contract Performance, NCS Pearson                                | Reduce costs while maintaining high customer satisfaction.                                                                                                                                                                                                                                                                              | Renegotiated contract reflective of best in business strategies.                                                                                                                                | 9/30/2002       |                |       | X     |       |
| 5     |        | 5.3.2/6.2.1 | 2.1               | Develop One Channel, One Number.                                                                                                                                                                               | Mod Bprint & Victory List (ITIRB) | Students | Acquisition and Contract Performance, Schools, Financial Partners, CIO, Accenture | Reduce the number of contact points between SFA and its customers and partners, through the implementation of enterprise telephony capabilities.                                                                                                                                                                                        | Create separate numbers for each customer base.                                                                                                                                                 | 9/30/2002       |                | X     | X     | X     |
| 6     |        | 5.3.2/6.2.1 | 2.2               | Reduce the overall SFA documents printing budget by 10%.                                                                                                                                                       | New                               | Students | SFA-wide                                                                          | Reduce SFA printing costs.                                                                                                                                                                                                                                                                                                              | Reduced printing costs from \$10.4M in FY01 to \$9.4M in FY02                                                                                                                                   | 9/30/2002       |                |       | X     |       |
| 7     |        | 5.3.2/6.2.1 | 2.1               | Increase the number of FAFSAs filed electronically from 5 million last year to 5.5 million in FY2002 with 55% via our web product.                                                                             | Annual Plan Carry Over            | Students | Communications, Schools, CIO, NCS Pearson                                         | Continue to increase the number of students filing their FAFSAs electronically, and further, to continue the expansion of our web products. This will provide for faster service, increased customer satisfaction, and reduced unit cost.                                                                                               | The number of FAFSA's filed electronically in FY2002 is at least 5.5M, with 55% via our web product.                                                                                            | 9/30/2002       |                | X     | X     | X     |
| 8     |        | 5.3.2/6.2.1 | 2.1               | Process all paper and electronic FAFSA's with an average turnaround time of 6 days or less.                                                                                                                    | Annual Plan Carry Over            | Students | NCS Pearson, ACT                                                                  | Improve satisfaction as students receive confirmation on average within 6 days rather than the current contract standard of 10.                                                                                                                                                                                                         | Achieve 6 day average turnaround in FY2002.                                                                                                                                                     | 9/30/2002       |                | X     | X     | X     |
| 9     |        | 5.3.2/6.2.1 | 3.1.4             | Develop a new verification process that will drive an over/under award reduction through targeted, improved verification criteria.                                                                             | New                               | Students | NCS Pearson, IRS                                                                  | Improve our data integrity and help reduce under/over student aid payments.                                                                                                                                                                                                                                                             | Reduce over/under awards.                                                                                                                                                                       | 9/30/2002       | X              | X     | X     |       |
| 10    |        | 5.3.2/6.2.1 | 3.1.4             | Fully support the administration's efforts to improve the data match with the IRS.                                                                                                                             | New                               | Students | NCS Pearson, IRS                                                                  | Improve our data integrity and help reduce under/over student aid payments by working with IRS to use their information more effectively. Participate with the IRS and Schools in the implementation of an IRS Consent Pilot.                                                                                                           | Successfully implement the IRS Consent Pilot.                                                                                                                                                   | 9/30/2002       | X              | X     | X     |       |
| 11    |        | 5.3.2/6.2.1 | 2.1               | Develop and deploy a re-engineered FAFSA on the Web product that includes features that our customers' want, based on an architecture that is compatible with modernization objectives and that is scalable. * | Mod Bprint & Victory List (ITIRB) | Students | Acquisition and Contracts Performance, CIO, Accenture                             | Provide a technical platform that will support the increase in web applications without a degradation in service to the customer. Improve customer satisfaction through improved user experience.                                                                                                                                       | Successfully process applications and receive positive feedback from students on the updated look and feel of the application.                                                                  | 1/1/2002        |                | X     | X     | X     |
| 12    |        | 5.3.2/6.2.1 | 2.1               | Increase by 25% the number of visitors to the Direct Loan Servicing Web site.                                                                                                                                  | New                               | Students | ACS                                                                               | Improve Customer Satisfaction by allowing real-time services of the borrower. Reduce unit costs through self-service and reduced fulfillment costs.                                                                                                                                                                                     | Increase visits to the Web by at least 25%. This is an increase from 3.3 million to 4.1 million visitors.                                                                                       | 9/30/2002       |                | X     | X     | X     |
| 13    |        | 5.3.2/6.2.1 | 2.1/3.1.2         | Implement Internet billing and online correspondence as part of the Direct Loan eServicing initiative.*                                                                                                        | Mod Bprint & Victory List (ITIRB) | Students | ACS, Accenture                                                                    | Initiate at least one paper to eService conversion process. eServicing will provide borrowers a state-of-the-art tool for making payments, receiving bills and obtaining other correspondence. This functionality will significantly reduce operating costs and increase customer satisfaction by leveraging the power of the Internet. | Successful implementation and user acceptance of Internet billing as evidenced by a projected EBPP adoption rate of 10%. Successful implementation of online correspondence in FY2002.          | 9/30/2002       |                | X     | X     | X     |
| 14    |        | 5.3.2/6.2.1 | 1.6.2             | Increase the number of lenders using EFT for Direct Consolidation by 100%.                                                                                                                                     | New                               | Students | Students, Financial Partners, CFO and EDS                                         | As mandated by Treasury, increase electronic payments throughout the Government.                                                                                                                                                                                                                                                        | Increase from the current 13 lenders in FY2001 to 26 lenders in FY2002.                                                                                                                         | 9/30/2002       |                | X     | X     |       |
| 15    |        | 5.3.2/6.2.1 | 2.1               | Process loan consolidations in 45 days or less.                                                                                                                                                                | Annual Plan Carry Over            | Students | Acquisition and Contracts Performance, EDS                                        | Reduce from the FY01 performance goal of 50 days to 45 days.                                                                                                                                                                                                                                                                            | Complete loan consolidation packages are processed on an average of 45 days or less.                                                                                                            | 9/30/2002       |                | X     | X     |       |
| 16    |        | 5.3.2/6.2.1 | 1.6.2             | Increase the number of loan consolidation applications filed electronically from 73% to 80% of total applications.                                                                                             | Annual Plan Carry Over            | Students | Communications, Financial Partners, CFO, EDS                                      | Increase the ease, speed and accuracy of a consolidation application, while continuing to expand the use of eCommerce.                                                                                                                                                                                                                  | The total number of electronic applications will increase by 7%, to 80% of all consolidation applications. During FY01 approximately 350K consolidation applications were filed electronically. | 9/30/2002       |                | X     | X     | X     |

Notes:  
(1) Restore trust by achieving a clean audit and getting off the GAO High Risk list.

\*Contributes to SFA's Systems Modernization and Integration Goals.

\*\* Student Financial Assistance Risk Management Plan (SMIT)

| ID No | MIT No | Str Plan No | High Risk Plan No | GOALS                                                                                                                                   | ORIGIN                             | RESP ORG                              | SUPPORTING ORG<br><i>(Including Operating Partners)</i> | PURPOSE                                                        | DEFINITION OF SUCCESS                                                                                                                 | COMPLETION DATE | PRIMARY IMPACT           |       |        |       |
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|       |        |             |                   |                                                                                                                                         |                                    |                                       |                                                         |                                                                |                                                                                                                                       |                 | Integrity <sup>(1)</sup> | C-SAT | UNIT S | E-SAT |
| 17    |        | 5.3.2/6.2.1 | 3.1.3             | Increase the FY2002 default recovery rate to 15%.                                                                                       | Plan C/O and ED Management Reforms | Students                              | Collection Agencies, GA's, Raytheon, IRS                | Reduce outstanding debt in the Student Loan default portfolio. | Meet or exceed a 15% default recovery rate, including GA's, in FY2002.                                                                | 9/30/2002       | X                        |       | X      |       |
| 18    |        | 5.3.2/6.2.1 | 3.1.3             | Ensure that default recovery totals exceed default claim totals for the fiscal year.                                                    | Plan C/O and ED Management Reforms | Students                              | Collection Agencies, GA's, Raytheon, IRS                | Reduce outstanding debt in the Student Loan default portfolio. | Successfully recover more funds than we pay out in default claims.                                                                    | 9/30/2002       | X                        | X     | X      | X     |
| 19    | 54     | 5.3.2/6.2.1 | 3.1.3             | Expand the use of the National Directory of New Hires database matching program to recover \$200-million in defaulted student loans. ** | Plan C/O and ED Management Reforms | Students                              | Collection Agencies, GA's, Raytheon, HHS                | Reduce outstanding debt in the Student Loan default portfolio. | Recover \$200M in defaulted loans using NDNH data.                                                                                    | 9/30/2002       | X                        | X     | X      | X     |
| 20    | 53     | 5.3.2/6.2.1 | 3.1.1             | Demonstrate pursuit of improved default management and prevention strategies. **                                                        | Plan C/O and ED Management Reforms | Students, Schools, Financial Partners | Analysis, ACS, EDS                                      | Reduce risk exposure of nonperforming assets.                  | Reduction in cohort and lifetime default rates. Define an "acceptable" rate on nonperformance assets as compared to performing loans. | 9/30/2002       | X                        |       | X      |       |

SFA Senior Management Team

Chief Operating Officer - Greg Woods  
 Chief of Staff -- Candy Kane  
 Students -- Jennifer Douglas  
 Schools -- Kay Jacks  
 Financial Partners -- John Reeves  
 CIO -- Steve Hawald  
 CFO -- Jim Lynch

Ombudsman - Debra Wiley  
 Communications -- Karen Freeman  
 Acquisition and Contract Performance - Candace Hardesty  
 Human Resources - Calvin Thomas  
 Analysis - Candy Kane (Acting)  
 SFA University - Anne Teresa

If you have comments or questions, call Cyndi Reynolds at 202-708-9248 or email her at [cyndi.reynolds@ed.gov](mailto:cyndi.reynolds@ed.gov).

Note(s):  
 (1) Restore trust by achieving a clean audit and getting off the GAO High Risk list.

<sup>(\*)</sup>Contributes to SFA's Systems Modernization and Integration Goals.

<sup>(\*\*)</sup> Student Financial Assistance Risk Management Plan (SFA/ MIT)