Spring Conference

New York, New York
2004

Software Developers Conference
New York City, New York
March 31, 2004

Welcome and Today's Agenda

- Welcome and Opening Remarks

- Data Strategy Update

- Common Origination Disbursement (COD) Update

- Break

- Front End Business Integration (FEBI) Update

- Common Services for Borrowers (CSB) Update

- Panel of Experts/ Q and A

- Schedule Update and Wrap-up

Next Conference: August 19-20, 2004
**   Marriott Crystal Gateway**
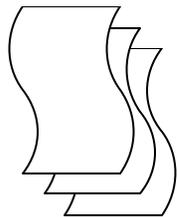**   Arlington, VA**
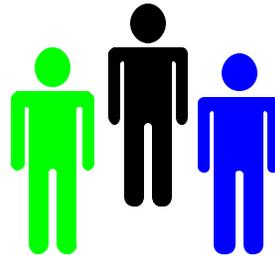
Data Strategy Update

Data Strategy Purpose

Develop an overall approach towards data to ensure that **accurate** and **consistent** data is available to and exchanged between FSA and our customers, partners, and compliance and oversight organizations.
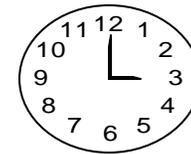
"The Right Data to the Right People at the Right Time"

- Consolidation of Data into Shared Source
- Focus on Data Quality

- Enterprise Standard for Student Identification
- Integrated Partner Management
- Enterprise Routing ID
- Enterprise Access Management

- Integrated Student View
- Integrated School View
- Foundation for more Timely and Efficient Processing

Data Strategy in the Press

"The Right Data to the Right People at the Right Time"
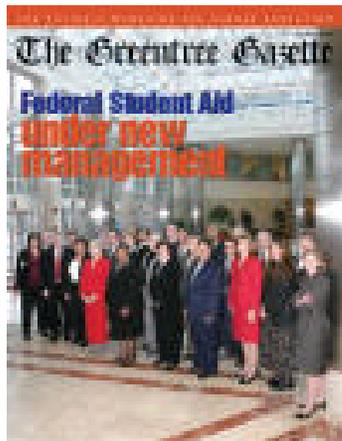
From the January 2004 issue of *"The Greentree Gazette"*

"FSA's Data Strategy Initiative is likely to have a significant impact on FSA's ability to serve its customers. Its objectives include an enterprise-wide policy for managing and storing data and an industry-wide standard for publication and dissemination. FSA staff commonly refers to the critical nature of 'getting the right data to the right people at the right time.'"

Data Strategy
Key Findings To Date

The Data Strategy teams have confirmed several key findings:

- Data should be organized by business process, not by system.

- Providing data access to business experts is the key component of improving the enterprises' ability to make informed business decisions.

- Verified that using a Matching Algorithm with SSN, First Name, Last Name, and DOB is the most flexible and tolerant way to identify customers.

- Need to develop a single Enterprise solution for all Trading Partner Identification and Access.

- "As-Is" Data Flow Discussions have facilitated a broader understanding of End-to-End Business Processes across all FSA program areas.

Data Strategy References
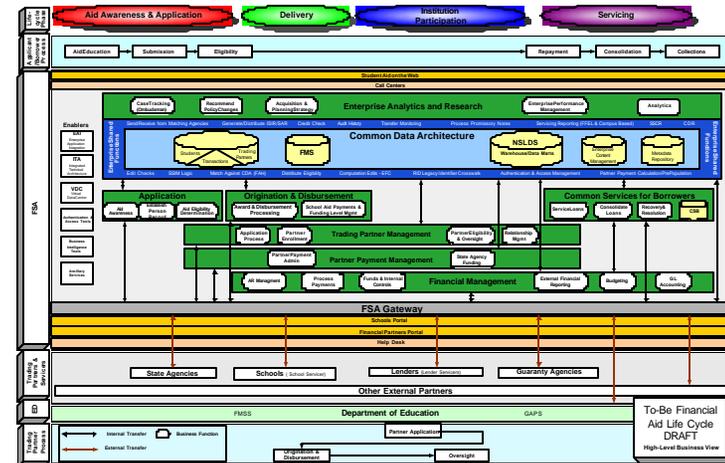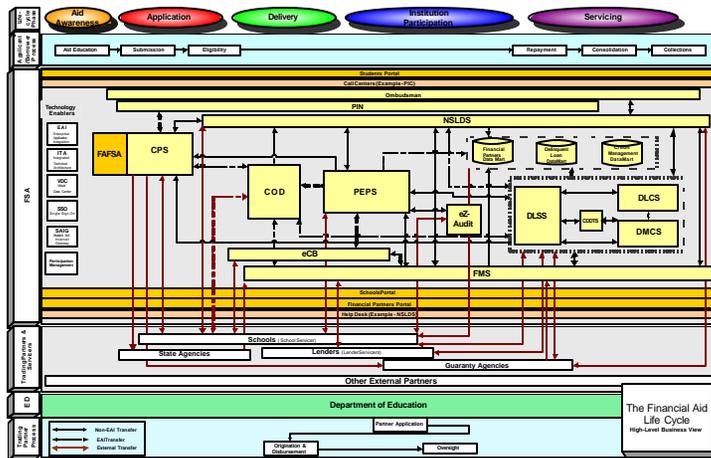
The following Data Strategy Deliverables may be found on the Library tab of the FEBI website under the Integration Partner heading (http://www.febi.ed.gov/library.htm):

- FSA As-Is Data Flows

- To-Be Financial Aid Life Cycle Diagram

Data Strategy 2.0

Where We Are

- Gathered Business Objectives
- Drafted Target Data Flows
- Created a Vision of "What it should look like"

What We Need To Do

- Explore options for new questions raised during Target Vision Discussions and Retreats
- Implement XML Registry / Repository of Core Components to the Internet
- Enact the Data Quality Assurance Methodology for the Enterprise

Data Strategy 2.0 Schedule

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	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov

Overall Data Strategy — TO 152 - Data Strategy 2.0

Data Framework

FFEL and Student Enrollment Data Flow Option Analysis
- Data Strategy Target Vision FFEL and Student Enrollment Data Flow Option Analysis
- 152.1.1 - Data Strategy Target Vision FFEL and Student Enrollment Data Flow Option Analysis

CSB Impact Analysis
- Data Strategy Target Vision CSB Impact Analysis
- 152.1.2 - Data Strategy Target Vision CSB Impact Analysis

Data Strategy Target Vision Functional Gap Analysis
- Data Strategy Target Vision Functional Gap Analysis
- 152.1.3a - Data Strategy Target Vision Functional Gap Analysis (Draft)
- 152.1.3b - Data Strategy Target Vision Functional Gap Analysis (Final)

Technical Strategies
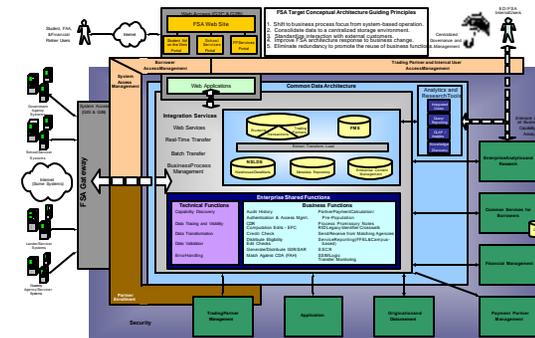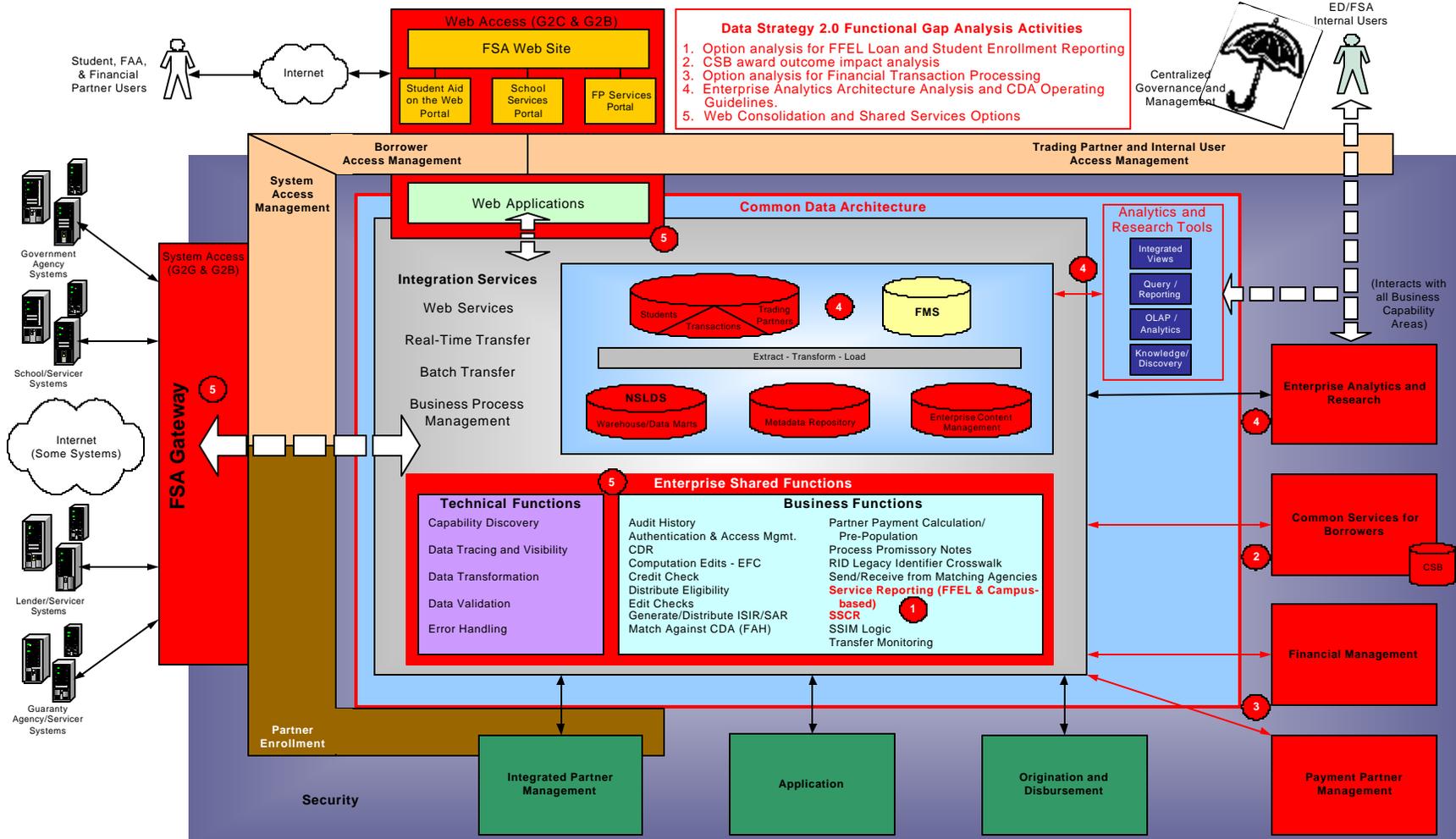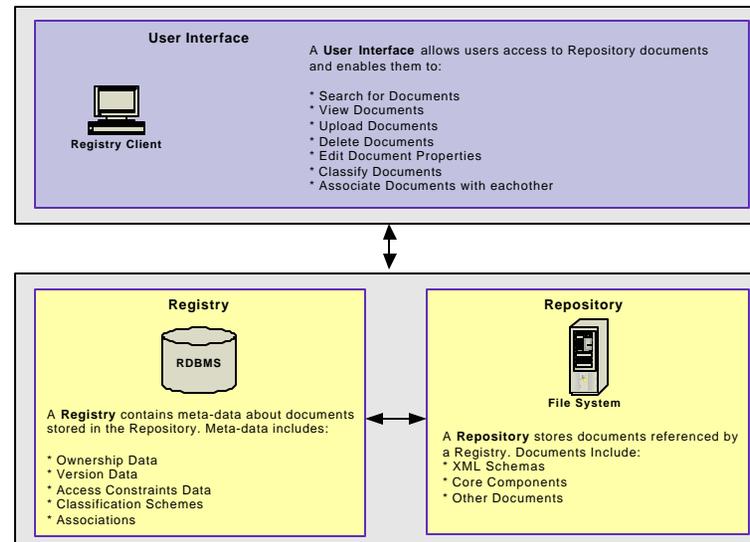
Enterprise Analytics Architecture Option Analysis
- 152.1.4a - Data Strategy Target Vision Enterprise Analytics Architecture Option Analysis (Draft)
- Data Strategy Target Vision Enterprise Analytics Architecture Option Analysis
- 152.1.4b - Data Strategy Target Vision Enterprise Analytics Architecture Option Analysis (Final)

Common Data Architecture Operating Guidelines
- Data Strategy Target Vision Common Data Architecture Operating Guidelines Options
- 152.1.5 - Data Strategy Target Vision Common Data Architecture Operating Guidelines Options

Website/Portals Consolidation and Shared Services Implementation Option Analysis
- Data Strategy Target Vision Website/Portals Consolidation and Shared Services Implementation Option Analysis
- 152.1.6 - Data Strategy Target Vision Website/Portals Consolidation and Shared Services Implementation Option Analysis

XML Management

Core Component Dictionary Release 2.0
- XML Core Component Dictionary Release 2.0
- 152.1.7 - XML Core Component Dictionary Release 2.0

Production Registry / Repository
- XML Registry/Repository Production Readiness Review (PRR) Report
- 152.1.8 - XML Registry/Repository Production Readiness Review (PRR) Report
- 152.1.9a - XML Registry/Repository Production Quarterly Report I
- 152.1.9b - XML Registry/Repository Production Quarterly Report II

XML Production Support
- XML Registry/Repository Production Support

Data Quality Management
- Data Quality Management
- 152.1.10a - Data Quality Management Support Report I
- 152.1.10b - Data Quality Management Support Report II

Current Date

Legend
- ★ Delivered on Schedule
- ★ Scheduled Delivery Date

Data Strategy 2.0 Functional Gap Activities

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Web Access (G2C & G2B)

FSA Web Site

- Student Aid on the Web Portal
- School Services Portal
- FP Services Portal

Student, FAA, & Financial Partner Users

Internet

Data Strategy 2.0 Functional Gap Analysis Activities
1. Option analysis for FFEL Loan and Student Enrollment Reporting
2. CSB award outcome impact analysis
3. Option analysis for Financial Transaction Processing
4. Enterprise Analytics Architecture Analysis and CDA Operating Guidelines.
5. Web Consolidation and Shared Services Options

ED/FSA Internal Users

Centralized Governance and Management

Borrower Access Management

Trading Partner and Internal User Access Management

System Access Management

Web Applications

Common Data Architecture

System Access (G2G & G2B)

Integration Services

Web Services

Real-Time Transfer

Batch Transfer

Business Process Management

Government Agency Systems

School/Servicer Systems

Analytics and Research Tools
- Integrated Views
- Query / Reporting
- OLAP / Analytics
- Knowledge/ Discovery

Students / Transactions / Trading Partners

FMS

Extract - Transform - Load

(Interacts with all Business Capability Areas)

NSLDS
Warehouse/Data Marts

Metadata Repository

Enterprise Content Management

Enterprise Analytics and Research

Internet (Some Systems)

FSA Gateway

Enterprise Shared Functions

Technical Functions
- Capability Discovery
- Data Tracing and Visibility
- Data Transformation
- Data Validation
- Error Handling

Business Functions
- Audit History
- Authentication & Access Mgmt.
- CDR
- Computation Edits - EFC
- Credit Check
- Distribute Eligibility
- Edit Checks
- Generate/Distribute ISIR/SAR
- Match Against CDA (FAH)

- Partner Payment Calculation/ Pre-Population
- Process Promissory Notes
- RID Legacy Identifier Crosswalk
- Send/Receive from Matching Agencies
- Service Reporting (FFEL & Campus-based)
- SSCR
- SSIM Logic
- Transfer Monitoring

Common Services for Borrowers

CSB

Lender/Servicer Systems

Financial Management

Guaranty Agency/Servicer Systems

Partner Enrollment

Security

Integrated Partner Management

Application

Origination and Disbursement

Payment Partner Management

Data Strategy 2.0 XML Deployment

User Interface

Registry Client

A **User Interface** allows users access to Repository documents and enables them to:

* Search for Documents
* View Documents
* Upload Documents
* Delete Documents
* Edit Document Properties
* Classify Documents
* Associate Documents with eachother

Registry

RDBMS

A **Registry** contains meta-data about documents stored in the Repository. Meta-data includes:

* Ownership Data
* Version Data
* Access Constraints Data
* Classification Schemes
* Associations

Repository

File System

A **Repository** stores documents referenced by a Registry. Documents Include:
* XML Schemas
* Core Components
* Other Documents

- **<u>Deploy XML Registry / Repository to the Internet</u>**
  - Makes FSA standardized Title IV Aid definitions and Core Components available for both FSA and Community usage
  - Provides a vehicle to drive consensus on data standards

Data Strategy 2.0
Data Quality Deployment

Prioritization Phase	Assessment Phase	Improvement Phase	Oversight Phase
PROCESS & STAGE SUMMARY			
1. Verification of As-Is State and Quality Issues Stage 2. Determine Criteria for Ranking Stage 3. Rank Quality Issues Stage • Assign Project Managers, request further research, or transfer to Enterprise Quality Assurance program	1. Pre-Assessment Planning (As-Is) Stage 2. Initial Data Assessment Stage 3. Pilot Testing Data Assessment Stage • Transfer to Improvement Phase	1. Solution Definition and Assessment Stage 2. Data Quality Implementation Pilot Testing Stage 3. Data Quality Implementation Production Stage • For pilot testing, transfer back to Assessment Phase, otherwise go to Oversight Phase	1. Enterprise Analytics Stage 2. Enterprise Audits (Financial) Stage 3. Enterprise Quality Report Stage • Transfer Report results back to Prioritization Phase
TOOLS			
• Quality Report • Failure Modes and Effect Analysis (FMEA) • Voice of the Customer (VOC) • Quick Win Determination • Cost of Poor Quality Analysis	• Develop Business Case, project plan, and objectives. • Create a communication plan. • Document Inputs and Outputs. • Voice of Customer / Critical to Quality • Histograms, Pareto Charts • Fishbone Diagram, Failure Modes and Effect Analysis • "To-Be" Vision	• Brainstorming • Decision Matrix • Cost/Benefit • Risk Assessment • Change Leadership • Implementation Plan • Pilot testing • Control and Response Plan	• Quality Report (High level providing enterprise-wide quality health-with drill down for quality issue/or system level) • Best Practice analysis and transfer

- **<u>Enact Data Quality Assurance Strategy</u>**
  – Establishes Repeatable processes for identifying, correcting, and maintaining data within the Enterprise

What is the Integrated Partner Management Solution (IPMS)?

IPMS is envisioned as the solution that enables FSA to successfully and easily perform oversight, management and maintenance of its Trading Partners. The solution will provide a holistic view of the information related to FSA Trading Partners and will enable FSA to overcome the current challenges of managing information related to Trading Partner identification and their interactions via a combination of PEPS and the Title IV delivery systems.

The solution should cover the following business areas:

- Enrollment Management
- Eligibility Management
- School On-Going Oversight
- Financial Partner On-Going Oversight
- Enterprise Routing Identifier (RID) Services
- Reporting and Auditing Services
- Profile and Demographic Management
- Access Management
- Customer Support
- Workflow Management

Data Strategy Update - IPM

Integrated Partner Management Framework

(Schools, Guaranty Agencies, Lenders, Third Party Servicers, State Agencies, Software Developers and Auditors)

Web Application Interfaces / Portals / FSA Gateway	Integrated View Services — Data Access Service	Enrollment Management	Eligibility Management	School On-Going Oversight	Financial Partner On-Going Oversight	Enterprise Routing Identifier (RID) Services
Web Application Interfaces		▪ Integrated Application and Enrollment Processing - Process Requests, Determine Access ▪ Institution-level System Enrollment and Single Sign Up (SSU)	▪ New Trading Partner Applications ▪ Initial RID Assignment ▪ Re-certifications ▪ Program Participation Management ▪ Appeals ▪ Proactive Eligibilty Management ▪ Eligibility Actions (FPRD, Fines, LOC, LS&T, Referrals)	▪ Program Eligibility Oversight: Audits, financial statements, default rate calculations ▪ Compliance Reviews: Risk assessment, accreditation, student complaints, funding parameters, referrals ▪ Appeals ▪ Proactive Oversight, Monitoring, and Support	▪ Program Eligibility Oversight: Audits, financial statements, Compliance Reviews: Risk assessment, referrals ▪ Appeals ▪ Proactive Oversight, Monitoring, and Support	Enterprise Routing Identifier (RID) Services
Portals						
FSA Gateway		**Profile & Demographics Management** ▪ Demographics Management ▪ Relationship and Affiliation Management - Enterprise RID Management				
		Access Management ▪ Individual User Access Management ▪ Roles based Single Sign On (SSO) ▪ Trading Partner Self-Administered Access				

Customer Support
Workflow & Document Management
Reporting & Audit Services
Enterprise Analytics
FSA; Other Government Agencies

☐ = User Access Points

Data Strategy Update - IPM

IPMS Gap Analysis Timeline

Oct	Nov	Dec	Jan	Feb	Mar
10/1 10/6 10/13 10/20 10/27	11/3 11/10 11/17 11/24	12/1 12/8 12/15 12/22 12/29	1/5 1/12 1/19 1/26	2/2 2/9 2/16 2/23	3/1 3/8 3/15 3/22 3/29

Perform Case Management Gaps Analysis (e.g., Schools Eligibility Channel Cohort Default Rate Calculations)

Document Non-Case Management Requirements for Schools, Borrower Services, CFO and OPE

Develop Financial Partner Eligibility & Oversight As-Is Flows

Document Financial Partner Eligibility & Oversight Requirements

10/1 - Begin Date

3/12 - All Work Completed

Key:

Del 1 =

Del 2 =

Del 3 =

NSLDS & Data Strategy

- More detail on NSLDS will be available when the NSLDS business functions have been clearly mapped to the FSA target vision.

- The following NSLDS upgrades have taken place in an effort to position the system for future re-engineering efforts:
  - Upgraded the NSLDS mainframe system to Z900 in September 2003.
  - Upgraded the operating system to Z/OS version 1.4 in January 2004.
  - Upgraded to 64 bit Discovery Process.

NSLDS Update

- NSLDS announced a new operations and maintenance contractor effective as of March 8, 2004.

- The contractor is Applied Engineering Management (AEM), a small business located in Virginia.

NSLDS Update

Consolidation Loans & the Aggregate Calculation

- Working with the community through NCHELP.
  - FFEL community to provide further breakdown of Consolidation Loans
  - NSLDS to capture Outstanding Principal Balance at time of loan closure or payoff.

Other NSLDS initiatives

- To collect data on Total & Permanent Disability Loans

- To continue efforts to monitor reasonableness of data reported in summary on ED Forms to the loan level detail reported on NSLDS

Thank You!

Keith Wilson

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202-377-3591

COD Update

In this session…

- 2004-2005 Processing Changes

- School Testing

- Software Developer Feedback

2004-2005 Processing Changes

Summary of 2004-2005 Processing Changes

Pell Grant and Direct Loan Changes

- Extended Full Participant deadline to 2005-2006.

- Enhanced Message Class Options for Full Participants.

- Increased variable field length on the SAIG Transmission Header.

Summary of 2004-2005 Processing Changes

Pell Grant Changes

- Verification Initiatives
  - CPS Verification Indicator tag added to Common Record Response
  - Highest CPS Transaction Number tag added to Common Record Response
  - Pell Verification Status Report

- Pell POP Report *(Future Release)*

Pell Grant Changes cont.

- Data elements no longer required for Pell Grant processing:
  - Academic Calendar Code
  - Payment Methodology Code
  - Weeks of instructional time used to calculate payment
  - Weeks of instructional time in program's definition of award year
  - Credit/Clock hours used to calculate payment
  - Credit/Clock hours in this student's program of study's academic year

Summary of 2004-2005 Processing Changes

Direct Loan Changes

- Anticipated disbursement information required when establishing Direct Loan awards.

- Automatic recalculation of anticipated disbursements when Award Amount is decreased.

- Automatic reduction of anticipated disbursements to allow loan inactivation.

- Pennies will not be processed in the Direct Loan Program.

Summary of 2004-2005 Processing Changes

COD Web Site Changes

- Enhanced CPS applicant data search functionality.

- Person Information pages allow filtering by award year.

- Award Amount Disbursed and Award Amount Approved added to Person Information pages.

- Batch Search screens allow filtering by Award Type and Doc Type.

- Batch Detail Information page split to display information submitted to COD and information returned by COD.

Summary of 2004-2005 Processing Changes

COD Web Site Changes

- Promissory note search by SSN, MPN ID, or First Name and Date of Birth.

- School Summary Financial Information screen reflects information contained in the Direct Loan School Account Statement.

- Enhanced disbursement functionality to allow creation of multiple anticipated disbursements when originating an award.

- Ability to select Award Year and Program for web navigation.

- GAPS Debit Date added to Cash Activity Screen.

2004-2005 Processing Changes Update

- COD will no longer be instituting the following functionality for the 2004-2005 award year:
  - Campus-Based processing
  - School Report Options via the COD web site

- Campus-Based
  - Due to feedback on the proposed Campus-Based functionality for the 2004-2005 award year, enhancements to Campus-Based functionality are now being explored. The implementation of Campus-Based processing has been postponed pending further discussion of Campus-Based design requirements.

- School Report Options
  - COD will not be providing enhanced School Report Options. Current COD processing will continue to allow for the selection of limited report delivery, sort, and format options via the web and by contacting Customer Service.

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Pell Reports

- The following reports can be requested via the Pell Data Request link on the COD web site and will be delivered in fixed-length file format via the school's SAIG mailbox:
    - ESOA
    - MRR
    - Pell Reconciliation
    - YTD

- The following reports can be viewed on the COD web site in PDF or comma-delimited format by clicking on the Services tab:
    - Pending Disbursement List Report
    - Funded Disbursement List Report

2004-2005 Update
Current School Report Options

Direct Loan Reports

- The following reports can be displayed on the COD web site by clicking on the Services tab. These reports are automatically sent to the schools SAIG mailbox:
  - 30 Day Warning Report
  - Pending Disbursement List Report
  - Funded Disbursement List Report
  - Duplicate Student Borrower
  - SSN/DOB/Name Change Report

- Format and delivery options for the above reports can be modified by accessing the Report Selection link on the School Summary Information Screen.

- Format and delivery modifications for the SSN/DOB/Name Change Report must be made by contacting Customer Service.

XML Schema Processing
Original Namespace Convention

- For the launch of the 2004-2005 award year, COD had planned to continue to return the latest XML Schema version, 2.0d, in Common Record response documents for all award years.

- The XML Schema contains the validation rules of the Common Record document, and also contains specific version information in the "Namespace" attribute.

- XML Schema validation is normally performed throughout development and testing of a system to verify system XML output. Typically, XML Schema validation is *not* performed during production processing.

- Since Schema validation is not performed during production, the Namespace attribute should not be edited during production processing. Therefore, updates to the XML Schema Namespace should not influence production processing.

XML Schema Processing
Original Namespace Convention

- Prior to the release of the 2004-2005 award year, COD learned that some vendors were editing the value in the Namespace attribute during production processing.

- As a result, some vendors would have had to update their 2003-2004 award year software in order to continue processing 2003-2004 responses returned in 2.0d.

- Therefore, COD has implemented a temporary workaround to enable those vendors to continue processing for the 2003-2004 award year.

XML Schema Processing
Current Namespace Convention

- COD is currently returning the highest Schema version released during the award year of the data contained in the Common Record document.

Batch Award Year	Common Record Schema Namespace Value
2002-2003	http://www.ed.gov/FSA/COD/
2003-2004	http://www.ed.gov/FSA/COD/2003/v2.0c
2004-2005	http://www.ed.gov/FSA/COD/2004/v2.0d

- If the Common Record contains multiple award years, COD is returning the XML Schema version that corresponds to the highest award year.

- However, this temporary solution may cause problems for those vendors that were expecting to receive the latest XML Schema version for all award years.

XML Schema Processing
Proposed Namespace Solution

- For the 2005-2006 release, COD is considering returning response documents in the XML Schema version submitted to COD. i.e. "Echo-ing" back what was submitted to COD.

- For system-generated responses, COD will return Common Record documents in the latest version of the XML Schema.

- This solution will accommodate vendors that are editing on the Namespace value regardless of the value they were expecting to receive.

- However, the best method is to **not** edit the Namespace value.

School Testing

COD School Testing

- **Purpose:**
  - Provide schools, Third-party Servicers, and software vendors an opportunity to test business processes and system software in a low-volume, controlled test environment thereby enabling simpler, faster, and less costly issue identification and resolution
  - Ease the transmission of production data
  - Reduce the risk of production problems

- **School Testing Documentation:**
  - School Testing Guide
  - Test Cases for both Full and Phase-In Participants
  - COD 2004-2005 Technical Reference available on IFAP and FSA Download

Communicating about School Testing...

- COD has increased communication about School Testing to the community using the following forums:
  - IFAP
  - COD Processing Updates
  - Web Messages
  - Conference Presentations

- The School Testing Bulletin Board has been discontinued due to lack of community interest.

2003-2004 Lessons Learned

- Based on school and vendor feedback, the following enhancements were made to the 2004-2005 School Testing Guide in the COD Technical Reference:
  - Detailed Routing ID explanation
  - Detailed explanation of ISIR files
  - Further clarification of the fields contained in the Sign-up Document

2003-2004 Lessons Learned

- COD is currently investigating whether or not it is possible to provide sample Pell origination files and acknowledgement files, and Direct Loan origination and acknowledgement files.

- COD is unable to provide a year round testing environment with testing scenarios.

- COD will allow for additional unstructured testing after the COD testing window has closed.
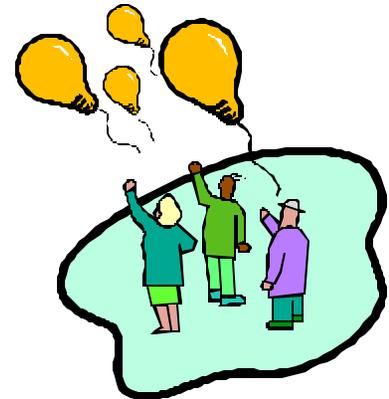
COD Unstructured Testing

- COD is offering unstructured testing to a *limited* number of 2004-2005 COD School Testing participants.

- Participants interested in unstructured testing must participate in, and complete Phase II test cases prior to participating in unstructured testing.

COD Unstructured Testing

- **What can be done in Unstructured Testing?**
  - Update person data,
  - Updates to awards and award amounts,
  - Send batches and receive acknowledgements and responses in proper format (Common Record or Fixed-length flat files).

- **What are the limitations of Unstructured Testing?**
  - Unknown result expected by school,
  - Unable to provide system-generated responses,
  - Cannot provide COD "testing" web site access,
  - Cannot provide COD reports.

2004-2005 COD School Testing Timeline

Phase	Dates
Sign-up	Dec. 1, 2003 – May 1, 2004
Phase I-Manual Verification Testing	Jan. 1, 2004 – May 31,2004
Phase II-Structured Application Testing	Mid-March 2004 - June 30, 2004
Unstructured Testing	Mid-March 2004 - June 30, 2004

COD Full Participants

As of March 1, 2004

2002-2003

22

5512

2003-2004

1895

3537
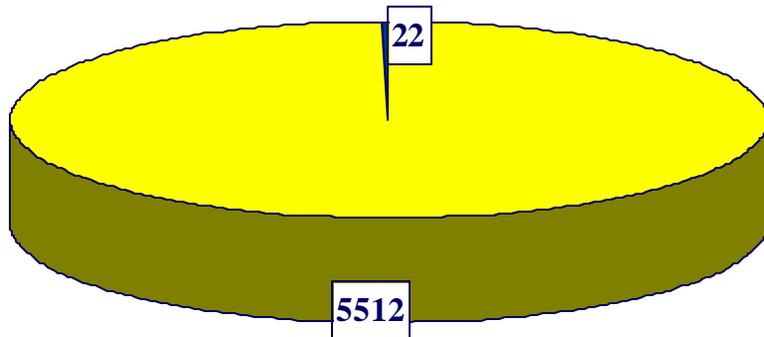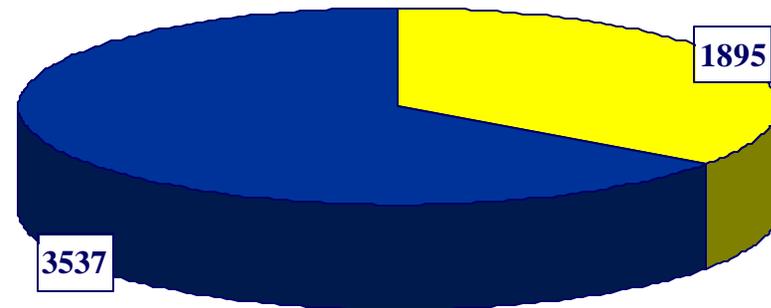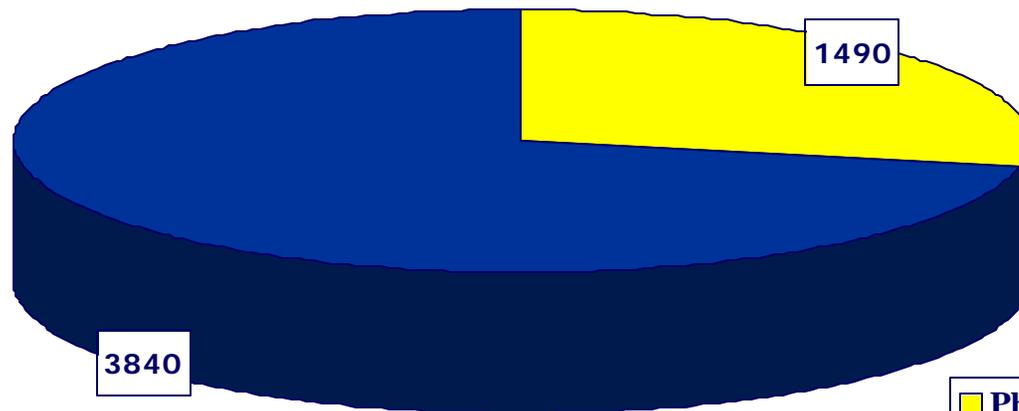
2004-2005 *(Projected)*

1490

3840

All schools must be Full Participant for the 2005-2006 Award Year.

Phase-In Participants
Full Participants

Software Developer Feedback

Contact Us!!

- Email: CODSupport@acs-inc.com

- Call the COD School Relations Center
  - 1-800-4-PGRANT for Pell Grants
  - 1-800-848-0978 for Direct Loans

- COD Web Site (www.cod.ed.gov)

Overview of FEBI-
Front End Business Integration

March 31, 2004

Agenda

- FEBI Objectives
- Approach to FEBI
- FEBI Accomplishments
- Market Research
- FEBI Procurement Timeline
- Next Steps

FEBI Objectives

- Create a student-centric business model that supports the needs of the end-to-end business process

- Align products and services across the Front End and assure that they effectively and efficiently serve customer needs

- Integrate student/applicant customer service capability, including the capturing of customer service data such that we can improve our products and services

- Share services across the enterprise such as imaging and fulfillment

- Operationalize ways to use technology to simplify the application process and customer experience (e.g., warm transfer capability between customer interaction centers, web services, and identity management)

- Streamline and simplify of the application and origination and disbursement delivery systems including reusable components that support FSA data strategy

- Effectively provide technical help desk services

- Simplify processes for business partners (improve interfaces with institutions and other FSA systems such that schools can provide aid on our behalf)

- Establish performance measures that ensure demonstrable outcomes

Approach to FEBI

- Identify front end business processes
- Understand interdependencies between this initiative and other integration activities in FSA
- Conduct market research
- Develop Vision and Target State
- Develop acquisition strategy
- Release Statement of Objectives

FEBI sits within the broader FSA and ASEDS goals

FSA Enterprise Goals

FEBI

Awareness/Outreach, Application, Origination & Disbursement, and Customer Service

Shared Services

Data Strategy

FEBI Accomplishments

- Defined FE business processes

- Identified activities associated with the FE
  - Focused on shared services and shared data

- Synced up with Data Strategy efforts
  - Validated common data between Awareness/Application and Origination/Disbursement

- Refined FEBI objectives

- Developed FEBI market research strategy

- Conducted market research sessions and developed learnings/best practices matrix

- Released draft Statement of Objectives to vendor community as ongoing market research

Market Research

- Defined MR Objectives in the areas of Business Process, Performance, and Technology for:

  – Application, Origination, and Disbursement

  – Customer Service

  – Shared Services

- Developed profiles for 51 organizations: 33 providers, 18 users, 41 commercial sector companies and 27 organizations that operate in commercial and/or government

- Developed a prioritization formula and refined weights until a usable dispersion of company scores was achieved

- Of the 21 organizations we contacted, we are able to conduct interviews with 13

- Conducted MR Sessions

- Documented MR Learnings
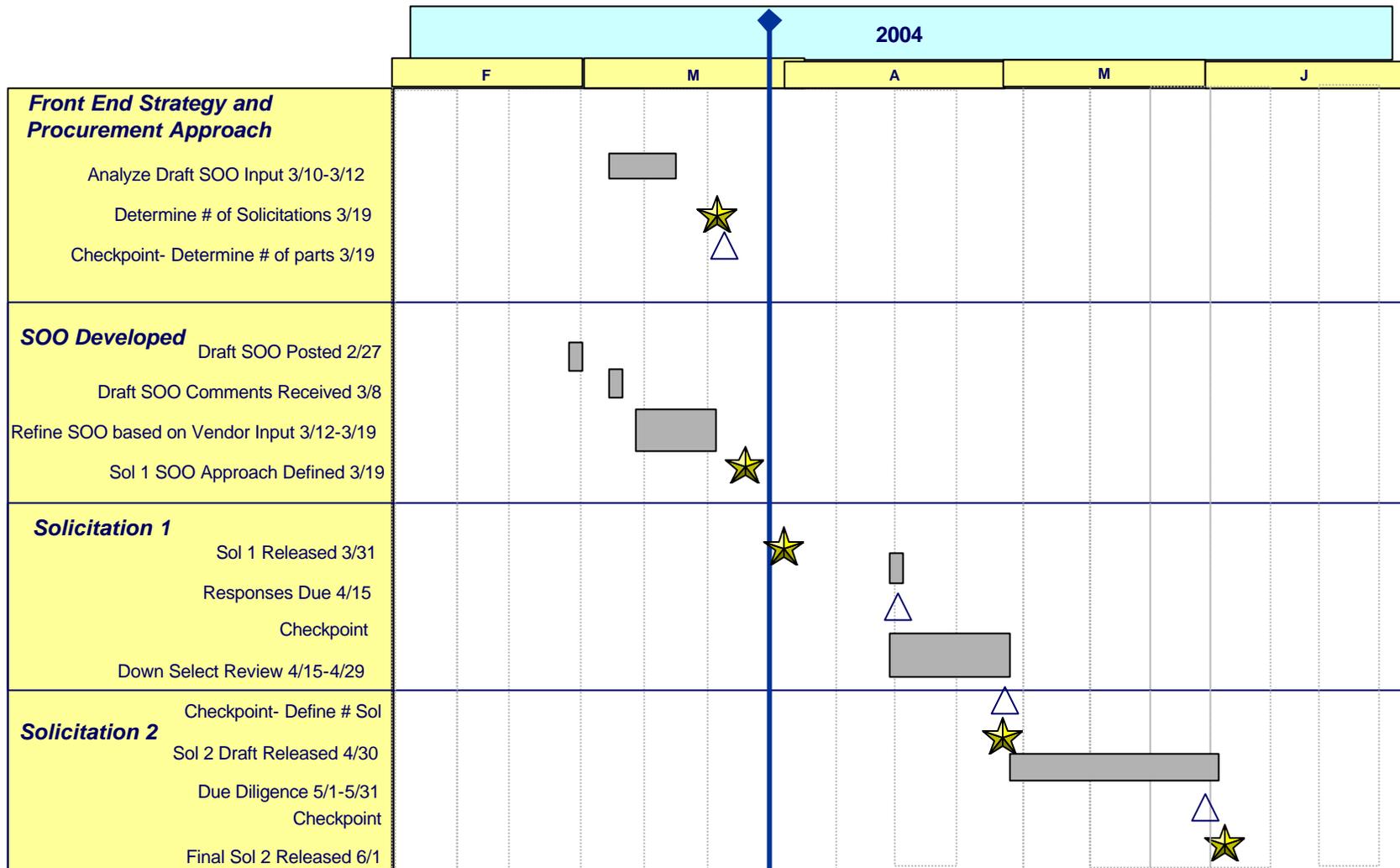
Next Steps

- Solicitation 1 – Release 3/31/04
- Solicitation 2 – Release on or about 6/1/04
- Award – 9/30/04

Thank You!

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202-377-3703

- CSB -
Common Services for Borrowers

Dwight Vigna
Acting Director, Direct Loan Servicing System

Common Services for Borrowers (CSB) Agenda
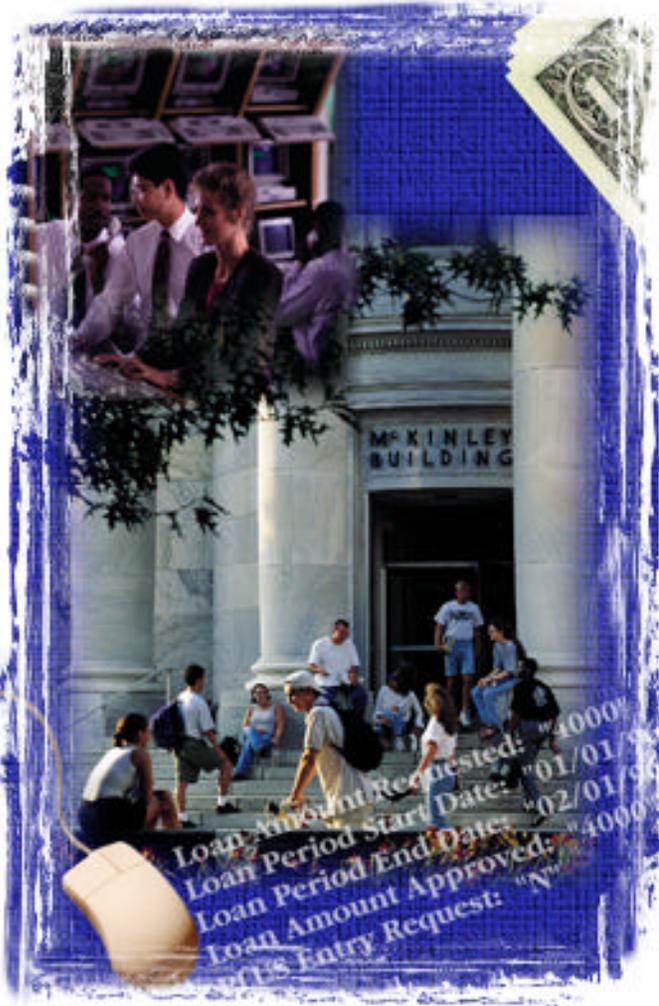
- CSB Overview
- CSB – An innovative contract method
- Implementation Approach
- Benefits to Schools
- Summary

CSB Overview - Goals

CSB will modernize/integrate four legacy systems into 1

- Direct Loan Servicing (DLSS)
- Loan Consolidation (LC)
- Debt Collection (DMCS)
- Conditional Disability
  Discharge Tracking (CDDT

Additionally, CSB will include the Delinquent Loan Data Mart (DLDM) and other FSA data mart functions
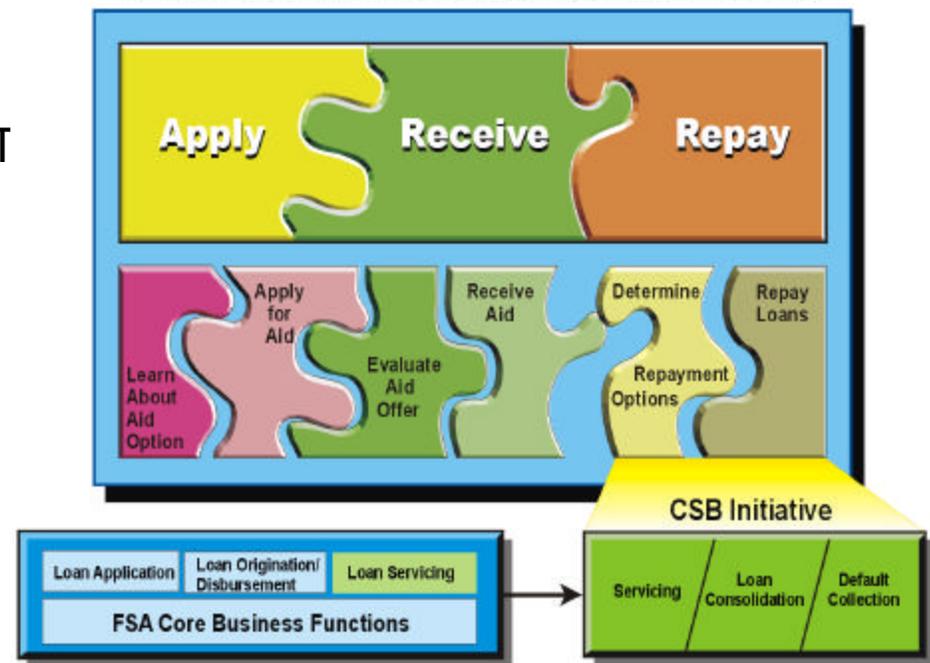
CSB Overview - Goals

- **Integration will achieve the following:**
  - Reduce Delinquency and Default
    - Performance based pricing
    - Incentive based and
  - Improve Customer Service and Increase Self-Servicing
    - Additional Web access
    - Improved IVR functionality
    - Reengineered communications
  - Integrate Systems and Data
    - Less data redundancy and associated errors
    - Improved auditability
  - Create Adaptability and Flexibility in the CSB System
  - Reduce Cost
  - Achieve Contracting Goals

CSB Contract Approach

- **A "performance-based" contract**
  - Focus on expected results/outcomes
  - Comply with statute and regulations
  - More flexibility for contractor
  - Reduction in Reconciliation and System Balancing Point
  - Reduce Staffing at Call Centers, Other Locations
  - Reduce Infrastructure
    - Consolidates 6 call centers into 1 Virtual Service Center
    - Consolidates 6 inbound mailrooms into 1
    - Consolidates 7 fulfillment (print and mail) centers into 4
    - Consolidates 3 lockboxes into 1

- **Independent Government Cost Estimate:**
  - $1 Billion in savings to taxpayers -

Approach to **Integrate Systems and Data**

- Leverage legacy assets and FSA investments
  - Migrate some
  - Reengineer some
  - Rewrite some

- Minimize (prevent) impact on Trading Partners

- Support FSA IT Standards
  - Hosted at the VDC
  - Compliant with FSA technology standards
  - Complements FSA data strategy initiatives

- Eliminate data redundancy and reconciliation issues

- Provide a single system of record

- Use a phased integration approach

CSB Transition Plan

Legacy systems will continue to operate until implementation of the CSB Solution

Phases \ Months	2003		2004												2005										
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
CSB Management Planning/Project Startup	▨		1.5 months																						
Phase 1 Loan Consolidation/ Common Database Implementation			**Phase 1**						7 months																
Phase 2 Servicing/Debt Collection/Discharge Tracking Implementation			**Phase 2**												15 months										
Phase 3 Additional Integration and Migration to the VDC																	**Phase 3**							★	

9 months

★ **Transition Complete**
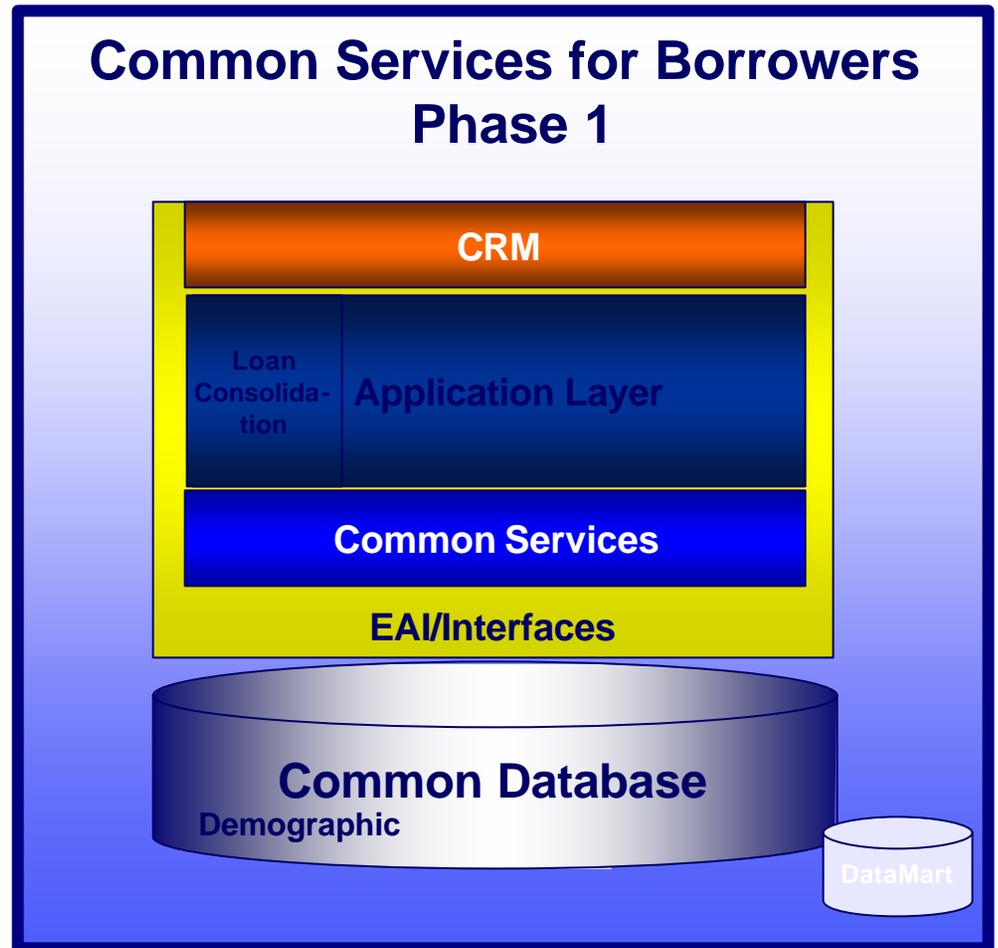
Create CSB Framework

Loan Consolidation
- Develop functionality in CSB
- Incorporate into upgraded Siebel CRM

Common Database
- Move LC data and DLSS demographic data to CSB

Data Mart
- Establish CSB Data Mart and move existing Servicing data from CMDM and DLDM
- Add data from DMCS and CDDTS

Common Services for Borrowers Phase 1

CRM

Loan Consolidation | Application Layer

Common Services

EAI/Interfaces

Common Database
Demographic

DataMart

LC
CRM | Application
Interfaces | Data

DLSS
CRM | Application
Interfaces | Data

DMCS
CRM | Application
Interfaces | Data

CDDTS
CRM | Application
Interfaces | Data
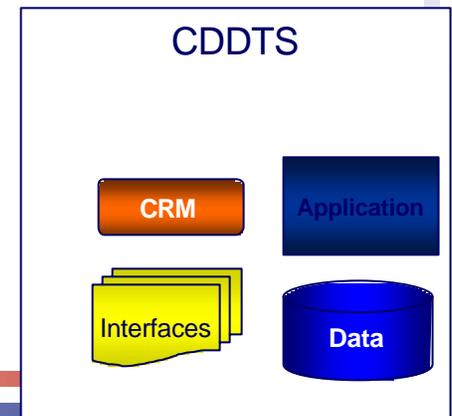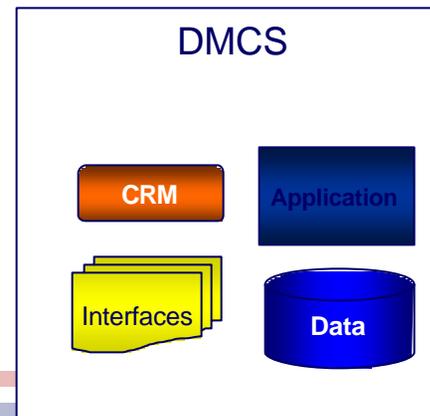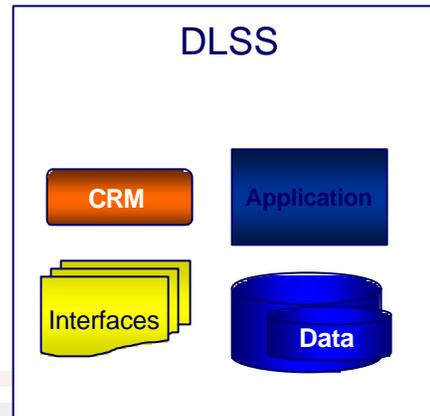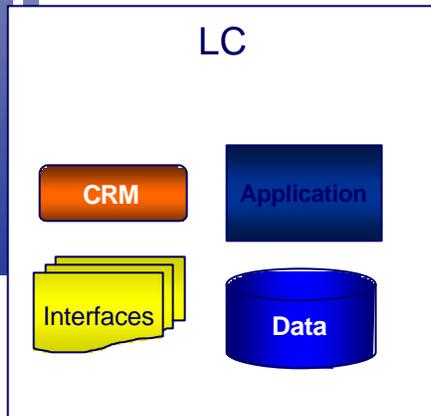
Servicing
- Convert DLSS software to new hardware and operating system
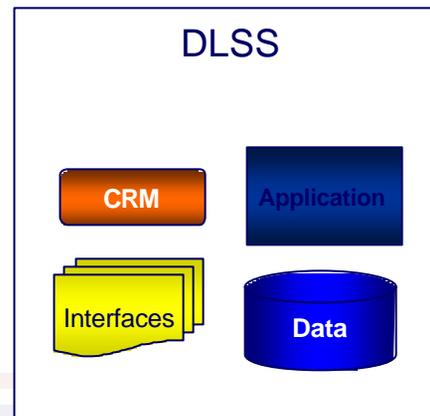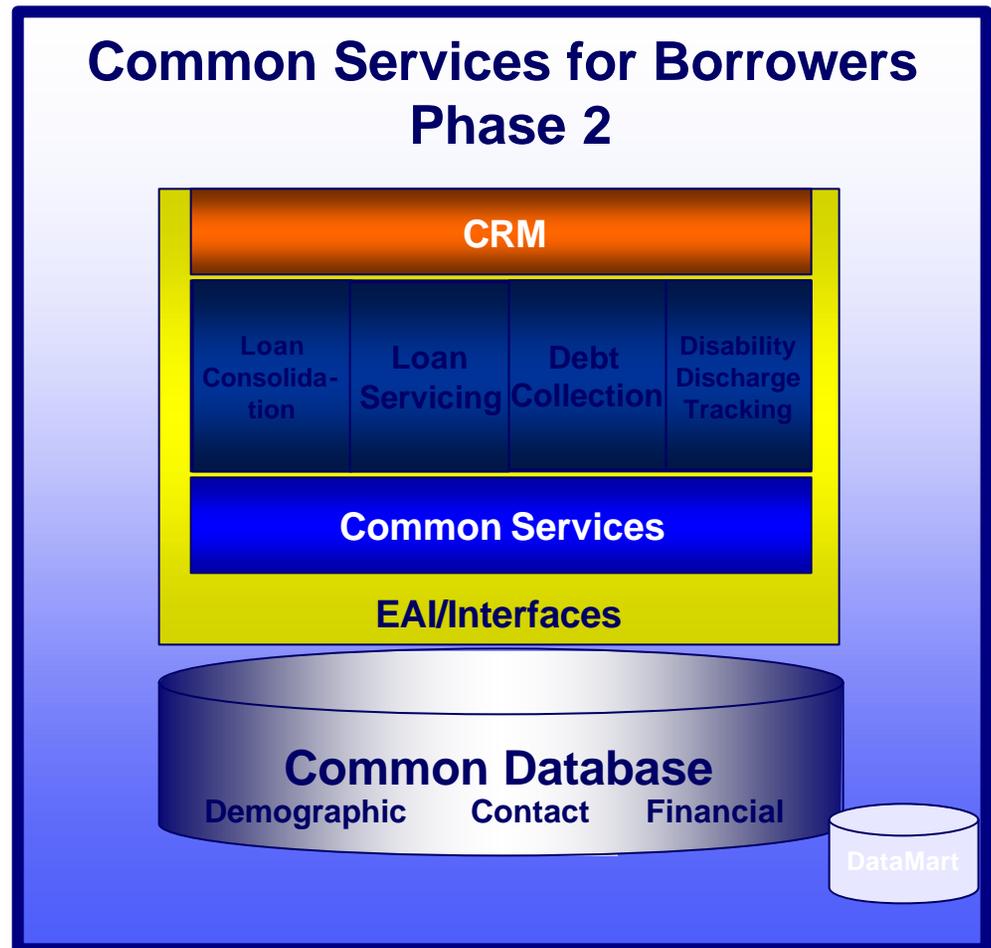
Debt Collection
- Develop functionality in CSB using Quester as the base product

Discharge Tracking
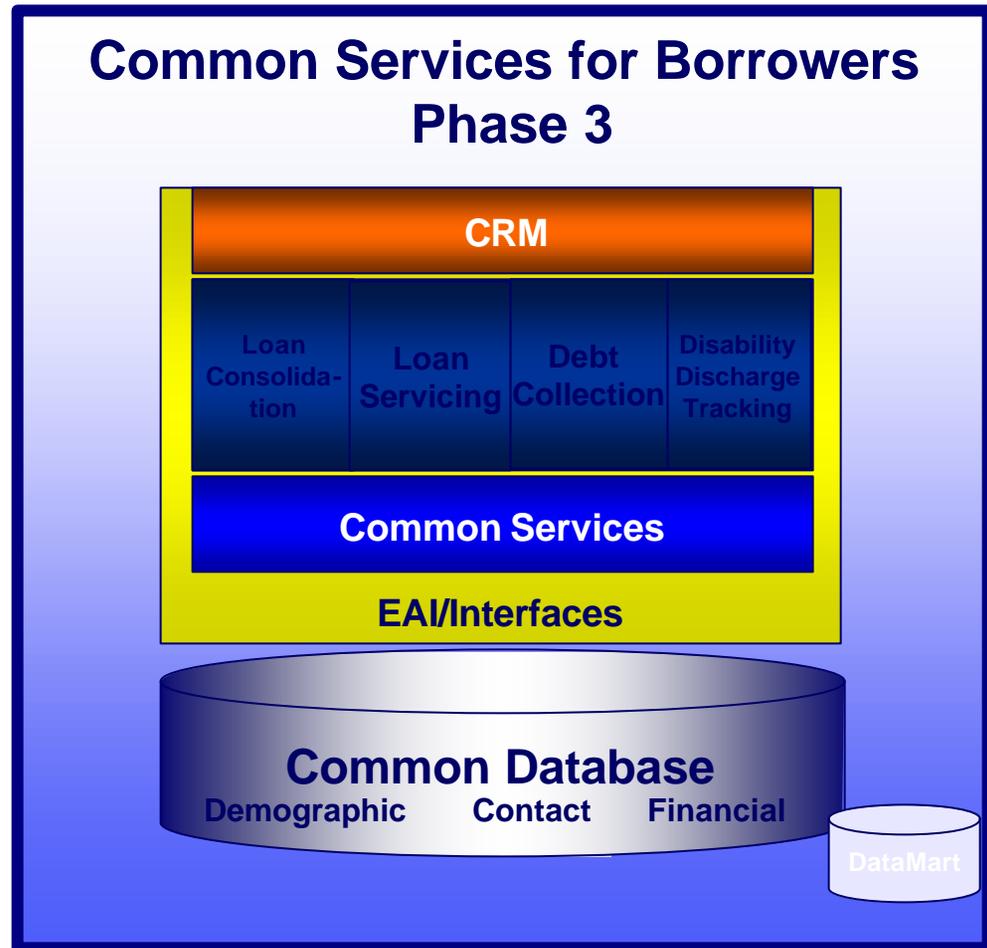- Develop functionality in CSB

Common Database
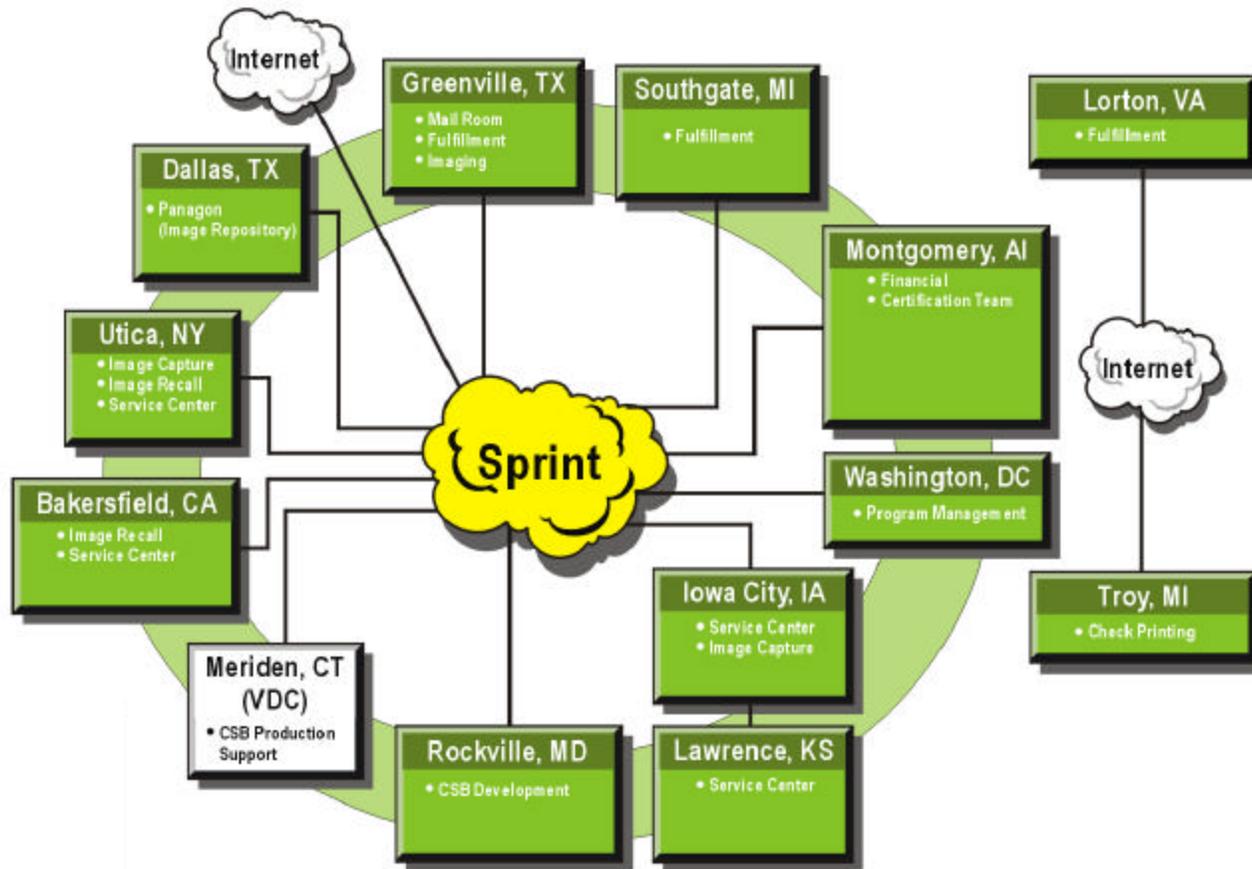- Move remaining legacy data to CSB

Common Services for Borrowers Phase 2

CRM

| Loan Consolida-tion | Loan Servicing | Debt Collection | Disability Discharge Tracking |

Common Services

EAI/Interfaces

Common Database
Demographic   Contact   Financial

DataMart

DLSS
- CRM
- Application
- Interfaces
- Data

DMCS
- CRM
- Application
- Interfaces
- Data

CDDTS
- CRM
- Application
- Interfaces
- Data
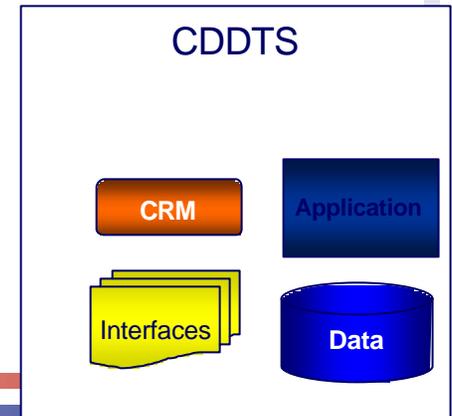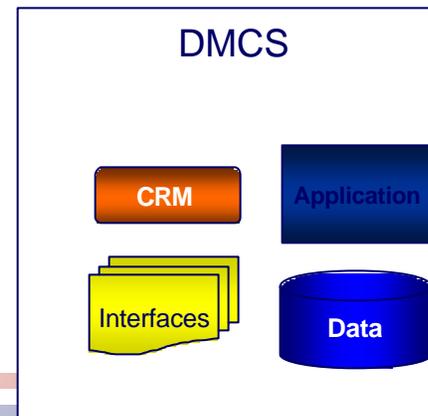
Additional eCRM (Siebel) Integration

- Web-based imaging
- Web Chat
- Email

Phase 3 ends with CSB hosted at the VDC

Common Services for Borrowers Phase 3

CRM

| Loan Consolida-tion | Loan Servicing | Debt Collection | Disability Discharge Tracking |

Common Services

EAI/Interfaces

Common Database

Demographic   Contact   Financial

DataMart

CSB End-State Topology

Data Strategy

- **Use incremental approach to conversion**
  - Phase 1   DLSS/LC Demographics and Data Mart
  - Phase 2   CSB/DCS Demographics, Financial and Contact Data
  - Phase 3   Move to VDC and additional Web enhancements

- **Build on existing DLSS schema**
  - Identify and correct issues or limitations
  - Augment schema to accommodate CSB data
  - Work with FSA Data Strategy Team

- **Clean and reconcile data**
  - Identify redundant data and "error" data
  - Develop business rule and resolve conflicts
  - Validate data integrity using independent teams (IV&V and QA/QC)

- **Implement Data Archiving**
  - Use separate partition for archived data to increase performance

Impact on Independent Software Developers

- CSB will maintain all interfaces while the legacy systems are operational

- CSB will follow FSA Data Standards
  - XML
  - Common Record
  - School ID
  - Borrower ID

- External interfaces will not be changed without consultation will all trading partners

Summary

- CSB integrates processes, data and systems for Servicing, Consolidation, Collections, and Disability Discharge

- CSB Contract Team comprised of familiar faces that have been supporting FSA for a combined total of over 30 years

- CSB Solution supports FSA's Performance Objectives and IT Standards

- CSB is a Performance-based contract which helps ensure optimum results
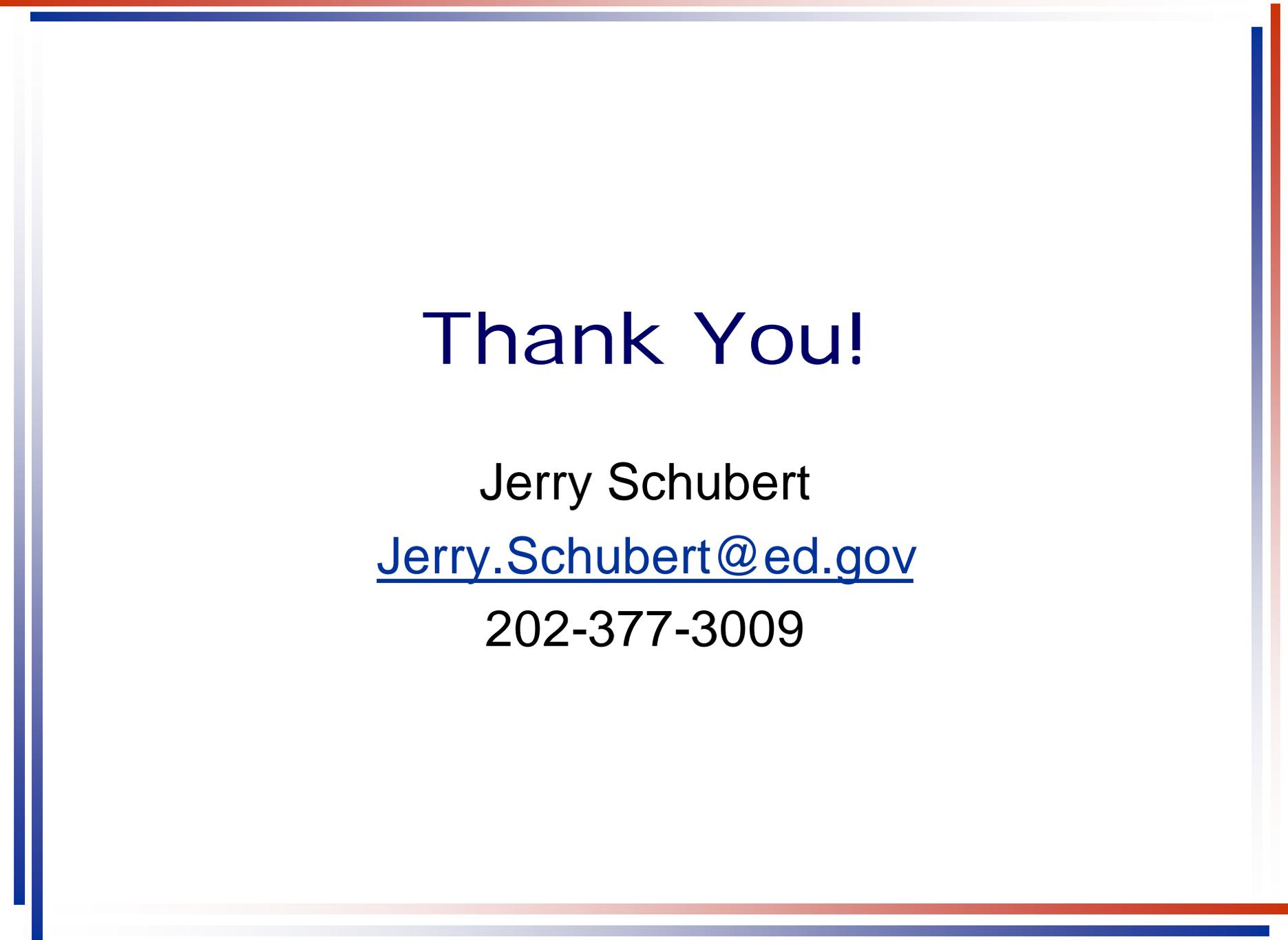
- CSB saves taxpayers money

Questions???

Thank You!

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Questions and Answers

Thank You!

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