



Agency Priority Goal Action Plan

Improve Borrowers' Access to Quality Customer Service

Goal Leader: Kathleen Smith, Deputy Chief Operating Officer, Federal Student Aid (FSA)

Deputy Goal Leader: Diane Jones, Principal Deputy Under Secretary Delegated to Perform the Duties and Functions of Under Secretary and Assistant Secretary for the Office of Post-Secondary Education

Overview

Goal Statement

- By September 30, 2019, Federal Student Aid (FSA) will improve customers' access to and availability of quality customer service by decreasing the overall average speed of answer to 60 seconds or less, decreasing abandoned rates to three percent or less and requiring all non-default federal student loan servicers to expand and standardize call center hours.

Challenge

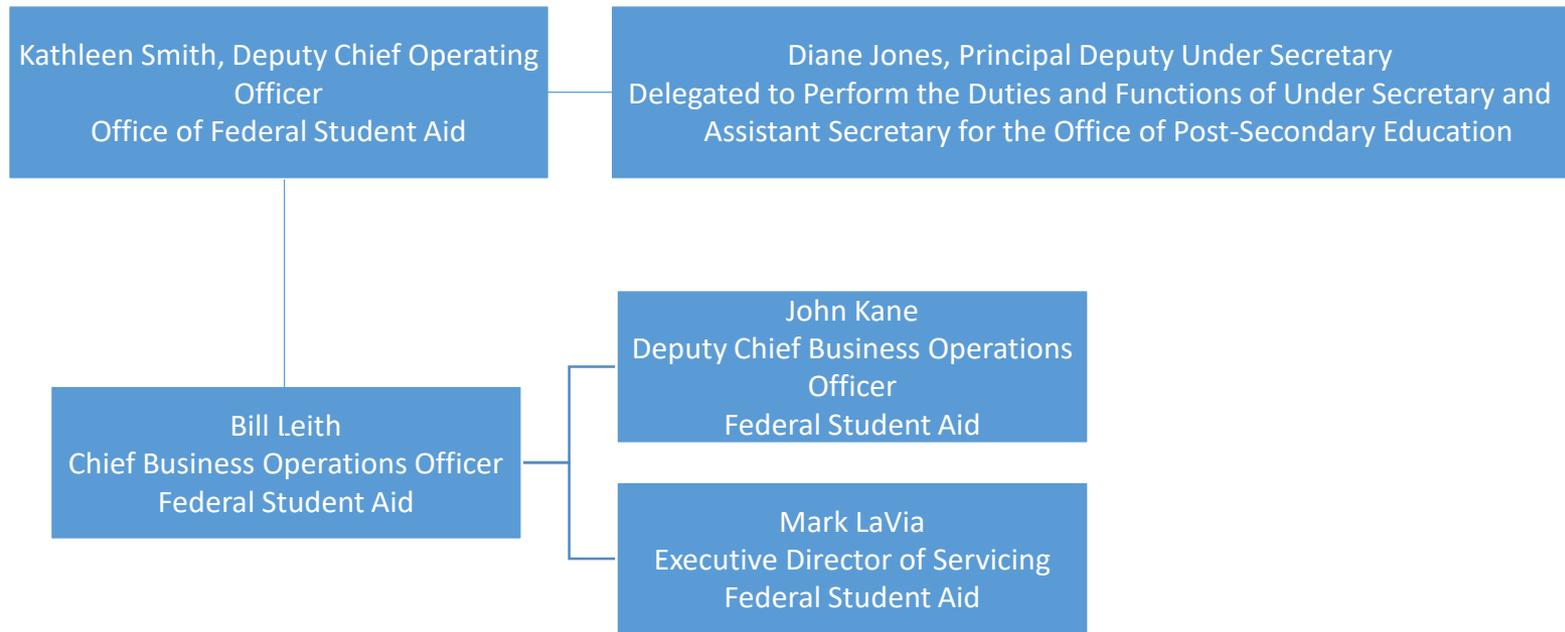
- To provide enhanced access to real time, high quality, agent-available, customer service given the volume of borrowers and the diversity of their service requirements.

Opportunity

- Improving speed of response will allow customers to have expanded access to information and resources they need to successfully manage their federal student loans, which will empower students and help them to successfully manage their federal student loans and reduce the risk of delinquency and default. For customers with unique and complex borrower scenarios, the increased opportunity for human interaction may also lead to more effective problem resolution.

Leadership

Visual representation of the goal team governance structure:



Goal Structure & Strategies

The Department will achieve this APG through phases designed to positively impact two aspects of customer service: call center hours of operation and quality standards of response.

Number of call centers that meet or exceed the quality standard for Average speed to answer (ASA) and abandon rate (AR) for incoming calls:

Servicers shall meet or exceed the following monthly average speed to answer (ASA) and average abandon rate (AR) service levels for all incoming calls:

- **Phase 1-** by 6/30/18, monthly ASA \leq 70 seconds and monthly AR \leq 3.50%
- **Phase 2-** by 3/31/19, monthly ASA \leq 65 seconds and monthly AR \leq 3.25%
- **Phase 3-** by 9/30/19, monthly ASA \leq 60 seconds and monthly AR \leq 3.00%

Number of call centers with expanded hours:

Servicers shall implement the following expansion of core call center hours:

- **Phase 1-** by 6/30/18, incoming borrower calls will be received from Monday through Friday (7 am ET to 11 pm ET)
- **Phase 2-** by 3/31/19, incoming borrower calls will be received from Monday through Friday (7 am ET to 2 am ET)

Summary of Progress – FY 18 Q3

- Average speed to answer (ASA) is moving in the desired direction. Quarter 3 result is an improvement of 4.70 seconds over FY 2017. Federal Student Aid (FSA) will continue to work closely with current student loan servicers in an effort to achieve the FY 2018 Target.
- FSA continues to monitor the average Abandon Rate (AR) or 4.2% in Quarter 3. A year-over-year comparison of ASA and AR rates is in process (Q3 2017 vs. Q3 2018) to determine if the data relate to discernable differences in servicing, or to early and anticipated disruptions attributable to NextGen implementation.
- FSA continued to actively engage with institutes of higher education (IHE) to increase awareness of and compliance with Title IV policies and procedures. One of our flagship partner engagement sites, the Financial Aid Toolkit, received 34,082 visits, increasing the total number of visits in FY 2018 to 139,168. FSA leveraged social media, in-person events, and the IFAP website to disseminate news, information, and updates that IHEs need to better understand requirements. A better informed financial aid community can better serve students and borrowers, resulting in fewer questions and calls by customers to servicers.
- During Quarter 3, FSA had 5,066 engagements, activities, and contacts with minority serving institutions (MSIs). Majority of these activities were related to Technical Assistance, Training, and Site Visits. Also during Quarter 3, 781 MSI college administrators attended 22 workshops entitled, "Checkpoints for Ensuring Institutional Compliance" in various locations, including Puerto Rico. A better informed financial aid community can better serve students and borrowers, resulting in fewer questions and calls by customers to servicers.
- The rapid development of NextGen required a re-evaluation and suspension of the planned expansion of call center hours across all servicers. The NextGen servicing environment introduces a material change in the otherwise traditional call center approach to servicing borrowers. NextGen is anticipated to have a much more profound impact on borrower access, will make expansion of existing call center hours unnecessary, and will allow for optimal use of limited fiscal resources. This includes planning towards a broader and more cost-effective self-servicing mobile platform and integrated communication channels to connect borrowers to servicers.
- While moving forward with the implementation of the NextGen, FSA continued to communicate with existing servicers regarding expectations for improvements to average AR and will take appropriate and allowable measures to re-align AR metrics.

Next Steps:

- FSA is assessing the ability to implement alternate metrics related to customer service including, but not limited to, the MyStudentAid mobile app, mobile FAFSA submission/completion rates and early-stage NextGen platforms.

Key Milestones

Each implementation phase links to a key milestone towards achieving this APG.

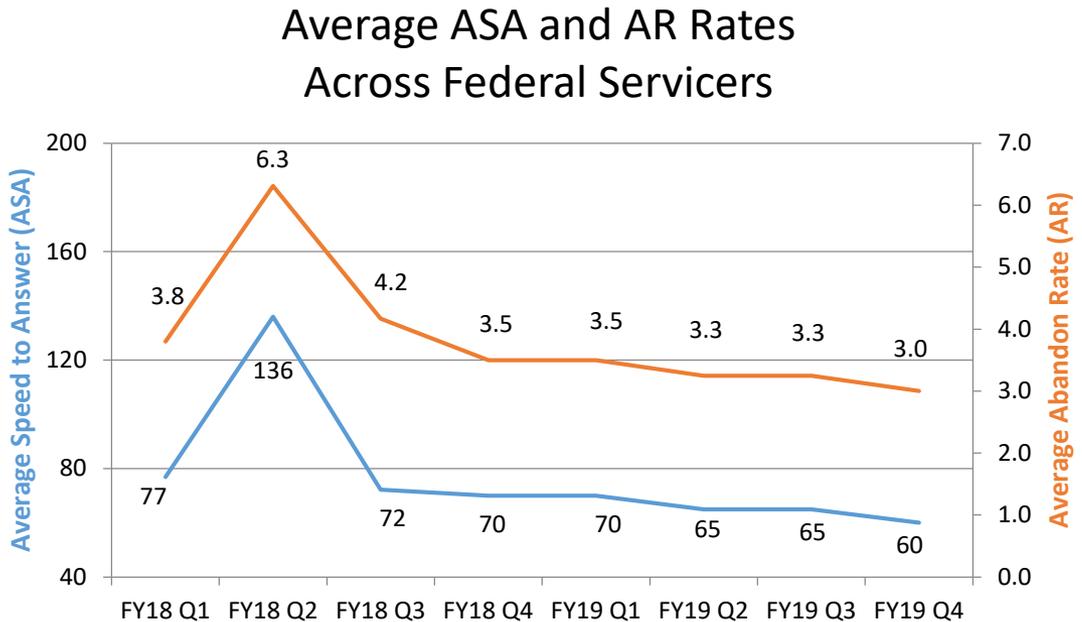
Milestone Summary					
Key Milestone	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Comments
In FY 2018 Q1, FSA drafted the proposed call center hours and requirements for required for student loan servicers to implement expanded call center hours and improved ASA and AR metrics.	3/31/18	Suspended	N/A	Bill Leith	* See footnote below
In FY 2018 Q1, FSA plans to develop and finalize servicers' contract modification.	3/31/18	Suspended	N/A	Bill Leith	* See footnote below
In FY 2018 Q1 and Q2, FSA plans to assess the scope and cost-benefit of expanding call center hours while concurrently developing and launching NextGen.	6/30/18	Suspended	N/A	Bill Leith	* See footnote below
Track, monitor, and report the number of servicers that offer expanded hours (7 am to 11 pm ET)	6/30/18	Suspended	N/A	Bill Leith	* See footnote below
Track, monitor, and report the number of servicers that meet or exceed ASA <= 70 seconds, and AR <= 3.50%.	6/30/18	Not Met	N/A	Bill Leith	** See footnote below
Track, monitor, and report the number of servicers that meet or exceed ASA <= 65 seconds, and AR <= 3.25%.	3/31/19			Bill Leith	** See footnote below
Track, monitor, and report the number of servicers that offer expanded hours (7am to 2 am ET)	9/30/19	Suspended		Bill Leith	* See footnote below
Track, monitor, and report the number of servicers that meet or exceed ASA <= 60 seconds, and AR <= 3.00%.	9/30/19			Bill Leith	** See footnote below

*After this strategy was formalized, the Department began to plan for a new paradigm of student loan servicing, the Next Generation Processing and Servicing Environment (NextGen), which will have a much more profound impact on borrower access and will make expansion of call center hours both unnecessary and counter-productive to focusing limited resources on launching NextGen.

**Implementation of NextGen may temporarily impact the current servicing environment during the APG timeline, and could adversely affect average ASA and average AR metrics. FSA will monitor these metrics and respond appropriately.

Key Indicators

FSA aims to improve the Average Speed to Answer (ASA) to 60 seconds and the Abandon Rate (AR) to 3% over the period. The chart below shows the Q1 – Q3 actuals as well as what is expected for future quarters.



Servicers shall meet or exceed metrics for expanded call center operation hours, average speed to answer (ASA) and average abandon rate (AR) service levels for all incoming calls.

FSA is monitoring rates and addressing expectations with servicers who's metrics are falling outside of expected trends, resulting in higher than normal average ASA and average AR rates for Q2.

* January is historically a peak period for servicing. FSA is motioning rates and addressing expectations with servicers where metrics are falling outside of expected trends, resulting in higher than normal ASA and AR rates for Q2.

Data Accuracy and Reliability

Data is collected from federal servicers through servicers' quarterly reports.

For average ASA and AR rates, the query will be, "How many servicers met the standards for quality?" ASA and AR metrics will be obtained and averaged across servicers.

The data will be verified and validated by FSA's data review team (DRT) and vetted by FSA leadership prior to being released as part of the Department's strategic reporting. Feedback received directly from customers, via the FSA Feedback System and other sources, will be used to determine the trends in customer satisfaction with the changes in customer service hours and the reduction in average ASA and average AR metrics.

The Department monitors delinquency and default rates for all borrowers and takes necessary steps to assist borrowers in avoiding and mitigating these and other negative borrowing circumstances. The goals articulated in this APG illustrate one of the steps the Department is taking to assist borrowers and improve overall borrower performance.

Additional Information

Contributing Programs

Organizations:

- Office of Federal Student Aid
- Federal loan servicers

Program Activities:

- Monitoring and reporting by federal loan servicers
- Monitoring by the Office of Federal Student Aid

Regulations:

- As required by contract

Tax Expenditures:

- Reallocation of funding