

Department of Education

# Office of Federal Student Aid

2020 Action Plan

Federal Customer Experience

**US** BY THE PEOPLE  
FOR THE PEOPLE  
WITH THE PEOPLE

# Who are we?

Federal Student Aid (FSA), a principal office of the United States (U.S.) Department of Education (the Department), seeks to ensure that all eligible individuals can benefit from federal financial assistance for education beyond high school.

As the nation's largest provider of student financial aid, FSA is responsible for implementing and managing federal student financial assistance programs authorized under the Higher Education Act of 1965, as amended (HEA). Specifically, Title IV of the HEA (Title IV) authorizes the federal student assistance programs for which FSA is responsible. These programs provide grants, loans, and work-study funds to students attending colleges or career schools.

FSA delivers over \$120 billion in aid each year to students and their families. FSA also oversees the approximately 6,000 postsecondary institutions that participate in the federal student aid programs. In every interaction with students and their families, FSA strives to be the most trusted and reliable source of student financial aid information and services in the nation.

## You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year.

# How do we deliver value to the public?

## Occasion

An adult student plans to return to college and needs to apply for financial aid.

18 million students completed the FAFSA in 2019.<sup>1</sup>

## High-Impact Service

- Customer creates an account (FSA ID)
- Customer logs in to start the Free Application for Federal Student Aid (FAFSA). During the application process, the customer is offered the option to transfer their IRS tax information into the FAFSA form using the IRS Data Retrieval Tool; he/she can also choose to enter the information manually.
- Customer submits the FAFSA form by signing the form electronically using his/her FSA ID or by mailing in a signature page.
- Federal Student Aid processes the FAFSA form in 1-3 days and makes student's FAFSA information available to the schools the student listed on the form.
- The student's school(s) process the FAFSA form and determine the types and amounts of financial aid for which the student is eligible. School sends financial aid offer to student.
- Student accepts or rejects financial aid.
- Student completes remaining steps to receive aid (Master Promissory Note, Entrance Counseling, etc.).
- Federal Student Aid releases eligible financial aid to the school.
- School applies aid to student's account and transfers any remaining balance to the student.

## Offering

Student successfully completes the FAFSA and receives federal financial aid.

# How do we deliver value to the public?

## Occasion

A federal student loan borrower loses her job and needs to lower her student loan payment.

Almost **8.4 million**, or approximately **31%**, of ED-serviced borrowers have a loan on an income-driven repayment plan .<sup>2</sup>

## High-Impact Service

- Borrower starts Income Driven Repayment (IDR) application, providing information about their family size, employer, etc.
- Borrower authenticates with the Internal Revenue Service (IRS) from within the IDR application and decides whether to transfer his/her tax information from the IRS or provide it manually.
- Borrower enters Adjusted Gross Income (AGI) from their tax return, compares and chooses a repayment plans .
- Borrower submits IDR application. If IRS information was not transferred, borrower must mail/fax/upload alternative documentation of income before his/her application can be processed.
- Student loan servicer processes IDR application and communicates new repayment plan to borrower. Future billing statements are issued with the updated payment amount.
- Servicer begins reminding the borrower about annual recertification of income and family size ~90 days prior to his/her recertification date each year.
- Borrower recertifies income/family size each year by transferring IRS tax information on StudentAid.gov or manually submitting alternative income documentation.
- Servicer recalculates borrower's payment amount each year following receipt of updated information.

## Offering

Borrower is enrolled in an IDR plan and able to remain in an active repayment status. Borrower successfully recertifies each year in order to remain in an income-driven repayment plan.

# How do we deliver value to the public?

## Occasion

A federal student loan borrower becomes disabled.

Approximately **112K borrowers** entered the 3-year monitoring period during 2019. Over the same time period, approximately **40K borrowers** received TPD discharges as a result of a match with the VA. <sup>3</sup>

## High-Impact Service

- Borrower accesses or requests required documentation to prove disability from applicable source (Veteran's Affairs, Social Security Administration, Physician, etc.)
- Borrower completes Total and Permanent Disability Discharge (TPD) Application and submits it, along with any required documentation, to the TPD discharge servicer (Nelnet).
- The TPD servicer contacts the holders of the borrower's loans and instructs them to suspend collection activity while they determine borrower's eligibility for discharge.
- The TPD servicer does an initial review of the application. If the borrower appears to meet the eligibility requirements for a TPD discharge, the TPD servicer forwards the borrower's request to FSA for a final decision.
- FSA makes a final determination and notifies the borrower.
- If the discharge justification the borrower submitted came from:
  - the VA, the borrower's loans are discharged and any amount paid by the borrower after the VA's disability determination date is refunded.
  - the SSA or a doctor, the borrower's loans are discharged and any amount paid by the borrower after the disability determination date is refunded. The borrower's three-year post-discharge monitoring period begins. The borrower must submit income documentation to the TPD servicer annually.

## Offering

The borrower's loans are permanently discharged.

# Where could we improve?

Steps	1: Starts IDR application	2: Provides income information	3: Compares repayment options & selects plan
<p><b>Customer Steps</b></p> <p>Name and describe the main steps that a person takes to use the service, left to right, start to finish.</p>	<ul style="list-style-type: none"> <li>Borrower creates an FSA ID (if he/she doesn't already have one).</li> <li>Borrower's spouse creates an FSA ID (if applicable).</li> <li>Borrower logs into StudentAid.gov and starts a new Income-Driven Repayment (IDR) Plan application.</li> <li>Borrower enters information about their family size, employer, and marital status.</li> </ul>	<ul style="list-style-type: none"> <li>Borrower is asked to authenticate with the IRS from within the application in order to provide his/her (and his or her spouse's if married) income information.</li> <li>Once the borrower authenticates with the IRS, he/she chooses whether or not he/she wants to transfer income information from the IRS.</li> <li>If the borrower opts to transfer their info, the IRS makes the borrower's income information available to FSA and the borrower's servicer. The data transferred from the IRS is masked from the borrower for security.</li> <li>If the borrower chose not to transfer their/spouse's info, they're provided information on how to submit alternative documentation of income (ADOI).</li> </ul>	<ul style="list-style-type: none"> <li>Borrower enters information about his/her Adjusted Gross Income (AGI) and state of residence (as well as spouse loan information if applicable).</li> <li>The repayment estimator calculates estimated payment amount, payment length, etc. for borrower to compare.</li> <li>Borrower selects a specific plan based on the payment estimates displayed or chooses an option that requests that the servicer place them in the IDR plan with the lowest monthly payment.</li> </ul>
<p><b>Service System</b></p>	<ul style="list-style-type: none"> <li>StudentAid.gov, Servicing contact centers, Social Security Administration (SSA)</li> </ul>	<ul style="list-style-type: none"> <li>StudentAid.gov, Servicing contact centers, IRS</li> </ul>	<ul style="list-style-type: none"> <li>StudentAid.gov, repayment estimator, servicing contact centers</li> </ul>
<p><b>Pain Points</b></p> <p>Describe the highest priority problems to solve</p>	<ul style="list-style-type: none"> <li>For borrowers who need to create an FSA ID, they need to wait for their FSA ID to be verified with the SSA before they can start their IDR application online (~1-3 days).</li> <li>If the borrower is married, his/her spouse also needs an FSA ID, even if the spouse doesn't have federal loans.</li> </ul>	<ul style="list-style-type: none"> <li><b>Borrower must enter multiple pieces of information, such as tax filing status and mailing address in order to authenticate with the IRS. Some borrowers are unable to authenticate with the IRS if their address information isn't exactly as it appears on their most recent tax forms.</b></li> <li>If the borrower's income has changed since they last filed taxes and they don't want to use their most recent tax information, they must manually submit alternative income documentation by mail, fax, or upload.</li> </ul>	<ul style="list-style-type: none"> <li>AGI is not pre-populated, even if borrower transferred information from the IRS. They must manually enter it regardless, which could result in their actual payment being different than the payment estimates that display before they choose a plan..</li> <li>Repayment estimator only displays IDR payment plan options when a non-IDR plan could result in a lower payment.</li> <li>Repayment estimator doesn't take the borrower's goals into account when simulating his/her options like the loan simulator does.</li> </ul>

# Where could we improve?

## Steps

### Customer Steps

Name and describe the main steps that a person takes to use the service, left to right, start to finish.

### Service System

### Pain Points

Describe the highest priority problems to solve

## 4: Completes and submits IDR application

- Borrower reviews information and signs and submits application. If the borrower is married, spouse also must sign the application.
- Servicer receives the application for processing.
- If a borrower didn't submit IRS tax info for the borrower or his/her spouse, the borrower must manually submit income information to the servicer before his/her application can be processed.
- Once the application is complete, the servicer processes the application and enrolls the borrower in the repayment plan he/she selected. The servicer communicates this to the borrower via mail or email depending on communications preference.
- The borrower's next billing statement reflects the new payment amount.

- StudentAid.gov, servicer

- Borrowers often neglect to follow up and provide the alternative income documentation after submitting the application resulting in applications being rejected.
- Spouses who are not citizens cannot create FSA IDs and must sign manually.

## 5: Recertification

In order to remain enrolled in an income-driven repayment, the borrower must recertify each year by providing their updated income and family size.

- Servicers send at least two recertification reminders within 90 days of the borrower's recertification date.
- Borrowers must log into StudentAid.gov and submit a recertification application (same as the initial application which includes authenticating with the IRS to transfer tax information or providing ADOI manually).
- Servicers process recertification applications and recalculate the borrower's payment based on upcoming income and family size. Communication and updated billing statements sent to the borrower.

Servicer, StudentAid.gov

- **Despite multiple reminders from their servicer, many borrowers fail to recertify on time. When this happens, the borrower's interest may capitalize, and their monthly payment amount will no longer be based on their income.**

# What will we do?

## Purpose

### *What is the problem?*

Borrowers who are currently on an income-driven repayment (IDR) plan must recertify their income information annually or lose access to income-driven payments. Partially due to this cumbersome process, approximately 1.5 million borrowers failed to recertify between July 2019 and June 2020.<sup>4</sup>

### *Desired future state?*

Within their initial IDR application, borrowers can opt-in to allow FSA to automatically receive their updated federal tax information (FTI) directly from the IRS for the purposes of recertifying the borrower's income in subsequent years. As a result, borrowers would no longer need to manually recertify their income each year in order to continue making income-driven payments, the process would be handled automatically through a data exchange between FSA and the IRS.

The same new data exchange and opt-in process will provide some similar benefits to FAFSA filers and borrowers in the TPD post-discharge monitoring period in the future.

### *Any measurable indicators and targets?*

Increase in annual IDR plan recertifications  
Increase in successful authentications with the IRS

## Approach

### *Process, methods, and expertise?*

The *FUTURE Act* amends Section 6103 of the Internal Revenue Code and allows the IRS to provide certain taxpayer information to ED for the purpose of administering certain federal student aid programs authorized under Title IV of the *Higher Education Act of 1965*.

FSA and ED are collaborating with the IRS and Treasury in developing a solution that will allow FSA to receive federal tax information (FTI) directly from the IRS, which will be used to automate the IDR recertification and TPD post-discharge monitoring process, and later, the FAFSA form.

### *Timeline, stage gates and dates?*

Currently, FSA anticipates implementing the *FUTURE Act* TPD solution in 2021 and IDR solution in 2022. FAFSA form timing is later, but TBD.

### *Deliverables being produced?*

Automated IDR recertification process, new digital and paper experience for submitting IDR recertification.

Automated TPD post-discharge monitoring process, new digital and paper experience for submitting TPD forms.

## Resources

### *Who is responsible?*

FSA is working closely with the IRS to implement the *FUTURE Act* IDR solution.

### *Who is contributing to the project?*

Over 100 stakeholders from FSA, ED, IRS, and Treasury are involved in various design, solutioning, and implementation discussions.

# What are we proud of this year?

## Service Improvement

*Who is the user and what was the problem?*

Customers needed to navigate between 5+ websites in order to research, apply for, and manage their federal financial aid and student loans. [StudentAid.gov](#), [StudentLoans.gov](#), [fsaid.ed.gov](#), [nslds.ed.gov](#) were visited more than 120 million times each year by students, parents, and borrowers annually.<sup>5</sup>

Customers now have a one-stop shop for their federal student aid needs with the launch of the new StudentAid.gov. With its improved interface and consistent FSA-branded experience StudentAid.gov provides a single front door for access to resources previously housed on StudentLoans.gov, FSAID.ed.gov, and NSLDS.ed.gov Student Access. Now customers can log in once and complete much of what they need to accomplish on a single site. In addition, new features were launched to solve customer pain points, such as

- **Aid Summary:** Provides a single place where customers can find information about the grants and loans they've received and shows their remaining grant and loan eligibility.
- **Loan Simulator:** Walks users through a series of questions and allows them to compare personalized scenarios, ultimately guiding them toward a repayment path that best fits their needs. Via Loan Simulator, borrowers will be able to identify if they want to pay down their loans quickly, minimize the interest that they pay, or have a low monthly payment. Their preferences can be updated after they receive their recommended plan. This tool helps address a major pain point that we identified, where borrowers don't feel like they have the information they need to select a repayment strategy that fits their financial situation.
- **Make a Payment Pilot:** There are multiple student loan servicers, and each of them has their own website. Eventually, all Direct Loan borrowers will be able to repay their loans through StudentAid.gov. As part of a beta launch in February, we made it possible for a subset of our customers, between 5 and 7 million, to make a payment directly on StudentAid.gov or through their mobile device. Borrowers with outstanding federal student loans assigned to Great Lakes and Nelnet will be able to participate in the Make a Payment pilot, which allows borrowers to make payments on their loans through StudentAid.gov.
- **Annual Student Loan Acknowledgement:** A new tool designed to help borrowers understand their debt balance and common debt terms before borrowing more. New borrowers get a sense of what their loan balance, monthly payment,

and expected salary could be based on the school they plan to attend and the program in which they enroll. Existing borrowers will receive information on how much they have borrowed thus far, how close they are to their aggregate maximum, and what they can expect their monthly payments to be based on their borrowing behavior.

- **PSLF Help Tool – Employer Database:** The PSLF Help Tool currently helps borrowers to self-assess whether their employer likely qualifies for PSLF by selecting one of five employer types. In a June update, an Employer Search Feature where borrowers can use their employer's Federal Employer Identification Number (FEIN or EIN) and their dates of employment to search the Employer Database for specific eligibility information was added, helping to solve one of the pain points of the PSLF program – borrowers often lack clarity about their employer's eligibility for PSLF.
- **Aidan Virtual Assistant Pilot:** A virtual assistant driven by conversational AI that can help answer more than 800 questions about federal student aid. Aidan will allow our customers to ask questions and be directed to relevant resources. Users can provide feedback directly to Aidan so it can learn and improve. As we test and refine Aidan, it will be rolled out to additional users.

Data through June 15, 2020<sup>6</sup>

- More than 46.5 million users visited StudentAid.gov more than 101.4 million times. (12/21/19-6/15/20)
- More than 1 million users visited the PSLF Help Tool more than 3.2 million times. (12/21/19-6/15/20)
- More than 334,000 users visited the Annual Student Loan Acknowledgement page. (4/27/20-6/15/20)
- Aidan responded to more than 444,600 messages from more than 187,500 users. (12/21/19-6/15/20)
- Customers made more than 6,040 payments using the Make a Payment pilot on StudentAid.gov (2/23/20-6/15/20)
- The COVID-19 announcement page has been visited more than 3.6 million times. (3/16/20-6/15/20)

# What are we proud of this year?

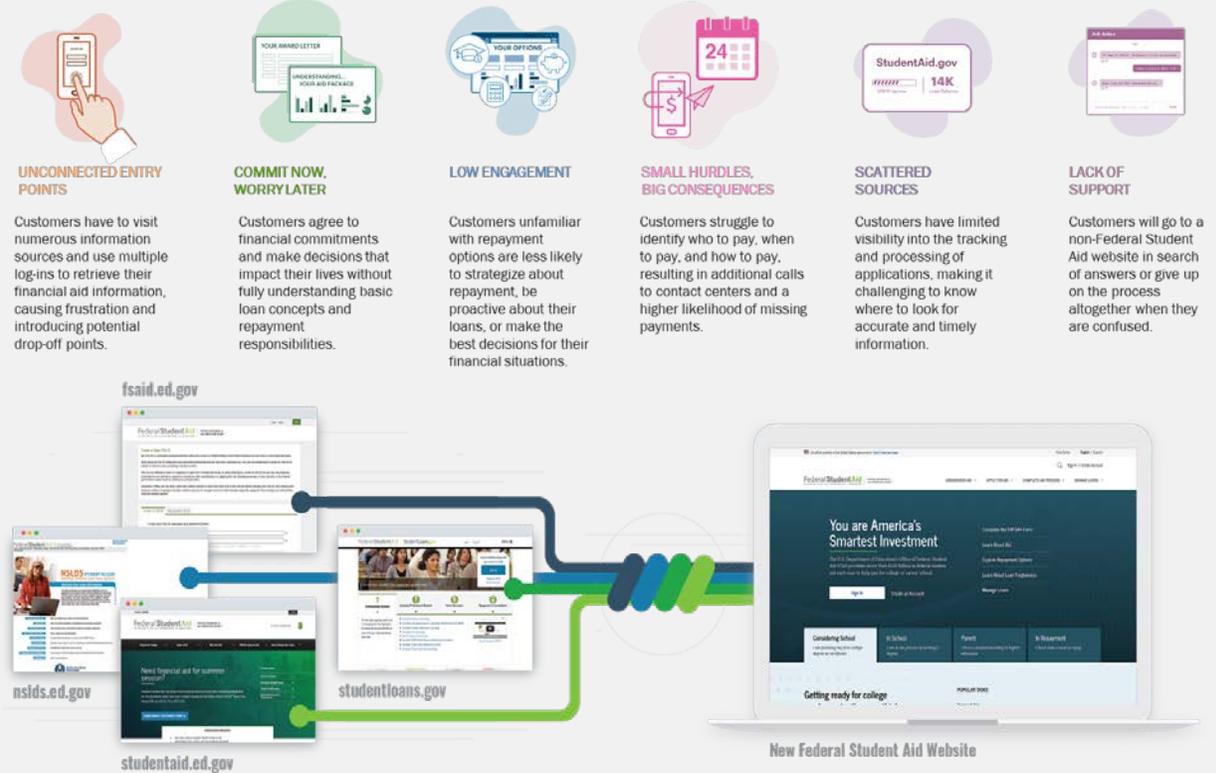
## Service Improvement

*Any lessons for other agencies emulating this work?*

- Well-thought out procurement strategy and flexible contract that allows you to be iterative and responsive to ever-changing customer needs.
- Leadership buy-in.
- A good understanding of key customer pain points is foundational to making improvements that matter.
- Develop processes that allow you to get feedback from users regularly.
- Ensure your contracts include performance standards that promote the outcomes you are trying to drive.

*Sum up what happened in two sentences.*

Federal Student Aid launched the new and improved StudentAid.gov, a single digital front door where students, parents, and borrowers can now research and manage their financial aid without having to log in multiple times or access multiple websites. The site consolidates the content and functionality previously housed on StudentLoans.gov, FSAID.ed.gov, and NSLDS.ed.gov Student Access and offers new tools to promote financial literacy and informed borrowing and repayment.



As you saw in our list of customer pain points, people find it confusing that they need to visit **multiple websites** to get information or complete a task.

We know from our **website analytics data** that over 80% of our website visitors went to more than one of our websites to get information or complete a task.

In December 2019, we launched a single front door – **moving from multiple websites to one.**

# What are we proud of this year?

## Capacity Building

*Was this a governance, measurement, organizational, customer understanding, service development, or service delivery capability?*

Customer Understanding, Service Design

*What was the new action taken capability and it's goal or purpose?*

**User Research:** As part of the Digital and Customer Care Program, FSA conducted user, employee, and stakeholder research virtually and across the country to better understand customer, customer service agent, and partner pain points. Some sample outputs of user research were customer mindsets, journey maps, and process maps that will be used to guide future design work and prioritization.

**Usability Testing:** FSA conducted dozens of current-state and future-state usability tests at varying levels of fidelity in order to design and iterate on the features within the new StudentAid.gov.

*What was the resulting impact? Include numbers whenever possible.*

Customer journey maps, customer mindsets, and product roadmaps that will enable the organization to better understand the customer journey and address customer pain points. See following slide for numbers as of February. Dozens of additional usability tests conducted since then and ongoing.

*Any lessons for other agencies emulating this work?*

- Understand Paperwork Reduction Act (PRA) and PRA flexibilities
- Develop fast-track umbrella clearance for screeners, etc.

*Can you sum up what happened in two sentences?*

The Digital and Customer Care (DCC) contract that was awarded in February 2019 and the creation of an internal Product Design Group provided FSA with additional capacity to conduct regular user research and usability testing and to develop customer mindsets, journey maps, process maps that can be used to guide future design work and help with prioritization of new features.

# What are we proud of this year?

## Conduct Focus Groups

26 Financial Aid Administrators and Industry experts attended focus groups to improve the FAFSA form and Loan Counseling



## Facilitate Content Workshops

6 Users came together to workshop the Loan Disclosure Agreement



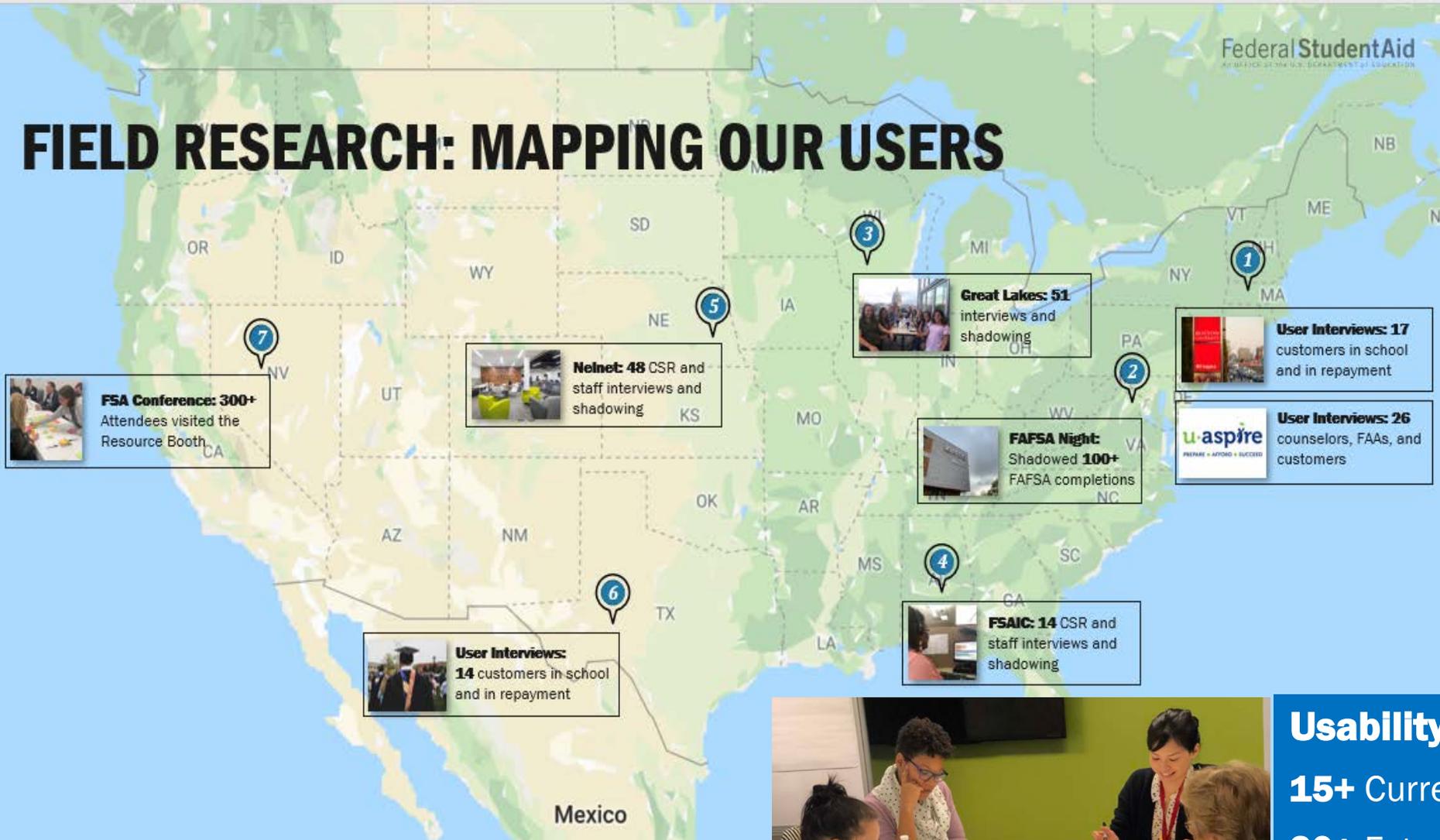
## Usability Testing.

15+ Current State Usability Tests

20+ Future State Usability Tests

150+ 1-on-1 Interviews / Usability Tests

## FIELD RESEARCH: MAPPING OUR USERS



# What are we proud of this year?

## MINDSET METHODOLOGY

Customers can come from an incredibly diverse background, but there are four distinct mindsets that help us identify differences in customer needs and experiences.

These four mindsets are defined by customer levels of **drive** and **accessibility**.

Drive relates to how customers seek out information or approach to their education while balancing real-world commitments and factors that impact their ability to prioritize reaching their desired education outcome.

Accessibility is not just about finances and income levels, but also includes access to information, effective and connected technology, as well as a personal support network.

### UNCONCERNED

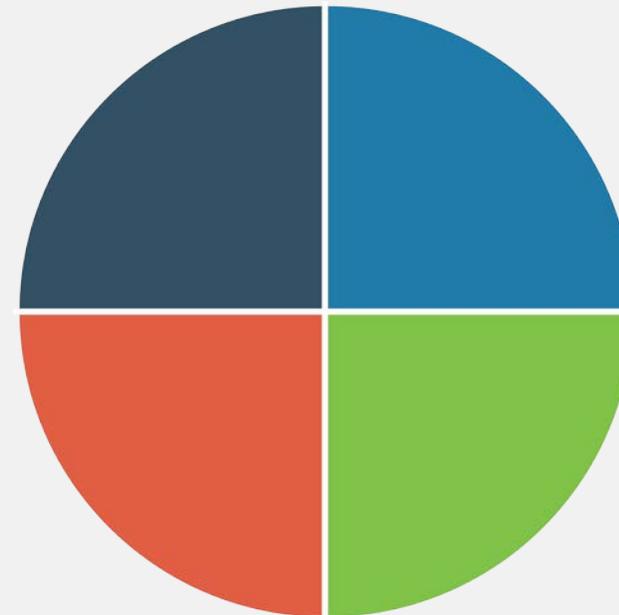
*"I didn't care about my loans in school because I knew I didn't have to pay it back until after."*

Low Drive

### SURRENDERED

*"I'm scared to ask too many questions [about my loans] because I just want my degree, and I don't want them to take it away."*

High Accessibility



### DETERMINED

*"[I'm] just trying to stay focused and keep the goal in mind."*

High Drive

### RESOURCEFUL

*"[I'm] going to whatever school that offers me the best deal."*