

# Update: Office of the Ombudsman

NASFAA  
national conference 2000  
Washington, DC - July 9-12



**Debra Wiley, Ombudsman**



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# Agenda

- **What is an Ombudsman?**
- **What is the Office of the Ombudsman?**
- **What is the Ombudsman case management process?**
- **What have we learned?**
- **What is in the future?**
- **What do you think?**



# What is an Ombudsman?



## **An Ombudsman?**

- **Depends on who you ask**
- **Told by Congress**
- **Asked students, partners, and SFA staff what they expected**
- **Asked ombudsman offices in public and private sectors**



# What is the Office of the Ombudsman?



# Office of the Ombudsman

- **Established by 1998 Amendments**
- **Is an impartial, confidential resource after other avenues exhausted to resolve borrower concerns**
- **Reports directly to Greg Woods, Chief Operating Officer, SFA**



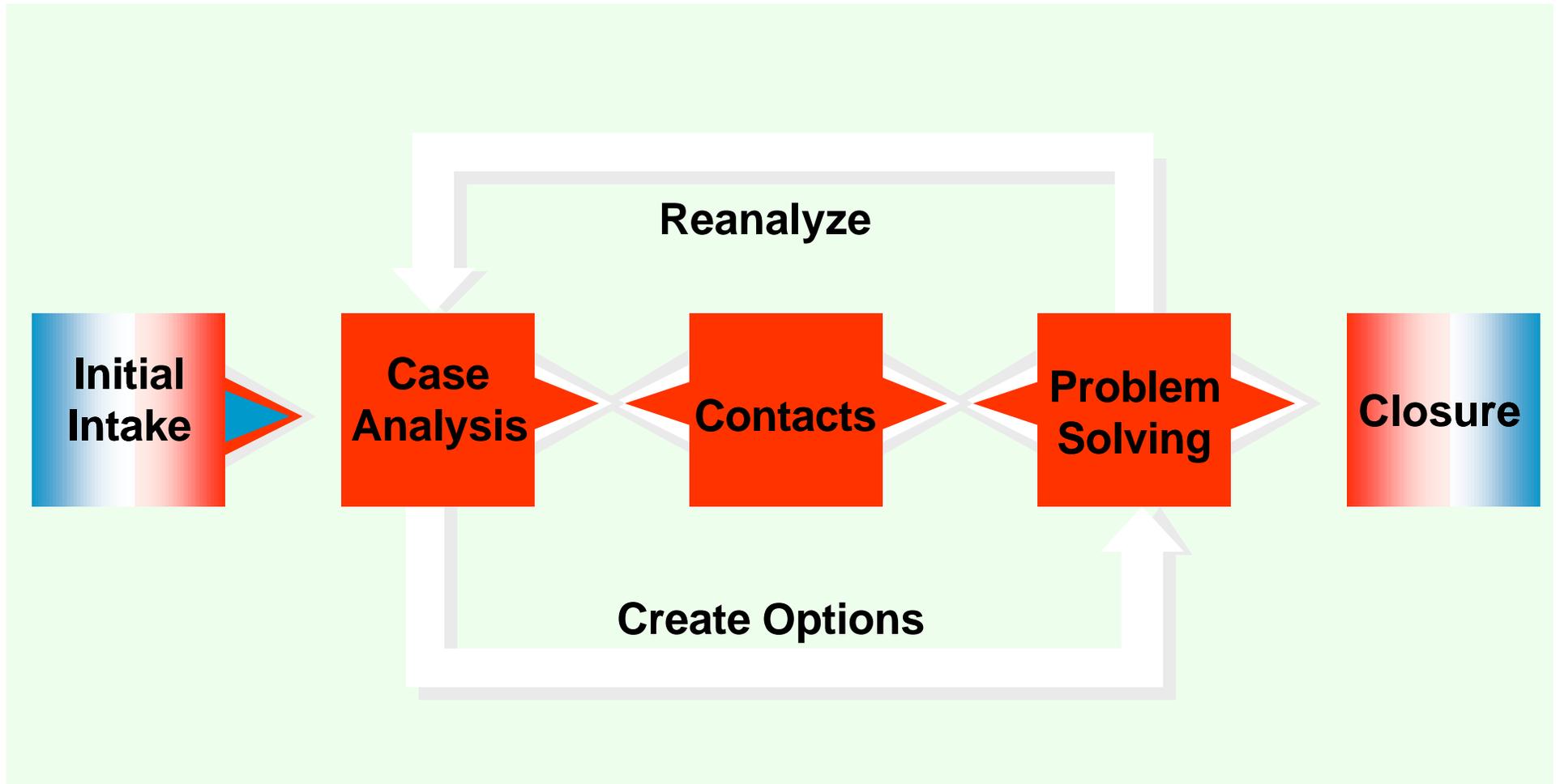
# Office of the Ombudsman

- Seeks to work cooperatively with partners to reach **informal** resolution of complaints
- Does not force solutions, reverse decisions, or mandate actions
- Analyzes complaints and makes recommendations for improvements
- Reports annually to Chief Operating Officer on activities and effectiveness



# **What is the ombudsman case management process?**

# Ombudsman Case Management



■ **General Assistance Cases**  
Need information or need guidance  
on resolution through other channels

■ **Problem Assistance Cases**  
Are more complex and require  
extensive consideration



**What have we  
learned?**



# Customers Ask the Ombudsman to Help Them...

- **Resolve discrepancies in loan balances and payments**
- **Understand interest and collection charges**
- **Understand financial aid requirements**
- **Find loan holders**
- **Rehabilitate loans by establishing satisfactory repayment plans**
- **Reestablish eligibility for Federal aid**
- **Find promissory notes**
- **Defer or discharge loans**
- **Resolve issues related to income tax refund offsets, default status, consolidations, bankruptcies, service quality and any other customer concern**



# Case Characteristics

- **Information from the Ombudsman Case Tracking System**
- **For period of September 30, 1999, through February 2000**
- **Over 1700 cases**



# Case Type Distribution

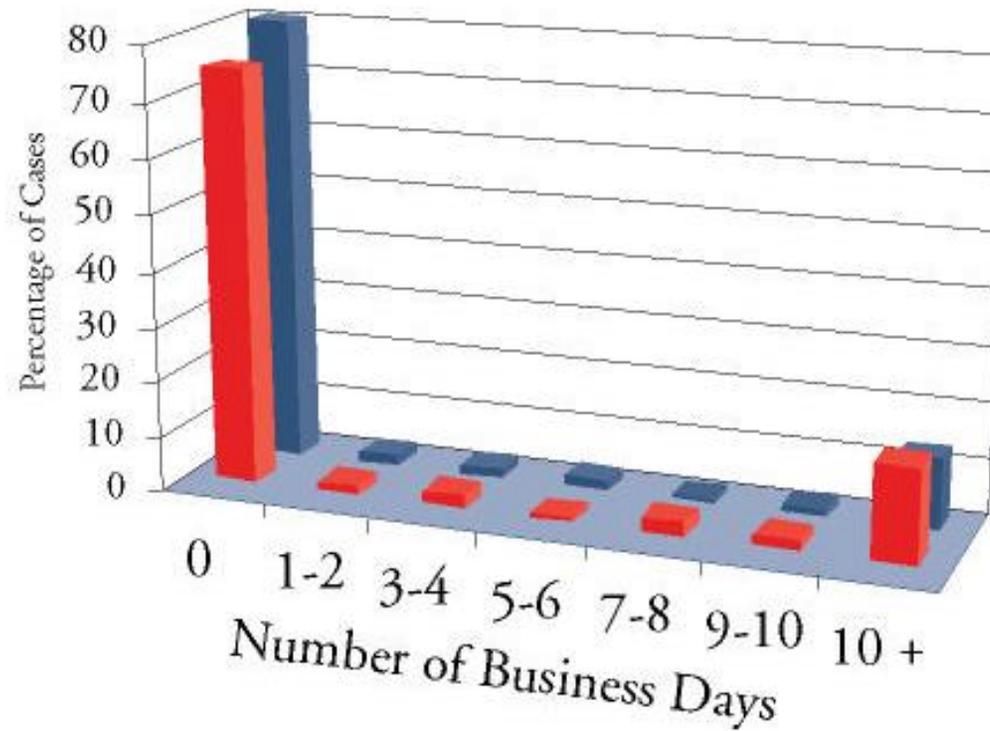


**General  
Assistance 70%**

**Problem  
Assistance 30%**



## Number of Business Days from Case Opened to Case Closed

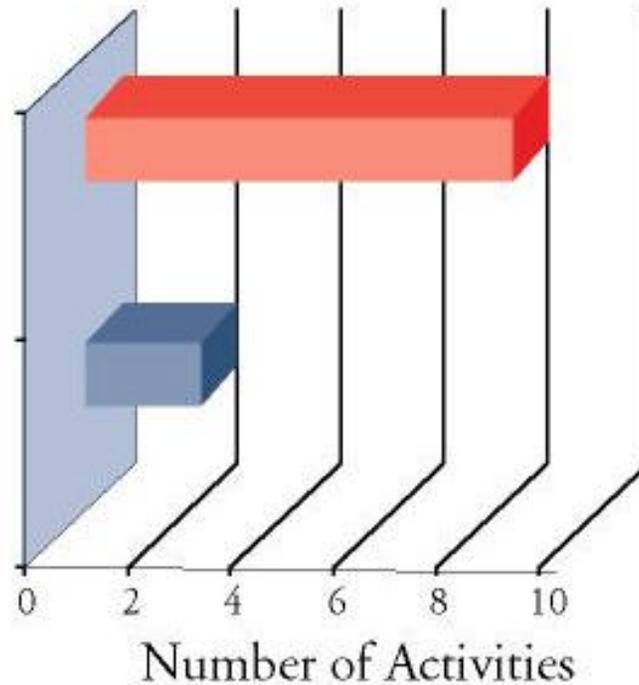




## Average Number of Activities per Case

**Problem Assistance**

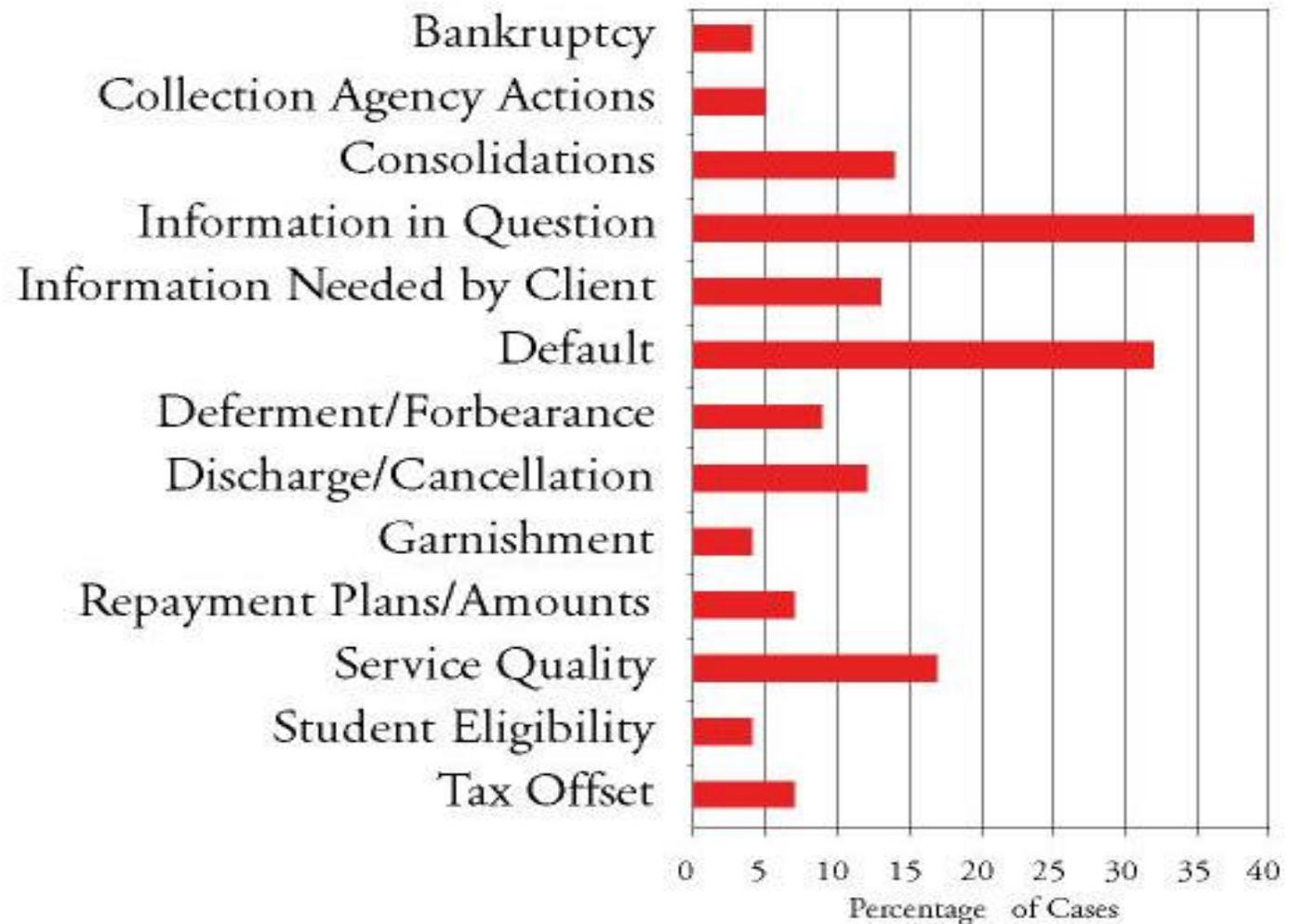
**General Assistance**



- **Activities include phone calls, letters, faxes, and e-mails with customers and relevant third parties.**

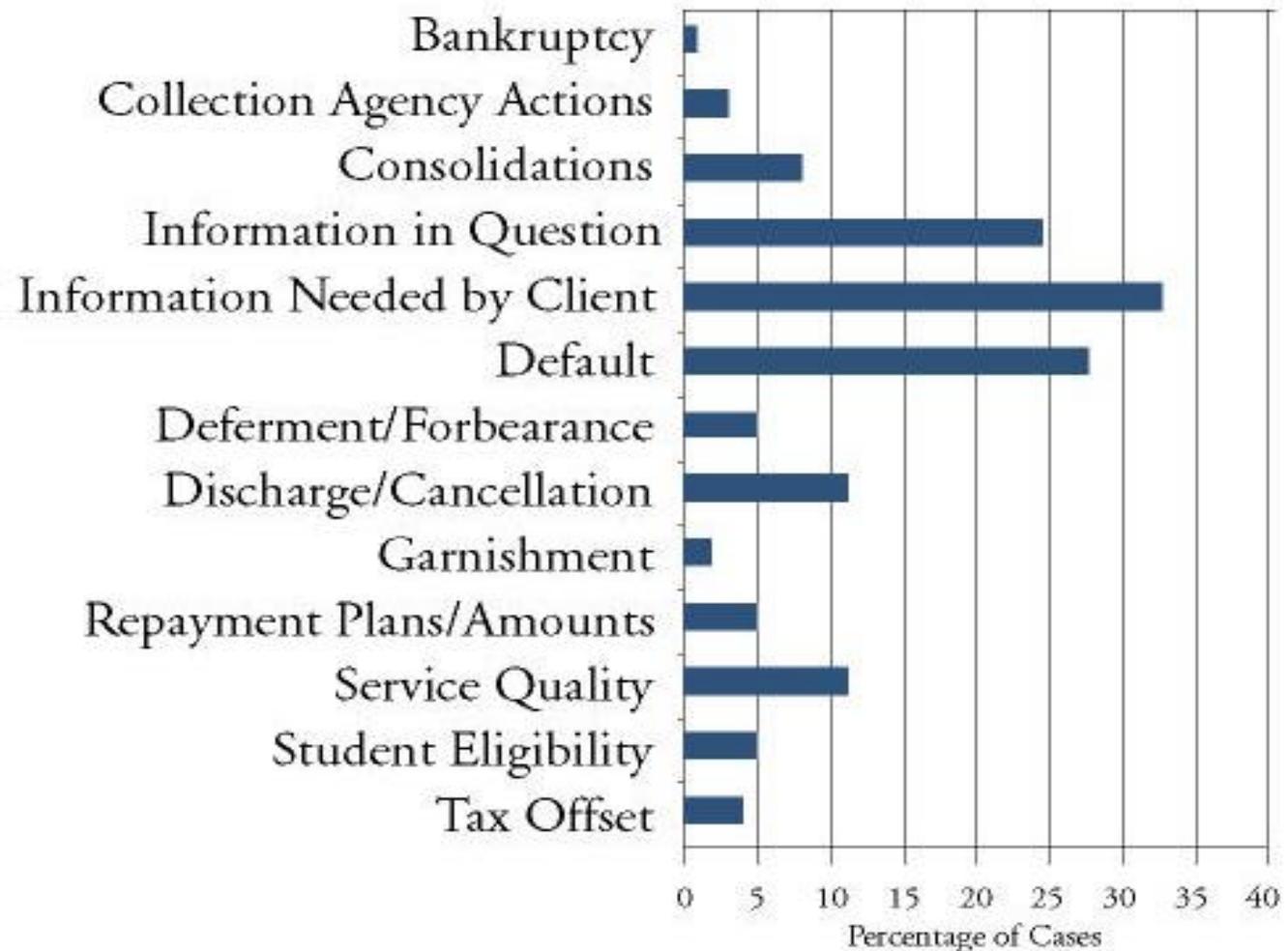


## Customer-Reported Problem Assistance Case Issues





## Customer-Reported General Assistance Case Issues





# Customer-Reported Issues

- **Two major information concerns:**
  - ▲ **Accuracy (especially problem assistance cases)**
  - ▲ **Need for information**
- **Defaults - only one-third of problem and general assistance cases**
- **Service quality**
- **Tax refund offset issues - sharp increase in March 2000**

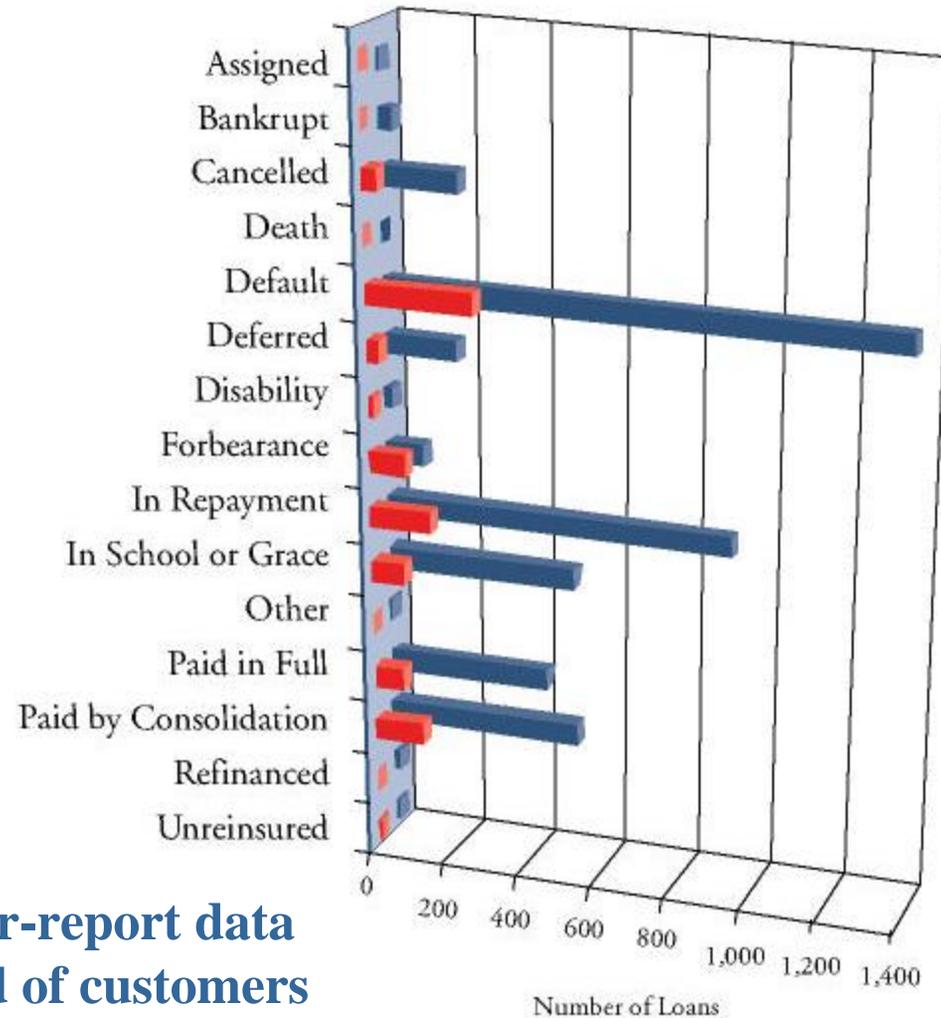


# Case Characteristics

- Match of the same 1700+ cases with the data in NSLDS
- Match conducted early in March 2000



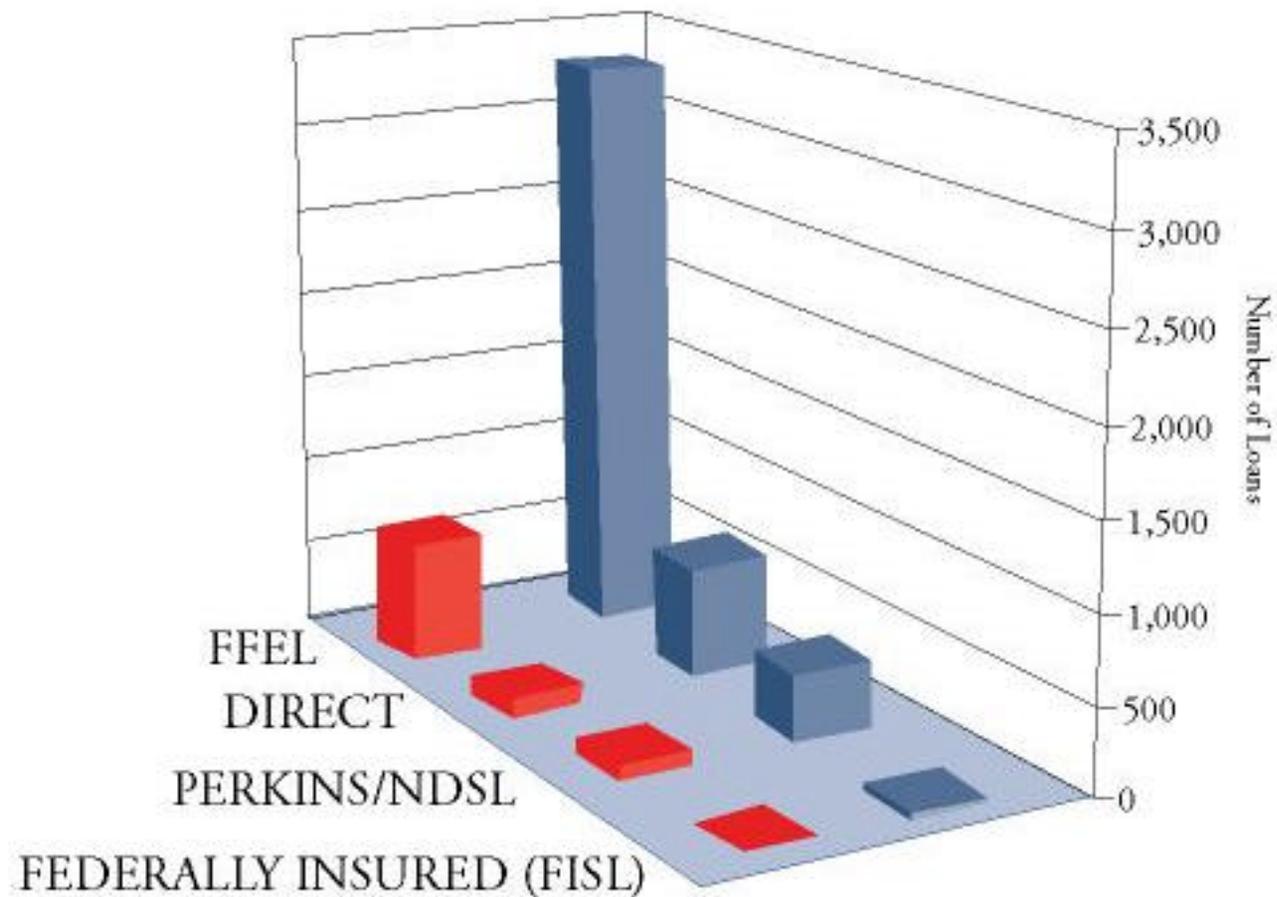
## Loan Status, by Case Type



- Confirms customer-report data that only one-third of customers are concerned with defaults

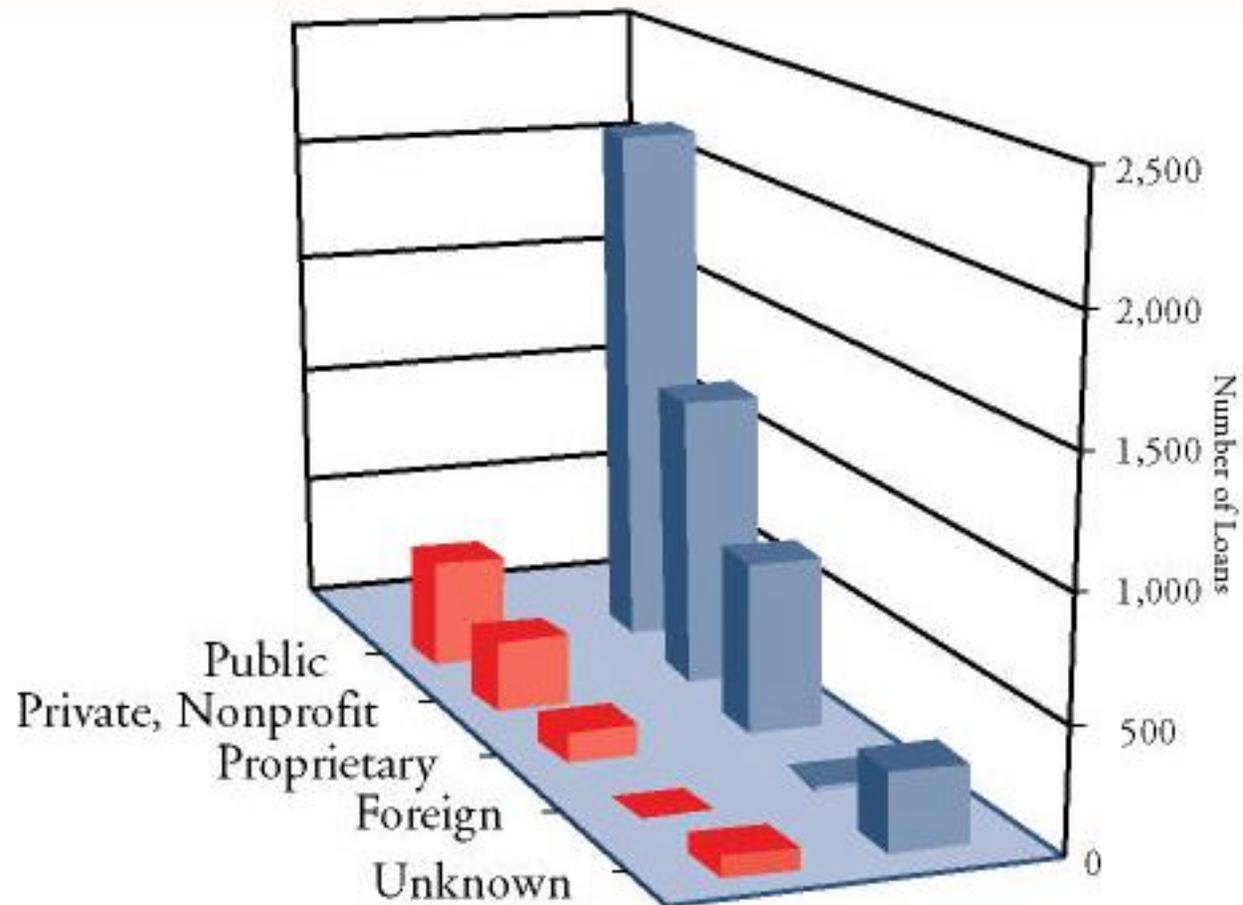


## Loan Program Distribution, by Case Type





## School Control, by Case Type





# Customer Characteristics

- Average age 37
- Majority 25-50 years of age
- Average time in repayment 6 years



**What is in the  
future?**



# Our Expectations

- **Increase in inquiries**
- **Learning to anticipate issues**
- **Installation of new case tracking system**
- **First annual report in October/November 2000**



**What do you think?**



## **Tell Us**

- **Your experiences with us**
- **Additional opportunities to work together**
- **Information that you want to see in our annual report**
- **Anything else that you think we need to hear**



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**Thank you!**

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# Appendix: Requirements for Notifying Borrowers



# Regulatory Requirements

- Apply to schools, lenders, and guaranty agencies under three Title IV student loan programs (Perkins, DL, FFEL)
- Required to provide borrowers with information on the availability of the Office of the Ombudsman
- Are effective July 1, 2000, for any applicable activity occurring on or after July 1, 2000
- See “Dear Partner” letter, GEN-00-4(MAR)



# Information Required to Provide Borrowers

■ **Internet:** <http://ombudsman.ed.gov>  
or <http://sfahelp.ed.gov>

■ **Toll Free Telephone:** 1-877-557-2575

■ **Mail:** Office of the Ombudsman  
Student Financial Assistance  
U.S. Department of Education  
Rm. 3012, ROB #3  
7th and D Streets, SW  
Washington, DC 20202-5144