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Session 38

Electronic Signatures in the Perkins Loan Program



Overview

Last year, the Perkins program had:

- **Over \$1.1B in loans issued**
- **A federal contribution of around \$160M**
- **Over 695,000 students awarded**
- **Total loans outstanding of over \$7B**
- **2,260 schools participating**
- **An average loan was \$1,681**



Status

- FSA has been committed to promoting the use of electronic signatures in the student aid process
- Standards were issued in 4/01; revised in 7/01
- FSA worked with the community to create a trusted 3rd party authentication service based on the FSA PIN.
- Electronic signatures are currently available for all Title IV programs
- Electronic signatures are in use for Direct Loans and FFELP promissory notes

Now is the time for Perkins...



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What Has FSA Done for Perkins?

- Partnerships with national organizations
COHEAO and NACUBO
- Partnerships with schools
Penn State, University of Minnesota, University of Illinois, and Iowa State University
- Partnerships with trusted 3rd party authentication service providers
NCS and STAN



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Perkins Note Evolution

Two overlapping paper forms for 'FEDERAL PERKINS LOAN PROMISSORY NOTE'. The forms contain various fields for borrower information, loan details, and signatures.

Previous Perkins Forms

Two overlapping paper forms for 'FEDERAL PERKINS LOAN PROMISSORY NOTE', similar to the previous forms but with updated text and layout.

Current Perkins Forms



Possible Perkins eNote



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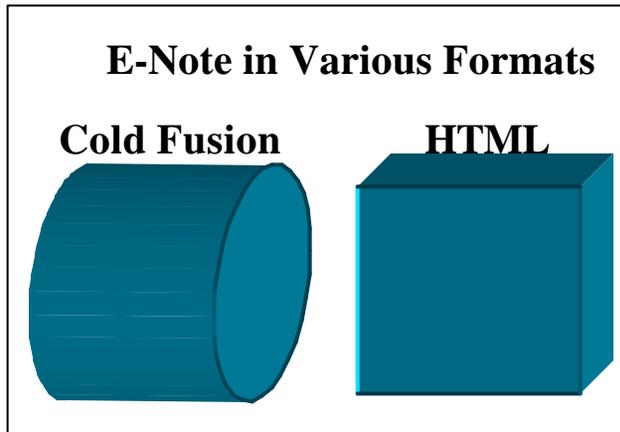
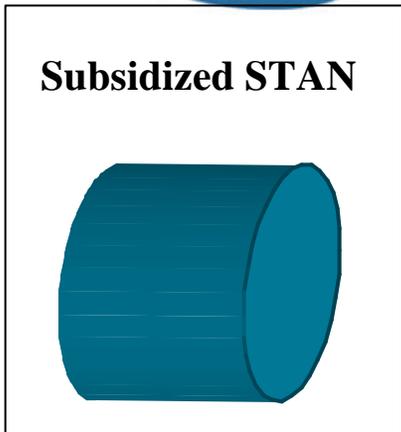
School Wish List

1. FSA subsidizes STAN authentication costs for Perkins schools
2. FSA helps schools to create downloadable eNote (HTML; JAVA; XML; Cold Fusion)
3. FSA enables MPN for Perkins note
4. FSA revises Standards to allow for school based PIN for Perkins
5. Expanded use of FSA PIN for Federal aid (Title 7) and non-Federal aid (state grants)



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What Does All of this Mean?



SFA

SCHOOLS



Consent

**Identification/
Authentication**

Display

Attribution

Integrity

Maintenance

Access

Certification

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Schools “To Do” List

- Create an enterprise-wide team (technical, legal, and business) to determine how electronic signatures might fit into the school’s current processes
- Review Standards and determine compliance
- Flow chart current paper process
- Flow chart how an e-process might look like
- Perform a cost/benefit analysis
- Understand identification and authentication alternatives
- Understand encryption to be able to utilize STAN



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FSA “To Do” List

- STAN Subsidy
 - Finalize subsidy payment arrangements for authentication
 - Facilitate a cheaper encryption solution
- eNote Development
 - Develop format that is best suited for schools’ needs
- Future...???
 - Enable MPN
 - Revise Standards
 - Expand FSA PIN



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Next Steps For Perkins...

**Are you ready for
Electronic Signatures?**

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Visit FSA's Electronic Identification website at:

EID.SFA.ED.GOV

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