

**Massachusetts Educational Financing Authority**  
*Edgewater Technology delivers a customized technology solution that enables MEFA to provide federal loans as part of its loan portfolio.*



**Edgewater Technology's solution:**

- Provides MEFA with the technology needed to participate in the Federal Family Education Loan Program (FFELP) business as a lender;
- Enables data to be securely transferred with trading partners using industry-standard feed formats and software encryption;
- Processes incoming data files without manual intervention by leveraging automated polling of FTP sites and real-time file processing;
- Prepares outbound data files for transmission to loan servicing agencies.

**Affordable Financing**

Founded in 1982, the Massachusetts Educational Financing Authority (MEFA) was created by the Massachusetts state legislature with the primary purpose to assist students, parents, colleges and universities in financing higher education. MEFA accomplishes this by providing families with innovative college savings plans, competitive loan programs and easy access to college planning information.

MEFA, a self-financing, not-for-profit state authority, is dedicated to keeping college education affordable to families. MEFA understands the challenges that families face when sending their children to college including the financial demands, the critical selection of institutions to meet their children's needs and the process in securing funds necessary for covering the cost of higher education.

**Expanded Services**

MEFA's ongoing market research indicated that many students who apply for MEFA loans also apply for FFELP loans. In many cases, a student may not be eligible for a MEFA loan but is still eligible for FFELP loans.

Based on this research, MEFA chose to broaden its product offerings to include FFELP loan products. By offering Federal Stafford and PLUS loans, MEFA now provides a more comprehensive solution for families and colleges seeking high quality, low-cost financing alternatives for Massachusetts colleges and universities.

In order to support its new product offering, MEFA required a technology partner to build the system and interface capabilities to its guarantor partner, American Student Assistance (ASA). Based on a recommendation from ASA, the eighth largest student loan guarantee agency in the United States, MEFA selected Edgewater Technology due to our in-depth knowledge of student loan processing and a history of delivery excellence with ASA.

Having partnered with ASA for 10 years, Edgewater Technology has extensive expertise in developing applications for the Higher Education industry.

**The Business Solution**

In order to participate in the FFELP loan program lenders must work with a guarantee agency such as ASA. Based on this requirement, MEFA contracted with ASA for its "full-service" lender capabilities. As part of its "full-service" program, ASA acts as the contact point for the schools, lenders, and loan servicers and handles all of the FFELP requirements including approval and guarantee processing, credit checks, and disbursement services. By leveraging ASA's services, MEFA was able to process FFELP loans more quickly and efficiently by eliminating the need to develop a full-fledged loan-processing system.

Edgewater worked with key personnel at MEFA to develop a solution that enables MEFA to process its federal loans through ASA. As loan application files are received at ASA, its system generates an industry-standard (Commonline) data file that provides MEFA with information about any new or modified loans where MEFA is the lender. Additionally, when loans are disbursed, ASA's system generates a separate Commonline file that contains disbursement and invoice information for loans specific to MEFA.

MEFA required a system that could read the encrypted Commonline files and store the incoming information in a database so that its FFELP business could be closely monitored. In addition, MEFA's loan servicing agency requires that disbursement information be forwarded to its system along with information regarding the bond funding source that was used to fund the loan.

## The Technical Solution

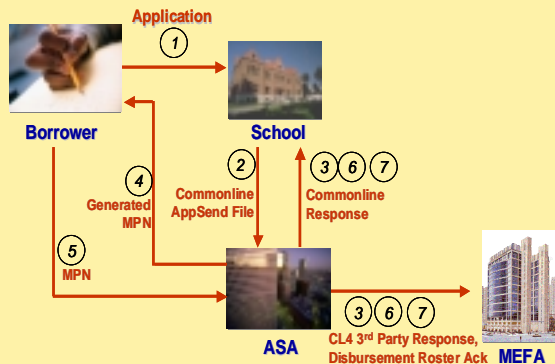
ASA's system uses FTP to move the generated Commonline files to MEFA's FTP site. Edgewater Technology's solution "watches" MEFA's FTP directory using Windows 2000 notification services. When a new data file arrives, the File Loader program spawns a thread that decrypts the file and loads it into the database.

The Commonline 4 file format specifies that data exchanged between partners must be encrypted using triple DES via the AT&T Secret Agent product. The File Loader makes calls to this product to perform the decryption and then loads the data into MEFA's FFELP loan database.

In addition to loan data, disbursement activity is also transferred to MEFA in Commonline 4 format. Disbursement information must also be communicated to MEFA's loan servicing partner. The incoming disbursement information is enhanced with funding details and re-encrypted with the loan servicer as the intended recipient. The modified file is then placed on MEFA's FTP site for retrieval by the loan servicer.

The database design implemented by Edgewater Technology provides a normalized representation of the Commonline loan and disbursement data and supporting reference data. Views were designed into the database that provide an easy-to-use system for MEFA personnel to query data for common business processes. Commonline reference data, such as school Office of Education (oe) codes are maintained using an intuitive GUI interface built by Edgewater Technology using Microsoft Access.

## The Business Solution



### Process Sequence

- ① Borrower submits application to the school.
- ② School submits Commonline AppSend file to ASA.
- ③ ASA responds to the School with a Commonline Response file, Sends a 3rd party response to MEFA.
- ④ ASA generates a Master Promissory Note (MPN) and mails it to the Borrower.
- ⑤ The Borrower completes the MPN - returns it to ASA.
- ⑥ ASA creates a Commonline Response file for the school and a 3rd party response for MEFA.
- ⑦ When the disbursement date arrives, ASA generates a Disbursement Roster Acknowledgement file for the school and MEFA.

## Technologies and Tools

- AT&T Secret Agent
- Microsoft Access
- Microsoft ADO (Active Data Objects)
- Microsoft Internet Services (FTP)
- Microsoft SQL Server
- Microsoft Visual C++
- Microsoft Windows 2000