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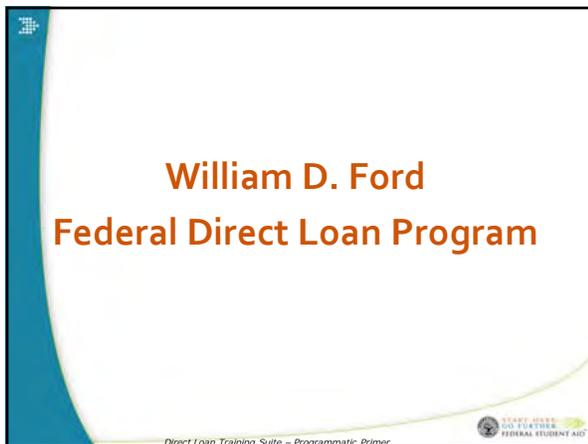
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**Federal Student Aid – Roles and Responsibilities**

- **Federal Student Aid** provides operational, system, and service support to *schools*
  - School Eligibility
  - Funding
  - Reconciliation/Closeout
  - Communications/Publications/Training
- **Federal Student Aid** also provides operational, system, and service support to *borrowers*
  - Loan Servicing
  - Software/Web-based services
  - Customer Service



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**Our preparation...**

- FSA Customer Service Centers
  - Increased and trained staff
  - Monitor incoming volume
  - Dedicated OnBoarding Team

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**Our preparation...**

- Teams designed for targeted support
  - Graduate/Professional
  - Small schools
  - Career Colleges
  - Community Colleges
  - HBCU, HSI, and Tribally controlled colleges
  - Foreign schools
  - Pacific Island Schools

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**Our preparation...**

- FSA made benign changes to most school profiles
  - Direct Loan School Codes assigned
  - TG mailboxes assigned

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**Your preparation...**

- What do you do next to be prepared
  - CODSupport@acs-inc.com
    - Request completion of FSA setup
    - 800/848-0978
  - DLEnrollment\_FSA@ed.gov
    - FSA Transition Team
  - [www.direct.ed.gov/participating.html](http://www.direct.ed.gov/participating.html)
    - Complete setup information

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**Program Similarities – Schools**

- School Roles and Responsibilities
- Virtually all of the regulations
- Origination/Certification
- Loan type and interest\*
  - \*FFELP PLUS 8.5%, D/L PLUS 7.9%
- MPN
- Counseling

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**Program Responsibilities – Schools**

- Disbursement
  - Origination Fee/Upfront interest rebate
- Reconciliation
  - Monthly
- Cash
  - Direct Loan schools calculate and draw immediate need
  - Single source – G5

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**Program Features – Borrower Benefits**

- Grace period
- Forbearance
- Deferment
- Interest Rates

Direct Loan only:

- *Public Service forgives remaining balance on certain loans after 120 on-time payments*
- *No Accrual of Interest Benefit for Active Duty Service Members (up to 60 months) for DL borrowers serving in an area of hostilities*

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**Program Features – Borrower Benefits**

Repayment Options:

- Standard Repayment
- Extended Fixed/Extended Graduated Repayment
- Graduated Repayment Plan
- Income-Based Repayment (IBR)
- Income-Contingent Repayment (ICR)

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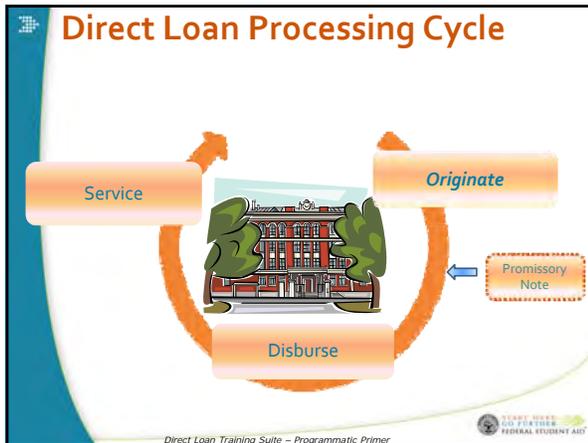
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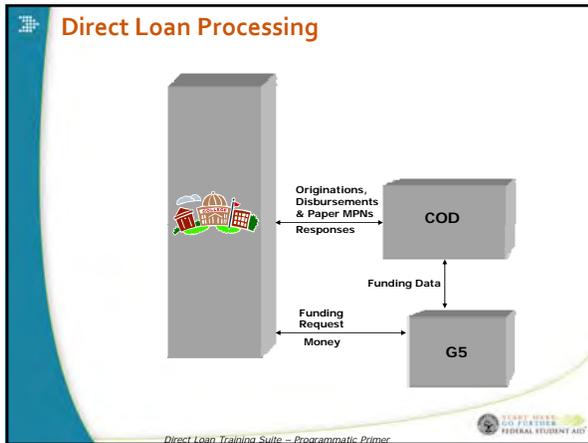
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- ### Common Origination and Disbursement (COD) System
- COD is person-centric
    - Pell, ACG, SMART, TEACH, DL
  - School sends information to COD
  - COD processes/edits and returns response
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### Submitting Records to COD

- Document
  - Via SAIG mailbox
  - Picked up by periodic “sweeps”
  - Typically transmits many student records
- Online at COD website
  - Transactions almost “real time”
  - Involves one student record at a time

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### G-5

- Maintains school’s Direct Loan account
- Allows schools to request money via the G-5 Web site

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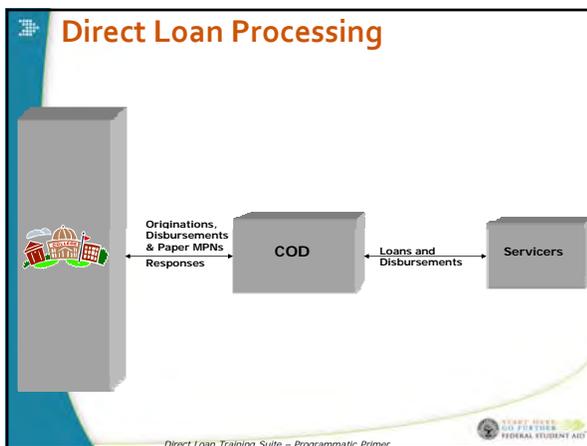
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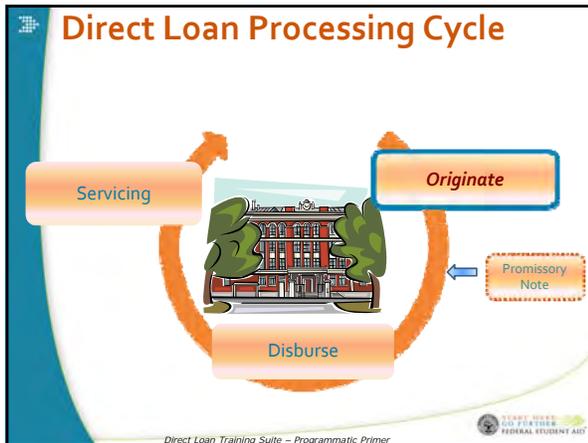
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- ### Loan Origination
- Direct Loan Originates (FFEL Certified)
    - Loan Origination Record (LOR) contains **Person** data + **DL Award** + **Disbursement** data (amounts and dates)
    - Anticipated or actual disbursements must equal the award amount.
  - COD response
    - Indicates if records were accepted or rejected
      - Edit codes tell what is wrong
    - Provides status and expiration date of the MPN
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- ### MPN Responses
- Linked MPNs
  - Pending MPNs—
    - If no award for the student in COD
  - New response for each status and expiration date change
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### PLUS Loan Credit Check

- COD Completes upon receipt of origination
  - PLUS MPN includes authorization
- Online Credit check
  - School initiated, with signed authorization
  - Borrower initiated via [www.Studentloans.gov](http://www.Studentloans.gov)



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### PLUS Credit Check

- No Adverse Credit
- Adverse Credit options
  - Stop PLUS process
  - Obtain an endorser
  - Appeal to COD due to extenuating circumstances

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### PLUS Loan Approved Endorser

- Can't disburse above the Endorser Amount.
- May need new MPN

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### New PLUS Application

START HERE GO FURTHER FEDERAL STUDENT AID StudentLoans.gov

Home Understand FAQs Contact Us Additional Links

Welcome to myDirectLoan

- Access your loan documentation
- Complete Direct Loan Entrance Counseling
- Complete your Master Promissory Note
- Complete your Direct PLUS Application**
- Endorse a Direct PLUS Loan

Sign In Please use your PIN to sign in. Why am I having an issue?

Announcements

- Updated information available for TEACET grant
- Direct Loan holds effective July 1, 2009
- New TEACET grant Exit counseling sessions now available

Understand

- What you Need
- What to Expect
- Direct Loan Overview
- Spanish Entrance Counseling

Before You Start

- Apply for PIN
- Submit a FAFSA

Follow-up

- Financial Aid History
- Loan Repayment
- Consolidate Loans
- Exit Counseling

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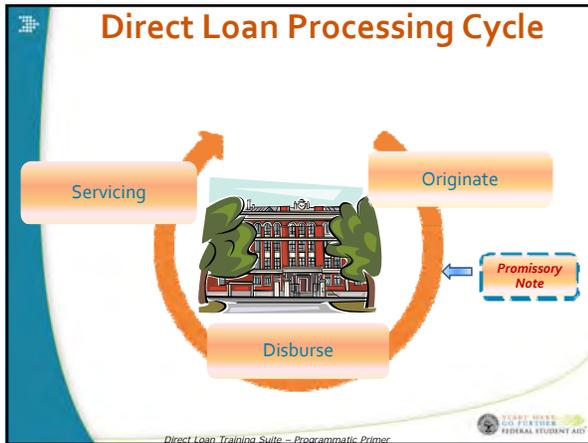
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### School Options for MPN

- Multi-year vs. Single-year
- Confirmation
- Electronic vs. Paper

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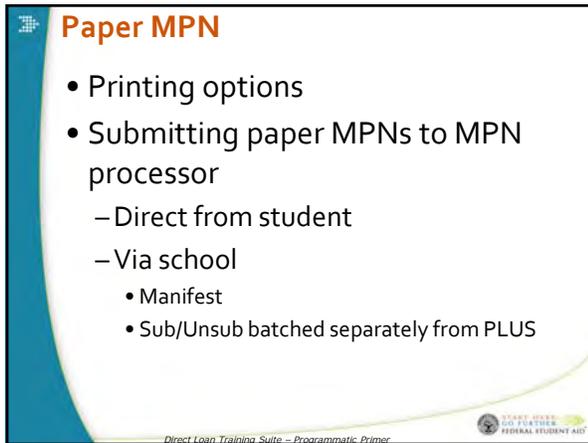
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## Entrance & Exit Counseling

- StudentLoans.gov
- Entrance Counseling materials available [www.fsapubs.gov](http://www.fsapubs.gov)
  - Entrance and Exit Counseling Guides
  - Direct Loan Videos

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## Counseling – [www.StudentLoans.gov](http://www.StudentLoans.gov)

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## New Exit Counseling – [www.nsls.gov](http://www.nsls.gov)

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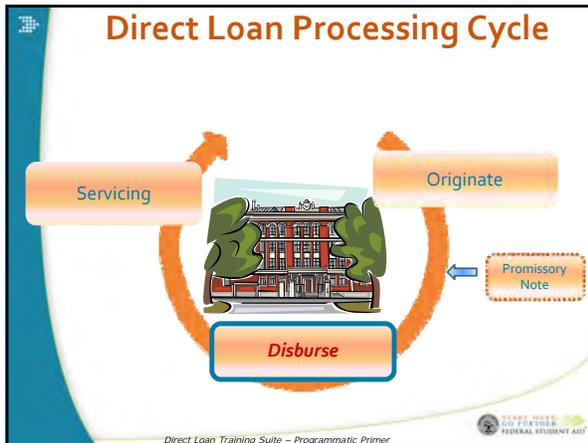
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- ### Disbursements
- MPN in place before disbursing
  - Disbursements for loans without an accepted MPN will reject
  - Report Disbursements within 30 days
    - Actual disbursement date
    - Disbursement amount
    - 30-Day Warning Report
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- ### Borrower's Right to Cancel
- School must honor request
    - Affirmative confirmation: within 14 days
    - No affirmation: within 30 days
  - School option after those deadlines provided it is within 120 days of disbursement date.
  - After 120 days, or schools denial
    - Borrower repays & is responsible for any fees/interest (after 120 days)
  - To cancel a loan in COD, reduce loan amount and disbursement amounts to \$0.
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### Returning Funds on Borrower's Behalf

- If returning funds on behalf of the borrower and ***more than 120 days have passed since the date of disbursement***, School ***must*** send funds to the servicer
- Send as payment on loan
- Include borrower name, loan ID and loan amount being returned on school's check
- Current Direct Loan Servicer address:  
U.S. Department of Education  
Attention: Payment Center  
P.O. Box 530260  
Atlanta, GA 30353-0260

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### Funds

- Current Funding Level (CFL)
- Drawdowns
- Excess Cash



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### Funding

- Schools receive initial Current Funding Level (CFL)
- Funding Method – Advance Cash
- May request funds from G5 before/after disbursing aid
- School submits Actual Disbursement Records to COD to substantiate drawdown within 30 days

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- [www.g5.gov](http://www.g5.gov)
- Schools use the G5 System to:
  - View current funding information,
  - Return cash
  - Request payments and adjust drawdowns

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### G5

- Schools should contact G5 when:
  - They need to add a new bank acct.
  - They need to designate which acct. they will use.
- Contacting G5
  - 1-888-336-8930



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### Funding

- Schools request funds from G5
- Transmission of funds to the school
  - ACH (Automated Clearinghouse)
  - FEDWIRE



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### Funds That Must be Returned

- Excess Cash
- Overpayment of DL funds
- Borrower wishes to cancel all or part of loan
  - Within 120 days of Disbursement

**Remember to update COD!**



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### Returning DL Funds

- Return funds via either
  - G5 (preferred) or
  - By mail to COD School Relations Center
    - Include a completed Direct Loan Refunds of Cash form
- Electronic Announcement – 7/23/10 -  
*Updated Guidance on Making Direct Loan Refunds of Cash*
  - <http://ifap.ed.gov/eannouncements/072310/FSDL10RefundsCashGuid.html>

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### Reconciliation



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**Reconciliation**

- Schools must reconcile each month
- Similar to balancing a checkbook
- Use reports to research and determine timing differences between COD and School

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**Direct Loan Reconciliation**

- Monthly activity
  - School reconciles internally, FAA and Business offices
  - School reconciles externally with COD
    - Reconcile cash, loan summary, and loan detail
  - Document your reconciliation
- Aids to Reconciliation
  - COD screens and reports
  - School Account Statement (From COD)
  - Direct Loan Tools Software (FSA Download site)
  - COD Reconciliation specialists

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**Program Year Closeout**



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### Program Year Closeout

- Process is complete when:
  - School and COD show a cash balance of \$0 *and*
  - All COD records match all school DL record and business office system transactions, *and*
  - School Account Statement (SAS) reflects a \$0 unbooked balance.

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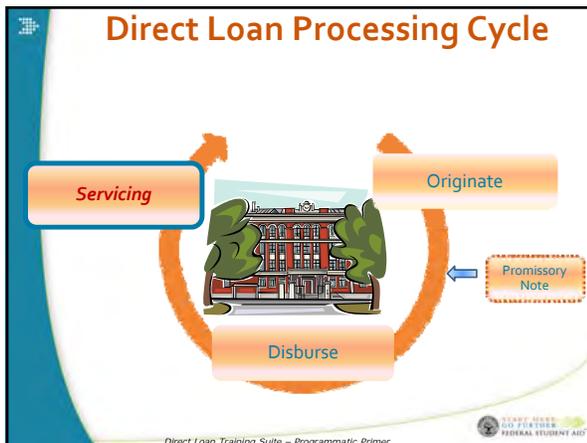
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### Direct Loan Servicing

- ACS
- AES / PHEAA
- Great Lakes Education Loan Services
- Nelnet
- Sallie Mae Corporation

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**Direct Loan Servicing**

- Servicers comply with all legislative and regulatory requirements and **unique** best in business services.
- Borrower's loans with one Servicer
- Schools work with Multiple Servicers

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**Additional Assistance for Schools**

DLenrollment\_fsa@ed.gov

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**Tools & Resources**

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### School Web Sites

- COD Web site  
– <http://cod.ed.gov>
- Direct Loan Website  
– <http://www.direct.ed.gov>
- Federal Student Aid Information  
– <http://www.ifap.ed.gov>

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### School Call Centers

- COD School Relations Center  
–800-848-0978
- Direct Loan Servicing-School Services  
–888-877-7658
- Direct Loan Consolidation Center  
–800-557-7392

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### School Call Centers (Continued)

Servicer	School Contact
<b>School Services – DLSS (ACS)</b>	School Phone: 888- 877-7658 Web: <a href="http://www.dl.ed.gov/schools">www.dl.ed.gov/schools</a>
<b>FedLoan Servicing (PHEAA)</b> NSLDS Servicer Code: 700579	School Phone: 800-655-3813 Web: <a href="http://www.myfedloan.org">www.myfedloan.org</a>
<b>Great Lakes Educational Loan Services</b> NSLDS Servicer Code: 700581	School Phone: 888-686-6919 Web: <a href="http://www.mygreatlakes.org">www.mygreatlakes.org</a>
<b>Nelnet</b> NSLDS Servicer Code: 700580	School Phone: 866-463-5638 Web: <a href="http://www.nelnet.com">www.nelnet.com</a>
<b>Sallie Mae</b> NSLDS Servicer Code: 700578	School Phone: 888-272-4665 Web: <a href="http://www.opennet.salliemae.com">www.opennet.salliemae.com</a>

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**School Publications**

- Direct Loan School Guide
- Code of Federal Regulations
- Federal Student Aid Handbook
- COD Technical Reference
  - Implementation Guide
- Blue Book
- NSLDS Enrollment Reporting Guide

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**Borrower Web sites**

- eMPN, Entrance Counseling, etc.
  - [www.StudentLoans.gov](http://www.StudentLoans.gov)
- Direct Loan Consolidation Center
  - <http://www.loanconsolidation.ed.gov>
- Federal Student Aid Ombudsman
  - <http://www.ombudsman.ed.gov>

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**Borrower Call Centers**

- COD School Relations-Applicant Services
  - (800) 557-7394
- Direct Loan Consolidation Center
  - (800) 557-7392
- Federal Student Aid Ombudsman
  - (877) 557-2575

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### Borrower Call Centers (Continued)

Servicer	Borrower Contact
<b>Direct Loan Servicing Center</b>	<b>Borrower Services</b> (800)848-0979 Web: <a href="http://www.dl.ed.gov">http://www.dl.ed.gov</a>
<b>FedLoan Servicing (PHEAA)</b> NSLDS Servicer Code: 700579	Borrower Phone: 800-699-2908 Web: <a href="http://www.myfedloan.org">www.myfedloan.org</a>
<b>Great Lakes Educational Loan Services</b> NSLDS Servicer Code: 700581	Borrower Phone: 800-236-4300 Web: <a href="http://www.mvgreatlakes.org">www.mvgreatlakes.org</a>
<b>Nelnet</b> NSLDS Servicer Code: 700580	Borrower Phone: 888-486-4722 Web: <a href="http://www.nelnet.com">www.nelnet.com</a>
<b>Sallie Mae</b> NSLDS Servicer Code: 700578	Borrower Phone: 800-722-1300 Web: <a href="http://www.salliemae.com">www.salliemae.com</a>

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### Annual Loan Limits

Year	Dependent Undergraduate	Independent Undergraduate <small>And Dep. Undergrad whose parent can't borrow PLUS</small>	Graduate/ Professional Student
1 <sup>st</sup>	\$5,500 (maximum \$3,500 subsidized)	\$9,500 (maximum \$3,500 subsidized)	Up to \$20,500 each academic year (maximum \$8,500 subsidized) 
2 <sup>nd</sup>	\$6,500 (maximum \$4,500 subsidized)	\$10,500 (maximum \$4,500 subsidized)	
3 <sup>rd</sup> and Beyond	\$7,500 (maximum \$5,500 subsidized)	\$12,500 (maximum \$5,500 subsidized)	

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### Aggregate Loan Limits

Dependent Undergraduate	\$31,000 combined sub/unsub No more than \$23,000 in sub
Independent Undergraduate*	\$57,500 combined sub/unsub No more than \$23,000 in sub
Grad/Professional	\$138,500 combined sub/unsub No more than \$65,500 in sub

\* Also for dependent students whose parents are unable to obtain a PLUS loan.

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**Interest Rates**

Direct Subsidized Loans for Undergraduate Borrowers		
1 <sup>st</sup> Disbursed On or After	And Before	Interest Rate
July 1, 2009	July 1, 2010	5.6%
July 1, 2010	July 1, 2011	4.5%
July 1, 2011	July 1, 2012	3.4%
All Other Direct Subsidized and Unsubsidized Loans		6.8%
Direct PLUS for Parents and Grad/Professional Students		7.9%
Direct Consolidation		Weighted Average 8.25% Cap

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**Fees and Interest Rebate**

Direct Subsidized and Unsubsidized Loans		
First Disbursed On or After	Origination Fee	Up-front Interest Rebate
July 1, 2009 and before July 1, 2010	1.5%	1.0%
July 1, 2010 and beyond	1.0%	0.5%
PLUS fees remain at 4.0% with an upfront interest rebate of 1.5%		

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