

DL 101

Transitioning...

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Agenda

- Setup & Approval
- Implementation Team
- Business Process Changes
- Communication
- Resources
- Q & A
- DL 201

Setup

Setup – Start To Finish

- Moving To Direct Lending IS Easy To Setup
- The Department of Education provides step-by-step instructions
 - www.ed.gov/offices/OSFAP/DirectLoan/index.html
- You start with getting approval and finish with drawing down funds
 - It is a 5-step process!

Setup – Adjust The PPA

Get federal approval to participate

- If you already participate in Pell, you are nearly done with the federal application
- Change Program Participation Agreement (PPA)
 - Check if DL is already on your school's Eligibility and Certification Approval Report (ECAR) – PPA
 - If not, go to “E-APP for Schools” Web site www.eligcert.ed.gov
 - Add DL as a program in which you wish to participate

Setup – PPA & COD

Once your PPA is adjusted to include DL and your request is approved:

- E-mail participation request to:
 - CODSupport@acs-inc.com
- Include:
 - School name / Address / Phone # / Requestor's name / E-mail / Phone #
 - Award Year / COD ID (8 digit #) / DUNS # / OPE ID (8 digit #)
- ED sends school its approval after review

Setup – Student Aid Internet Gateway (SAIG)

- Update your SAIG agreement to include Direct Loan processing
 - Contact the SAIG customer service staff at (800) 330-5947
 - www.fsawebenroll.ed.gov

Setup – G5

- Set up your school to receive Direct Loan funds via the Department's Grant Administration and Payment System (GAPS)
- Bank account information must be in G5 or call the G5 Hotline at (888) 336-8930 for instructions.
 - You may be required to submit a new direct deposit form, Form SF1199A (available at your bank), to receive Direct Loan funds
- If you already have a valid G5 user ID and password, you do NOT need to request a separate one for Direct Loans

Setup – COD

Contact COD School Relations at (800) 848-0978 or codsupport@acs-inc.com to reach your primary Customer Service Representative (CSR)

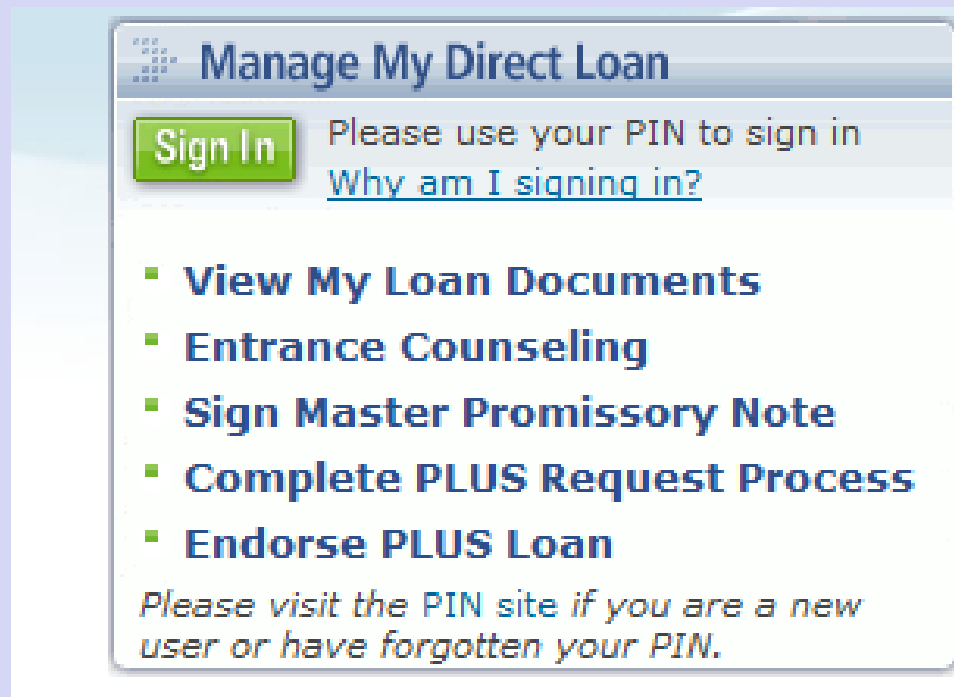
- Add Direct Loan contact information
- Sign up to receive Direct Loan bulletins via e-mail
- Select your Direct Loan report options
- Establish your promissory note process (paper or electronic)
- COD Training at
 - www.ifap.ed.gov/eannouncements/1007CODUpdatedCBTDoc.html

Setup – eMPN and Counseling

- Review default settings on COD for MPNs
- Decide which MPNs to allow:
 - All or originated loans only
- Review step by step process so you are ready for questions
- Choose method of counseling:
studentloans.gov or other means

StudentLoans.gov

- <http://www.ifap.ed.gov/eannouncements/031910EnhDLFuncviaSLWS.html>



The screenshot shows a web interface titled "Manage My Direct Loan". It features a "Sign In" button and a prompt to use a PIN. Below this is a list of five main menu items: "View My Loan Documents", "Entrance Counseling", "Sign Master Promissory Note", "Complete PLUS Request Process", and "Endorse PLUS Loan". A note at the bottom suggests visiting the PIN site for new users or those who have forgotten their PIN.

Manage My Direct Loan

Sign In Please use your PIN to sign in
[Why am I signing in?](#)

- **View My Loan Documents**
- **Entrance Counseling**
- **Sign Master Promissory Note**
- **Complete PLUS Request Process**
- **Endorse PLUS Loan**

Please visit the PIN site if you are a new user or have forgotten your PIN.

StudentLoans.gov

Entrance Counseling

1. Student selects name/location of school
2. Tailored to student type, i.e. graduate vs. undergraduate
3. Complete quiz and rights and responsibilities
4. Prompted option to complete MPN
5. Print confirmation

StudentLoans.gov

Entrance Counseling Data to Schools

- Data stored in COD (only for studentloans.gov)
- Acknowledgement through SAIG = CRECMYOP
- No preformatted reports
- As of May 4, the date range search was disabled due to issues, FSA was working on this

StudentLoans.gov

PLUS LOANS

- Request a PLUS Loan
- 4 step process including a credit check
- Borrower can add multiple schools
- Parent borrowers can add multiple students
- Options if credit check fails
- Acknowledgement file CRSPxxOP
- Default setting is set to “Y” to participate on “5/1/10”

<http://www.ifap.ed.gov/eannouncements/attachments/042310DLPlusStudentLoansGovAvail0425.pdf>

Direct Loan Implementation Team

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Implementation Team

- Transitioning to Direct Lending is not just a job for the Financial Aid Office!
- You must include representation from many offices – if only for a few meetings
 - Finance/Accounting
 - Student Accounts/Bursar
 - IT

Implementation Team Tips

- Divided into two groups
 - Functional
 - Creates communication plan, reviews existing policies and procedures for updating, defines business process
 - Technical
 - Implement data flow from aid office to student accounts, remove loan fees from FAMS disbursements, create intake process for Parent & Grad PLUS loan requests
- Many team members are on both groups

**Business
Process
Changes in
the Aid Office**

How Does Direct Lending Work?

- It's basically the Pell Grant process with an MPN!!!
 - Award the loan
 - Originate the loan with COD
 - Student completes MPN (paper or eMPN)
 - Disburse the loan with COD
 - Confirm disbursed loans with COD = Booked
 - Reconciliation

Ch-Ch-Ch-Changes

- That DL Process seems easy, right?
- It requires an analysis of your office and existing data flow
- Map out all existing contact points for:
 - Stafford Loans
 - Parent PLUS Loans
 - Graduate PLUS Loans
- Think about how a student is notified to complete the MPN, how parents & students select a PLUS lender, and how communication has happened outside of your office in the past

Changing The Aid Office

- Change your terminology
 - Origination replaces Certification
- Prepare for a more prominent role with families
 - Parent PLUS & Graduate PLUS loans are now authorized through your office to COD
- Disburse Direct Loans in advance of the start of term (no earlier than 10 days before!)
 - Your institution may have based cash flow projections off of this advance funding
 - May require you to change your disbursement process

Changing The Business Process

- **Student Account/Finance Setup**
 - Calculating fees from disbursements
 - July 1 fee issues – DL fees are fiscal year, not award year based
 - Account codes
 - Drawdown procedure and individual responsible (separation of duties)
 - Reconciliation requirements

FAMS Direct Loan Options

- **Decide how your school will process Direct Loans**
 - **Direct Loan module in current FAMS**
 - **EDExpress**
 - **New systems**

Communication

Communications – The Plan

Now that you're ready to process Direct Loans, you need to put a communication plan together

– Think of your primary audience

- Students
- Parents
- Campus Community
- Public-at-large

Communication – Students

- Students need to be communicated with repeatedly
 - Campus-wide announcement
 - E-mail directly to students
 - Updates to web site
 - Include messages on Award Letters
 - For graduate-level students, provide information on Direct Graduate PLUS Loans
 - Future Exit Counseling

Communication – Parents

- Parents require direct communication as well
 - Consider communicating to all dependent students
 - Discuss new process for students – including the need to complete a new MPN
 - Prior-year Parent PLUS Borrowers are an important group as well
 - New PLUS Loan process will be run through the aid office (if you don't choose to use the new site)
 - Inform them of the benefits of Direct PLUS loans
 - Consolidation information

Communication – Campus Community

- Prepare a campus-wide announcement about the transition
 - Important to include all faculty & staff
 - Include any all-student e-mail lists
- Highlight key points of student/parent communications
 - Benefit to students / ease of process / etc.

Communication - Public-at-Large

- Work with your Marketing or Public Affairs office to issue a press release regarding the transition
- Contact local papers, radio stations, and other media outlets and offer interviews
- Prepare talking points for staff in advance of when questions arise
- FAQs on your FA Web Site

Resources

Resources – E-mail Lists

- Department of Education DL Email List
 - Send an e-mail request to David Hebrank (david.hebrank@ed.gov) of the Direct Loan Operations team.
 - Include your name and school, complete e-mail address, and a request to be added to the listserv.
- Direct Loan Discussion Email List
 - Send an e-mail request to majordomo@lists.uoregon.edu with the subject line and the body “subscribe dirloan2” (omit quotes)

Resources – Websites

- Common Origination and Disbursement: www.cod.ed.gov
- Direct Loan Servicing: www.dl.ed.gov
- Direct Loan Consolidation: www.loanconsolidation.ed.gov
- Direct Loan Software and Reference Material:
www.fsadownload.ed.gov
- National Direct Student Loan Coalition:
www.directstudentloancoalition.org
- **NETWORK, NETWORK, NETWORK!!!**

QUESTIONS



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