



U.S. Department of Education
1998 Electronic Access Conferences



Session 31

Forum for New and Prospective Direct Loan Schools



Introduction to Direct Lending

- What Direct Lending can do for you
 - **You** utilize current technology
 - **You** develop institutional communication/cooperation
 - **You** control your own destiny (process)
 - You** provide benefits to your students by offering a single loan holder



How to Apply for Direct Lending

- School contacts DL Task Force or Region (sends letter of intent or calls)
- IPOS determines option level and sends
- School signs both copies of addendum and returns them to IPOS
- IPOS notifies DL Task Force, LO, AFMS, CPS, and TIV-WAN



How to Apply for Direct Lending

- IPOS counter signs and sends copy to
- LO sends testing package and calls school to arrange testing
- AFMS sends forms to obtain banking
- School signs DL TIV-WAN agreement



Origination Options

- Option 2
- Option 1
- Standard Origination



Direct Loan Process

■ **School**

- Determines student eligibility
- Awards DL
- Creates DL record and sends to LO

■ **Loan Origination Center**

- Receives and acknowledges origination record, promissory note, and disbursement record

■ **Loan Servicing Center**

- Receives LO information
- Sends letters to borrowers at disbursement
- Continues contact through repayment



Develop DL Implementation Plan

- Start early
- Get buy-in
- Establish planning group
- Evaluate delivery system
- Talk/Listen to other schools
- Attend training
- Develop implementation plan
- Map out work flow
- Assign responsibilities
- Take advantage of technical assistance provided



Implementation of Direct Lending

- Considerations
- Who to involve
- Convene a project group
- Set up a processing schedule
- Software options and minimum systems



Training

- Types of training available
- Regional Training Labs
- Other locations
- On-site training



Other Direct Loan Resources

■ **Customer Service**

- Client Account Managers
- CPS, TIV-WAN, LOC, DLSC
(*phone, fax, e-mail*)

■ **Written Resources**

- DL Guide, Training Guide, Brochures

■ **Electronic Resources**

- ED and DL web pages
- Information for Financial Aid Professionals
(*ifap.ed.gov*)



Summary and Questions