



May 3, 2010

Dear Financial Aid Administrator:

On April 9, 2010, I communicated with you about the work the U.S. Department of Education (the Department) has been diligently completing to accommodate every school located outside the United States (commonly referred to as a foreign school) that wants to participate in the William D. Ford Federal Direct Loan (Direct Loan) Program.

At this time, I am pleased to inform you of several new developments to assist you in transitioning your institution to the Direct Loan Program. First, today we are launching a new Web page created especially for foreign schools that wish to participate in the Direct Loan Program. Second, we have established a comprehensive training program to introduce you to the Direct Loan Program and assist you in administering the program on your campus. Finally, we are releasing an addendum to the Program Participation Agreement (Participation Addendum) that you must complete in order for your school to participate in the Direct Loan Program. Let me orient you to what is available and what you need to do next.

Foreign School Information Web Page

We have implemented a new page on our Information for Financial Aid Professionals (IFAP) Web site that consolidates information for foreign schools. The Foreign School Information page is available at <http://ifap.ed.gov/ForeignSchoolInfo/ForeignSchoolInfo.html>. We will also send you weekly e-mail updates that list all IFAP postings for that week.

Foreign School Direct Loan Training Workshops

Beginning in June 2010, we will conduct instructor-led, Direct Loan Training workshops at various international locations. These workshops, offered in both a two-day format and an expanded three-day format, are designed to assist foreign schools with the transition to the Direct Loan Program. Each workshop will focus on key aspects of awarding and reporting Direct Loans using the new streamlined, Web-based Direct Loan Origination Tool we have developed for foreign schools. These workshops will also include hands-on computer training.

Complete date, location and registration information is available in Training Announcement ANN-10-16. The announcement is also available directly at <http://www.ifap.ed.gov/dpclatters/ANN1016.html> and can be accessed via the new Foreign School Information Web page.

830 First St. N.E., Washington, DC 20202
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

Foreign School Direct Loan Setup Information

Effective July 1, 2010, authorized personnel at foreign schools will be able to use the new Direct Loan Origination Tool to process Direct Loans. The new Web-based tool is located within our Common Origination and Disbursement (COD) System. Before your school may begin participating in the Direct Loan Program, you must return a completed Participation Addendum, request COD System and Web site access for your personnel, and complete funding-related actions.

Where should you start? The Direct Loan Setup area of the Foreign School Information page (<http://ifap.ed.gov/ForeignSchoolInfo/ForeignSchoolInfo.html>) includes the instructions and materials your school will need to complete all Direct Loan setup actions. The documents posted in this area are presented in the order in which the actions should be completed. We encourage you to first review all posted documents. Doing so will provide a complete picture of what your school must do. The documents are as follows:

- Overview and Contact Information; Cover Sheet for Enrollment Packet
- Instructions for Participation Addendum; Participation Addendum
- Instructions for COD System Access; Federal Student Aid User Statement; Request Letter Templates
- Instructions for Funding Setup; SF 1199A Form Mockup

What do you need to submit? In short, your school will complete and submit Direct Loan enrollment information in two major steps.

- ***Step One*** – Complete and submit a Direct Loan enrollment packet that includes two sets of the Participation Addendum signed by your school’s Chief Executive Officer and one set of your school’s COD System Access Request Letters. This step should be completed as soon as possible. If your school plans to award and disburse Direct Loans in July 2010, please complete this step no later than May 31, 2010.
- ***Step Two*** – Initiate funding setup actions immediately and plan to separately submit the required funding form and cover letter once all actions have been completed. This step should be completed as soon as possible.

Where do you need to send the information? Your school will submit a cover sheet and all materials by express courier to the Department at the following address:

U.S. Department of Education
 Federal Student Aid
 School Eligibility Channel
 Foreign Schools Team – Direct Loan Transition
 Union Center Plaza
 830 First Street NE
 Room 73C3
 Washington, DC 20002-5340

Who can you contact for help? If you have questions or need assistance as you complete the Direct Loan setup actions, e-mail our specialized Direct Loan enrollment team at foreignschoolenrollment_fsa@ed.gov. This team will be your point of contact for getting any and all questions answered for you as expeditiously as possible.

Once we receive your school's Direct Loan enrollment information, a member of our specialized Direct Loan enrollment team will be assigned to assist you in this transition.

Federal Student Loan Application Process

This change to the Direct Loan Program does not impact your students' process of applying for federal loans from the United States government or the amount of federal loans that your students are eligible to receive. Students interested in receiving federal student aid should continue to complete a Free Application for Federal Student Aid (FAFSA). Please note, your students will need to complete a new promissory note and may need to complete federal loan entrance counseling prior to receiving a Direct Loan for attendance at your school. Welcome to the Direct Loan Program. We look forward to working with you.

Sincerely,



William J. Taggart
Chief Operating Officer

cc: School President