

# Servicing Federally-Owned Loans: Overall Approach

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Federal Student Aid currently has a team of federal loan servicers responsible for the servicing of federally-owned loans. Federally-owned loans include William D. Ford Federal Direct Loan (Direct Loan) Program loans, Federal Family Education Loan (FFEL) Program loans purchased by the U.S. Department of Education (the Department), and Federal Perkins Loan (Perkins Loan) Program loans assigned to the Department. Each federal loan servicer is under contract with the Department to service assigned loans on the Department's behalf.

## Servicer Contact Information

The current list of federal loan servicers is available on the Information for Financial Aid Professionals website. We separate the contact information into two categories—information for schools and information for students—because in some cases the phone numbers and email addresses are different. You can go to the links provided below at any time for the most up-to-date information.

- Loan Servicing Centers for Schools

<https://ifap.ed.gov/help-contact-information-service-centers-schools>

- Loan Servicing Centers for Students

<https://ifap.ed.gov/help-contact-information-service-centers-students>

## Servicer Loan Assignment

We assign newly-booked Direct Loan Program loans to our federal loan servicers using Loan Distribution Engine (LDE) functionality that works in conjunction with the Common Origination and Disbursement (COD) System. A Direct Loan is “booked” when the loan's origination record, promissory note, and actual disbursement record have been accepted by the COD System. Upon servicer assignment, the COD System generates borrower correspondence that provides contact information for the assigned servicer.

Through the LDE, a newly booked Direct Loan is assigned to a federal loan servicer as follows:

- If the borrower has previously-assigned Direct Loans, the newly-booked loan is assigned to the same servicer that was assigned the other loans.
- If the borrower has no previously-assigned Direct Loans, the newly-booked loan is assigned to the next servicer that should be assigned a loan according to the established methodology for allocating new loans.

There is one servicer for all Perkins Loans owned by the Department.

In all cases, our federal loan servicers begin corresponding with borrowers once federally-owned loans are assigned to them. A servicer's communication with each borrower proceeds from that point forward.