

3 to 2.5 Percent Origination Fee Change for Direct Subsidized Loan and Direct Unsubsidized Loan Awards

Attachment to DLB-07-17

To successfully change the origination fee for a Direct Subsidized Loan or a Direct Unsubsidized Loan award from 3 to 2.5 percent, a school must 1) determine if the originated award contains only anticipated disbursements or at least one actual disbursement and 2) follow the applicable steps outlined below.

<i>When Award Contains Only Anticipated Disbursements</i>	
<p>Option 1</p> <p>Step 1: Reduce the award amount to \$0 to inactivate the award.</p> <p><i>Wait for an accepted acknowledgement.</i></p> <p>Step 2: Submit a new award that includes all of the following information:</p> <ul style="list-style-type: none"> • The 2.5 percent origination fee; • An earliest disbursement date that corresponds to the origination fee period; and • The award amount and appropriate disbursement amount(s). 	<p>Option 2</p> <p>Step 1: Reduce the award amount to \$0 to inactivate the award.</p> <p><i>Wait for an accepted acknowledgement.</i></p> <p>Step 2: Reactivate the award by submitting all of the following information:</p> <ul style="list-style-type: none"> • A change to the origination fee; • A change to the earliest disbursement date that corresponds to the origination fee period; and • An updated award amount and the appropriate disbursement amount(s).
<i>When Award Contains At Least One Actual Disbursement</i>	
<p>Option 1</p> <p>Step 1: Reduce the disbursement amount(s) to \$0 to inactivate the disbursement(s).</p> <p><i>Wait for an accepted acknowledgement.</i></p> <p>Step 2: Reduce the award amount to \$0 to inactivate the award.</p> <p><i>Wait for an accepted acknowledgement.</i></p> <p>Step 3: Submit a new award that includes all of the following information:</p> <ul style="list-style-type: none"> • The 2.5 percent origination fee; • An earliest disbursement date that corresponds to the origination fee period; and • The award amount and appropriate disbursement amount(s). 	<p>Option 2</p> <p>Step 1: Reduce the disbursement amount(s) to \$0 to inactivate the disbursement(s).</p> <p><i>Wait for an accepted acknowledgement.</i></p> <p>Step 2: Reduce the award amount to \$0 to inactivate the award.</p> <p><i>Wait for an accepted acknowledgement.</i></p> <p>Step 3: Submit a change to the origination fee and a change to the earliest disbursement date that corresponds to the origination fee period.</p> <p>**All disbursement amounts must = \$0.**</p> <p><i>Wait for an accepted acknowledgement.</i></p> <p>Step 4: Reactivate the award by submitting an updated award amount and the appropriate disbursement amount(s).</p>