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April 6, 2010

Dear Financial Aid Administrator:

As I am sure you are aware, on March 30, 2010, President Obama signed the Health Care and Education Reconciliation Act of 2010 (HCERA), which, among other things, makes significant changes to the federal student loans programs authorized by Title IV of the Higher Education Act of 1965. One of the provisions of the HCERA is the termination, as of July 1, 2010, of the authority for lenders to make new loans under the Federal Family Education Loan (FFEL) Program. Therefore, beginning July 1, 2010, all new Stafford, PLUS, and Consolidation loans can only be made under the William D. Ford Federal Direct Loan (Direct Loan) Program. More information about the student aid provisions of HCERA is included in a [Dear Colleague Letter](#) posted on our Information for Financial Aid Professionals (IFAP) Web site.

In past communications, I have told you of the efforts we have undertaken to update our systems and increase our capacity to accommodate every school that wishes to participate in the Direct Loan Program. We also established a comprehensive training program to assist schools as they make the transition to the Direct Loan Program. Over the past six months, we have trained over 10,000 financial aid professionals through both our webinar and conference training series. As a result, 90 percent of all schools participating in the federal student loan programs today are either participating in the Direct Loan Program or are in the process of transitioning to Direct Loans. Schools that have recently moved to the Direct Loan Program overwhelmingly report that the transition was an easy and positive experience for their campus and their students.

For those of you who have not begun the transition process, it's not too late. But you need to begin now to ensure your students will have access to federal student loans beginning July 1, 2010.

830 First St. N.E., Washington, DC 20202  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)  
1-800-4-FED-AID

If you have not already done so, contact us and let us know if you intend to participate in the Direct Loan Program for the 2010-2011 year. You may e-mail the COD School Relations Center at [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com) and include "Request to Participate in the Direct Loan Program" in the subject line. The email should include the name and address of your institution, its OPE ID and DUNS number (if known). Please include the name, position, e-mail address, and phone number(s) of a primary contact person. Once we receive this information, we will assign a dedicated representative who will assist your institution through the transition process. Your representative will work diligently to help you make a successful transition.

I also encourage you to review the many resources we have provided online to assist institutions through the transition to the Direct Loan Program. We established a dedicated section on our Direct Loan Web site ([www.direct.ed.gov](http://www.direct.ed.gov)) for new Direct Loan schools. The site contains descriptions of our Direct Loan publications, peer contacts and frequently asked questions. From this site, you can also access the Direct Loan training calendar where we will continue to post information on training opportunities available this spring.

If you have questions or are unsure of the steps to take, please visit [www.direct.ed.gov](http://www.direct.ed.gov), contact our School Relations Team at 1-800-848-0978, or e-mail us at [DLEnrollment\\_FSA@ed.gov](mailto:DLEnrollment_FSA@ed.gov).

While it is, of course, your responsibility to ensure that your institution is ready to provide federal student loans to your students, we are ready and able to help.

Sincerely,

A handwritten signature in blue ink, appearing to read "William J. Taggart".

William J. Taggart  
Chief Operating Officer

cc: School President