

**United States Department of Education
Federal Family Education Loan Program**

**Master Participation Agreement
Under the
Loan Participation Purchase Program**

**INITIAL DOCUMENT SUBMISSION INSTRUCTIONS
AUGUST 1, 2008**

This document provides information and guidance to FFEL lenders/holders that wish to execute a Master Participation Agreement with the U.S. Department of Education (the Department) for the purpose of offering to the Department participation interests in certain FFEL loans made for the 2008-2009 academic year under the Loan Participation Purchase Program.

The procedures below relate only to the submission by a lender or holder of the initial documents needed to execute a Master Participation Agreement with the Department. In subsequent announcements we will provide information on how other documents and data sets will be submitted and acknowledged.

PRELIMINARY SUBMISSION

Notice of Intent to Participate (Exhibit H of the Master Participation Agreement)

As noted in earlier communications on this subject, the first step that a lender or loan holder must take if it wants to reserve its option to participate in either of the Loan Purchase Programs is to submit to the Department a "Notice of Intent to Participate". The format and wording for this letter is provided as Exhibit H to the Master Participation Agreement (and as Exhibit F to the Master Loan Sales Agreement). As also noted in earlier communications, while the submission of a Notice of Intent to Participate does not bind the lender to sell loans or participation interests, it does reserve those choices for both the originating lender and for any subsequent holder of Eligible Loans as defined in the Agreements. Therefore, the submission of a Notice of Intent to Participate by an originating lender is critical even if that lender will not be participating in the program. This is because, also as noted in earlier communications, the eligibility of a loan to be included in the program by a subsequent holder is determined by the date the originating lender filed its Notice of Intent to Participate.

The Notice of Intent to Participate must be submitted to the Department by any FFEL participating lender, including an entity participating in the FFEL Program as a beneficial holder under an Eligible Lender Trustee agreement, following the instructions provided on Exhibit H of the Master Participation Agreement. The form should be submitted as a PDF attachment to an email sent to the Department at ffel.agreementprocess@ed.gov.

Upon receipt and review of the Notice of Intent to Participate, the Department will send a return e-mail message to the contact person indicated on the form. This message will note the date the Notice was received by the Department. That date will establish the timeline for determining the eligibility of an otherwise eligible loan to be included in the Loan Purchase Programs.

Of course, entities that have already submitted Notices of Intent to Participate need not re-submit. For questions concerning the submission and receipt of the email please call (202) 377-4401.

EXECUTING THE MASTER LOAN PARTICIPATION AGREEMENT

The four documents discussed below, along with the three attachments required as part of the Officer's Certificate (Exhibit E), must be submitted in hard copy with original "pen and ink" signatures where required. The documents must be submitted together in one packet, along with the Cover Letter described below to the address provided at the end of this document.

Upon receipt and review of the information submitted in the packet, the Department will send an email message to the contact e-mail address provided in the Cover Letter, indicating the date the packet was received by the Department. The message will also provide information regarding the actions the Sponsor and Custodian must take while the Department reviews the submission.

Among those actions is the submission by the Sponsor of its initial "12-Month Rolling Forecast", as provided in section 8(a)(1) of the Master Participation Agreement. While the format and specific submission instructions for the forecast will be provided in a subsequent communication, we note this requirement here so that a Sponsor can begin preparing for its completion.

Note that neither submission of a Notice of Intent to Participate or submission of the documents described below constitute execution of the Master Participation Agreement. Formal notification of execution from the Department will be provided upon review of submitted documents.

Cover Letter

To ensure that the documents submitted are properly tracked, the Sponsor should include in its submission a Cover Letter on the Sponsor's letterhead that includes the following information:

- The name, Lender ID (LID) and address of the lender/holder that wishes to participate as a Sponsor (see the preamble to the Master Participation Agreement for a definition of “Sponsor”). A Sponsor can be a beneficial holder participating in the FFEL Program under an Eligible Lender Trustee agreement.
- The name, Lender ID (LID) and address of the Eligible Lender Trustee for a beneficial holder, if appropriate.
- The name, Lender ID (LID) and address of the proposed Custodian. The LID should be the Custodian’s regular eligible lender LID. Upon approval, the Department will assign a special LID to this entity in its role as a Custodian for this Sponsor. See the note below under “Adoption Agreement” for information about eligible Custodians.
- The Sponsor’s contact person with name, address, phone number, e-mail address, and fax number.
- The name and address of the official of the Sponsor to whom we will mail the signed and executed Adoption Agreement upon the Department’s approval.

Adoption Agreement (Exhibit A of the Master Loan Participation Agreement)

A lender/holder that wishes to participate in the Loan Participation Purchase Program must review the Master Participation Agreement, agree with its terms, and begin the execution process by completing and submitting to the Department an “Adoption Agreement” (see Exhibit A to the MPA). One original copy of the Adoption Agreement must be completed, dated, signed, and submitted to the Department in the same packet as the other documents discussed in this paper. The Adoption Agreement must include an original “pen and ink” signature of an authorized official of each of the following:

- The lender/holder, who, upon execution of the Agreement, will be the Sponsor offering to sell participation interests in Eligible Loans to the Department;
- The Eligible Lender Trustee if the Sponsor participates in the FFEL Program as a beneficial holder under an Eligible Lender Trustee (ELT) agreement;
- The entity that is being proposed to be the Custodian under the Agreement and who, if approved, will, among other things, issue and sell Participation Interests on behalf of the Sponsor. If the entity being proposed as the Custodian has not yet been approved by the Department the Sponsor should ensure that that entity submits its Custodian request submission packet to the Department as quickly as possible. Specific information on the Custodian submission requirements will be provided in a separate communication.

Upon approval of the submission packet, the Department will return a signed copy of the Adoption Agreement with a signature of an authorized Department official as a PDF attachment to the contact person indicated in the Cover Letter. This attachment will indicate that the Master Participation Agreement has been executed between the Department, the Sponsor (and the Eligible Lender Trustee, if applicable) and the Custodian as of the date indicated by the Department official.

Officer's Certificate (Exhibit E of the Master Participation Agreement)

The Officer's Certificate provides specific legal assurances. The signature blocks include a place not only for the Officer, but also for the Secretary of the Sponsoring organization. Of course, each of the blank spaces provided on the Officer's Certificate must be completed.

As noted on the Officer's Certificate, the following attachments must be included in the submission packet:

- Attachment I – a true and correct copy of either the Sponsor's Certificate of Incorporation and its by-laws or its Certificate of limited partnership and its limited partnership agreement;
- Attachment II – a true and correct copy of the resolutions duly adopted by the Board of Directors of the Sponsor, with respect to the authorization and approval of the sale of Participation Interests; and
- Attachment III – a Certificate of Good Standing of the Sponsor under the laws of the State.

Opinion of Counsel to the Sponsor (Exhibit F of the Master Participation Agreement)

The Opinion of Counsel must be completed and signed by the Sponsor's counsel. It affirms that the officer's representations and warranties, as stated in the Sponsor's Officer's Certificate, are not, to counsel's knowledge, contraindicated.

SUBMISSION INSTRUCTIONS

Please note that for government security reasons, there is normally a delay in the delivery of mail sent via the U.S. Postal Service to the Department. Therefore, if at all possible, the packet of documents discussed above should be sent by courier or express mail to:

United States Department of Education
830 First Street, N.E.
Room 111G3
Washington, DC 20002
Attention: FFEL Agreement Process Team

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If you use the U.S. Postal Service, the packet should be addressed to:

United States Department of Education
400 Maryland Avenue, SW
UCP, Room 111G3
Washington, DC 20202-5402
Attention: FFEL Agreement Process Team

As noted above, upon receipt and review of the information submitted in the packet, the Department will send an e-mail message to the Sponsor's contact e-mail address, as provided on the Cover Letter, indicating the date the packet was received by the Department. The message will also provide information regarding the actions the Sponsor and Custodian must take while the Department reviews the submission.

Questions regarding the submission and receipt of the document submission packet should be submitted by e-mail to ffel.agreementprocess@ed.gov or by phone to (202) 377-4401.