

Direct Loan Transfers
Direct Loan Servicing Center (ACS) to New Servicer
Attachment to November 2012 Electronic Announcement

From November 13, 2012 through December 2012, we will transfer William D. Ford Federal Direct Loan (Direct Loan) Program loans currently assigned to the Direct Loan Servicing Center (ACS) that are in an in-school or in-school deferment status to a new servicer – FedLoan Servicing (PHEAA), Great Lakes Educational Loan Services, Inc., Nelnet, or Sallie Mae.

We have continuously refined and improved the transfer process so that each transfer is executed in a manner that is as orderly and smooth as possible for the affected borrowers. We present key information about the transfer process in question and answer format below.

Q1: How will a borrower know if his or her Direct Loans have been transferred?

A1: When we transfer a student or parent borrower's Direct Loans from the Direct Loan Servicing Center (ACS) to a new servicer, the Direct Loan Servicing Center (ACS) will send an e-mail notification to the borrower provided there is a valid e-mail address on file. The e-mail will include preliminary notice of the transfer and the new servicer's name and contact information.

Regardless of whether the borrower receives an e-mail notification from the Direct Loan Servicing Center (ACS), the new servicer will correspond with the borrower after the transferred loans have been fully loaded to its system. In this correspondence to the borrower, the new servicer will explain that the borrower's Direct Loans have been transferred and that the new servicer will service the loans on our behalf going forward. The correspondence will include both toll-free phone number and Web site information for the new servicer.

Q2: How will a school know which federal loan servicer is servicing a borrower's Direct Loans?

A2: In addition to the student or parent borrower receiving correspondence from the new federal loan servicer, the new servicer will be identified as the servicer of the borrower's Direct Loans in the National Student Loan Data System (NSLDS). The new servicer reports this information to the NSLDS after the transferred loans have been fully loaded to the new servicer's system. Both the borrower and the school will be able to view the federal loan servicer code and name associated with each loan via the [NSLDS Student Access Web site](#) and the [NSLDS Professional Access Web site](#), respectively.

In addition to individual Web lookups, the School Portfolio Report (SCHPR1) is available to schools by request under the Report Tab on the [NSLDS Professional Access Web site](#). This report provides a school with information about all Direct Loan and/or Federal Family Education Loan (FFEL) program loans associated with its school code. It includes loans that are serviced by all servicers, including our federal loan servicers, and provides identifying information about the servicer for each loan. The report is delivered to the school's Student Aid Internet Gateway (SAIG) mailbox. For complete information about this report, refer to [NSLDS Newsletter 29](#) and [NSLDS Newsletter 35](#) on the IFAP Web site.

Q3: How long will it take for the new federal loan servicer information to be reflected in the NSLDS?

A3: The federal loan servicers report loan information to the NSLDS on a weekly basis. As a general rule, when we transfer a student or parent borrower's Direct Loans from the Direct Loan Servicing Center (ACS) to a new servicer, the new servicer information should be available in the NSLDS within seven to ten business days after the transferred loans have been fully loaded to the new servicer's system and the new servicer corresponds with the borrower.

The majority of servicer-to-servicer transfers are completed on schedule. However, in some cases, issues can occur with the data transfer and delay availability of the information in the NSLDS. If a school is concerned about new servicer information not being available in the NSLDS, it should contact the Federal Student Aid Research and Customer Care Center (RCCC) at 800/433-7327 or fsa.customer.support@ed.gov for assistance.

Q4: Will it be necessary for a borrower to reinitiate actions related to the current status of his or her account (for example, reapply for a deferment or forbearance)?

A4: Loan status information will be included when we transfer a student or parent borrower's Direct Loans from the Direct Loan Servicing Center (ACS) to a new servicer. The borrower should experience no break or gap in any current status (such as deferment or forbearance) that applies to his or her Direct Loans as a result of the transfer. If a borrower is concerned about a break or gap in current status, he or she should contact the new servicer for assistance.

Q5: Will it be necessary for a borrower to reinitiate services related to his or her account (for example, account access via the Web, electronic correspondence, and automatic debit or Web payments)?

A5: When we transfer a student or parent borrower's Direct Loans from the Direct Loan Servicing Center (ACS) to a new servicer, it will be necessary for the borrower to contact the new servicer to reinitiate some services related to the borrower's account. After the transferred loans have been fully loaded to the new servicer's system, the new servicer will provide correspondence to the borrower that explains how the borrower establishes account access via the Web and signs up for other services (such as Web payments, electronic correspondence, and, if necessary, automatic debit). If a borrower has questions about reinitiating account services, he or she should contact the new servicer for assistance.