



U.S. Department of Education  
1998 Electronic Access Conferences



## ***Session 31***

# ***Forum for New and Prospective Direct Loan Schools***



## ***Introduction to Direct Lending***

- What Direct Lending can do for you
  - **You** utilize current technology
  - **You** develop institutional communication/cooperation
  - **You** control your own destiny (process)
  - You** provide benefits to your students by offering a single loan holder



## ***How to Apply for Direct Lending***

- School contacts DL Task Force or Region (sends letter of intent or calls)
- IPOS determines option level and sends
- School signs both copies of addendum and returns them to IPOS
- IPOS notifies DL Task Force, LO, AFMS, CPS, and TIV-WAN



## ***How to Apply for Direct Lending***

- IPOS counter signs and sends copy to
- LO sends testing package and calls school to arrange testing
- AFMS sends forms to obtain banking
- School signs DL TIV-WAN agreement



# ***Origination Options***

- Option 2
- Option 1
- Standard Origination



# ***Direct Loan Process***

## ■ **School**

- Determines student eligibility
- Awards DL
- Creates DL record and sends to LO

## ■ **Loan Origination Center**

- Receives and acknowledges origination record, promissory note, and disbursement record

## ■ **Loan Servicing Center**

- Receives LO information
- Sends letters to borrowers at disbursement
- Continues contact through repayment



## ***Develop DL Implementation Plan***

- Start early
- Get buy-in
- Establish planning group
- Evaluate delivery system
- Talk/Listen to other schools
- Attend training
- Develop implementation plan
- Map out work flow
- Assign responsibilities
- Take advantage of technical assistance provided





# ***Implementation of Direct Lending***

- Considerations
- Who to involve
- Convene a project group
- Set up a processing schedule
- Software options and minimum systems



# ***Training***

- Types of training available
- Regional Training Labs
- Other locations
- On-site training



## ***Other Direct Loan Resources***

### **■ Customer Service**

- Client Account Managers
- CPS, TIV-WAN, LOC, DLSC  
(*phone, fax, e-mail*)

### **■ Written Resources**

- DL Guide, Training Guide, Brochures

### **■ Electronic Resources**

- ED and DL web pages
- Information for Financial Aid Professionals  
(*ifap.ed.gov*)



# ***Summary and Questions***