Dear W&M Student,

As a result of the passage of the Health Care and Education Reconciliation Act of 2010, we must implement the federal government’s Direct Loan Program beginning with summer session 2010. This is a change from our traditional loan processing model that used banks and other private lending institutions as the source of funding for federal student loans. Students and parent borrowers will now receive funding for their federal student loans directly from the U.S. Department of Education. You may have questions or concerns about the changes and what this will mean for you as a borrower. Please review the attached Direct Loan Frequently Asked Questions for some answers to commonly asked questions about Direct Loans.

What does this change mean for you?

- You will no longer select a lender or bank for federal student loans as you have in the past; the lender will now be the federal government
- Returning borrowers MUST sign a new Master Promissory Note (MPN) through Direct Loans for each loan type that they wish to borrow
- Parents wishing to borrow a PLUS loan will need to seek credit approval and sign a new Promissory Note for the PLUS loan through the Direct Loan program
- Returning Stafford, PLUS and Grad PLUS borrowers will have loans through the FFEL (Federal Family Education Loan) and Direct Loan programs. This will likely result in different servicers in repayment. Please become familiar with accessing your record in the National Student Loan Data System (NSLDS) at [http://www.nslds.ed.gov](http://www.nslds.ed.gov) prior to entering repayment so that you are aware of where to make your payments.
- Moving to the Direct Loan program changes the timing of when your loan funds are released and when we can provide refunds for those students who use loan funds for living expenses off campus, books, meals, etc. **Unlike in the past, refunds will not be available until about a week after classes begin. Please plan accordingly to arrive on campus with enough money to cover your living expenses until you receive your refund.**
- You need to make sure that you follow the loan application instructions in detail, so that all requirements are completed well in advance of the start of classes. If any requirement is not complete, it will delay your loan processing and ultimately your refund.

In addition to the FAQ, here are some helpful resources for more information about the Direct Loan Program:

General Direct Loan Information - [http://www2.ed.gov/offices/OSFAP/DirectLoan/index.html](http://www2.ed.gov/offices/OSFAP/DirectLoan/index.html)
We are committed to ensuring a smooth transition to Direct Loans for all of our students and families. Please feel welcome to contact us with any questions about this information.

Thank you,

Office of Student Financial Aid

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