

William D. Ford Direct Loan Program

What is changing for the 2010-2011 academic year?

Texas Chiropractic College currently processes [Federal Stafford](#) and [Grad PLUS](#) loans through the Federal Family Education Loan program, in which students borrow from private lenders and banks. Beginning on July 1, 2010, the University will participate *exclusively* in the [William D. Ford Federal Direct Loan program](#), in which borrowers obtain loan funds directly from the U.S. Department of Education.

Why is the College changing its loan process?

On March 25, 2010, the U.S. House of Representatives and the U.S. Senate passed the Health Care and Education Affordability Reconciliation Act of 2010 ("HCEARA"-H.R. 4872) . [This bill](#) makes major changes in several federal student aid programs and mandates that, effective July 1, 2010, **all federal student loans (Stafford, PLUS, and Grad PLUS)** will be originated through the Federal Direct Loan Program. The Family Federal Education Loan Program, which permitted private lenders to originate these loans, is eliminated effective June 30, 2010.

President Obama [signed the bill into law](#) on March 30th 2010

What do I have to do to get my loan funds for next year?

As in prior years, you must:

1. Complete the [FAFSA \(Free Application for Federal Student Aid\)](#),
2. Provide any documents requested by our office, and accept or decline your federal student loans.
3. You will then have to complete a new **Master Promissory Note** for the Direct Loan program before the Department of Education will electronically disburse your funds to Texas Chiropractic College.

Can I complete the new MPN now to get a head start?

- Yes, the Department of Education has launched a new Web site that will serve as a portal for Direct Loan borrowers to manage their Direct Loans. The new Web site is [StudentLoans.gov](#). Effective March 28, 2010, borrowers will use the [StudentLoans.gov](#) web site to:
 - complete Stafford and GradPLUS Entrance Counseling,
 - complete a Direct Loan Electronic Master Promissory Note ("MPN").
 - You will need the same PIN that you used for your FAFSA to electronically sign the note. If you do not have a PIN, you may obtain one via www.pin.ed.gov.
 - view electronic loan correspondence such as disclosure statements, and
 - link to other tools and resources
- **Note:** If you will borrow from **BOTH** the Stafford and Grad PLUS programs, you will need to complete a separate MPN for each loan program.

"What Else Do I Have to Do? "

- Students who are borrowing **for the first time** will need to complete an [Entrance Counseling Session](#). Continuing students who currently are participating in the Stafford Loan Program **do not** have to complete a new Entrance Counseling session with the Direct Loan Program. Effective March 28, 2010, students can go to [StudentLoans.gov](#) to complete this requirement.

- **NOTE:** There have been some technical difficulties with the new StudentLoans.gov site. As an alternative, students can complete entrance counseling on the [old Direct Loans Servicing site](#)

Consolidating All Prior Loans

Under provisions of the **Ensuring Continued Access to Student Loans Act** ("ECASLA"), lenders have the option to "PUT" (sell) loans to the U.S. Department of Education (DOE). **Lenders must notify borrowers if their loans have been sold to the Department of Education.** *We have been notified by all major lenders historically used by our families that they intend to sell or have already sold their loan portfolios to the Department of Education.*

- Currently enrolled students with Federal Stafford, GradPLUS or PLUS loans should pay particular attention to the option to consolidate all of their prior federal loans into a Federal Direct Consolidation Loan between July 1, 2010 and June 30, 2011. We will be posting more information about this option as we receive it.

A **Consolidation Loan** allows you to combine **all** the federal student loans you received to finance your college education into a single loan. Borrowers will be able to consolidate all of their prior Stafford, Grad PLUS or PLUS Loans through the **Federal Direct Consolidation Program**.