

The William D. Ford Federal Direct Loan Program Transition Preparation Tips

As Congress debates the future of the federal student loan programs, the Department of Education has invested considerable resources to increase the capacity of the Direct Loan Program in order to accommodate any institution that chooses to participate in the Direct Loan Program. We ask that schools also plan and prepare. We know that many of you have already completed some or all of the actions necessary to transition to the Direct Loan Program. However, if you have not started the transition, we have provided some steps that you can take now to help prepare your school to make the switch to the Direct Loan Program should you choose, or be required, to do so at a later date.

Visit the Direct Loan Web site at www.direct.ed.gov. Click on *Aid Professionals*, then *New DL Schools*, then *Getting Started* and read the detail associated with the actions necessary for schools to participate in the Direct Loan Program. While Federal Student Aid has completed some initial set-up actions, it is still important to become familiar with the additional actions that an institution needs to take to complete the transition. For example,

- Check your Eligibility and Certification Approval Report (ECAR) to be sure that you are approved to participate in the Direct Loan Program. Most schools are now set up to participate in the Direct Loan Program.
- Review your banking information with G5. In the Direct Loan Program, you can use the same bank account for Direct Loans that you currently use for your other Title IV Programs or you can set up a separate bank account. Your school should be thinking about and discussing this option.
- Decide if each campus and/or location will be treated as a separate entity for funding, origination and disbursement or if your locations will submit data to a ‘home’ or central campus for processing.
- Attend Direct Loan Program training if you need more information. For a comprehensive list of upcoming training opportunities, access our [Direct Loan Training Announcement](#).
- Continue to monitor www.direct.ed.gov for updates on the Direct Loan Program.

To prepare your school, it is also recommended that you:

- Initiate conversations with IT, business office, and financial aid staff to identify changes, scope, and impact of transitioning to the Direct Loan Program.
- Check with your commercial software vendor and understand what adjustments will need to be made to process Direct Loans with that product.
- Identify Web sites and publications that contain existing FFEL information for students and parents. These will need to be updated if your school chooses to, or is required to, switch to the Direct Loan Program.
- Think about the timing and messaging of a potential communication to parents and students if your school chooses to, or is required to, switch to the Direct Loan Program.