Effective Summer Session 2010, Central State University will be participating in the Federal Direct Loan Program (www.studentloans.gov) for all Federal Stafford, Graduate PLUS, and Parent PLUS Loans.

**Why is Central State University Moving to Direct Lending?**

As of July 1, 2010, Federal Direct Loan Program will be mandatory for all schools, eliminating the Federal Family Education Loan (FFEL) Program.

**What Is The Difference Between The Federal Family Educational Loan (FFEL) Program And The Federal Direct Loan Program?**

The major difference between the FFEL and Federal Direct Loan Programs is the source of funding. In the FFEL Program, loan funding is provided by a lending institution, such as a bank or credit union. When applicants completed a master promissory note for their loan, they had to choose a lender.

In the Federal Direct Loan Program, however, loan funding is provided directly from the U.S. government and no lender selection process involved. The annual and aggregate loan limits for the Federal Stafford, Graduate PLUS, and Parent PLUS Loans are still the same.

**To Apply And To Receive Federal Direct Loans:**

1. Students must complete the 2010-11 Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov.edu. (Note: The student must file the FAFSA in order for the parent to apply for the Federal Direct Parent PLUS Loan at www.studentloans.gov.)

2. Students must accept their Federal Direct Stafford Loans and/or Federal Direct Graduate PLUS Loan (www.studentloans.gov) on their Award Notice via MYCSU. (Note: Students cannot accept a Federal Direct Parent PLUS Loan. For more information on how the parent applicant can apply, visit the Federal Direct Parent PLUS Loan page at www.studentloans.gov.)

3. After accepting their Direct Stafford and/or Graduate PLUS Loan (www.studentloans.gov) on their Award Notice, students must complete their Loan Period Selection. Students indicate the semester(s) in which they would like to borrow the Federal Direct Stafford and/or Direct Graduate PLUS Loan(s) for the
aid year. The loan amount(s) accepted on the Award Notice will be evenly distributed over the semesters selected, up to the cost of attendance.

4. Students must complete Federal Direct Stafford and/or Direct Graduate PLUS Loan Entrance Counseling. Visit the Federal Direct Loan Servicing website at www.studentloans.gov to complete Direct Loan Entrance Counseling. It is recommended that students complete the combined Stafford and PLUS Loan Entrance Counseling. In order to complete Direct Loan Entrance Counseling, students must have their Federal Student Aid PIN available at www.pin.ed.gov. Select Central State University as the school to receive your Direct Loan Entrance Counseling results.

5. Students must complete a master promissory note (MPN) for their Federal Direct Stafford Loan(s) and/or Federal Direct Graduate PLUS Loan. To complete an MPN for the Federal Direct Loan Programs, visit the Federal Direct Loan Master Promissory Note website at www.studentloans.gov. Students must have their Federal Student Aid PIN available at www.pin.ed.gov to electronically sign an MPN.

Continuing Students Who Borrowed Under The FFEL Program:

Stafford Loans from previous aid years should remain in deferment as long as the student is enrolled at least half-time. PLUS Loan borrowers may request deferment if the student is enrolled at least half-time.

Payment on Stafford/PLUS Loans are made by the borrower to their federal loan servicer. Borrowers that have multiple loan servicers for their loans, will have multiple payments to make. Borrowers can opt to consolidate all of their federal student loans (both FFEL and Direct Loans) into one loan. For more information about Federal Consolidation Loans, visit the Federal Direct Consolidation Loan website at www.studentloans.gov.

Borrowers can find detailed information about their federal student loans, including their loan servicers, on the National Student Loan Data System (NSLDS). Borrowers will need their Federal Student Aid PIN available at www.pin.ed.gov to access their federal student loan records.