

April 20, 2010

Dear Student:

I need to share some very important information with you regarding student loans at colleges and universities across the nation.

Due to new Federal guidelines, all institutions of higher education have been asked to switch from the Federal Family Education Loan Program (FFELP) to the William D. Ford Direct Loan Program (DL). The biggest difference between the two programs is that FFELP allows students to choose a lender to fund their Stafford Loans, and DL allows students to borrow loan funds directly from the Federal Government.

Because the Health Care and Education Reconciliation Act of 2010 - HR 4872 has been signed by President Obama, private lenders will no longer be able to originate new loans under FFELP after June 30, 2010. In order to better serve our students, ETBU is moving forward with the direct loan initiative now.

The William D. Ford Direct Loan Program will serve as your lender and servicer for the life of your loan. This program will guarantee the availability of Stafford and PLUS loans to all of our eligible students and parents in the years to come.

All prior borrowers will be required to sign a new Master Promissory Note (MPN) if they plan to borrow a loan for the 2010-11 school year. In FFELP, you completed entrance counseling and signed an MPN with your lender. **You will have to sign a new MPN again with the Federal Government.**

New MPNs may be signed online at <https://studentloans.gov>.

You will need your Department of Education PIN number (the same PIN used for the FAFSA) to e-sign your electronic MPN. You will also need your social security number, date of birth, driver's license number, and two personal references (full name, address, and telephone numbers) to complete your MPN.

The benefits of the William D. Ford Direct Loan Program include:

- ❖ Your loans are borrowed, serviced, and repaid at the U.S. Department of Education
- ❖ You pay lower origination fees on your Stafford and PLUS loan
- ❖ You have more repayment options that will allow you to pay a smaller monthly amount
- ❖ You may consolidate your loans within this program

Students that have previously borrowed Stafford or PLUS loans under FFELP will graduate owing loan amounts to two different entities.

If you have any questions regarding Direct Loans or any other financial aid programs, please feel free to contact us. The Financial Aid Office is located on the 2<sup>nd</sup> floor of Marshall Hall. Office hours are Monday through Friday, 8:00 a.m. – 4:30 p.m. Offices will be closed on Fridays during June and July.

Phone: (903) 923-2138

E-mail: [financialaid@etbu.edu](mailto:financialaid@etbu.edu)

Sincerely,

*Tommy Young*

Tommy Young  
Director of Financial Aid