Direct Loans

William D. Ford Federal Direct Loan Program

Dear Borrower,

Thank you for your interest in the U.S. Department of Education's Federal Direct Consolidation Loan (Direct Consolidation Loan) Program.

Contents of Direct Consolidation Loan Application Package

- Direct Consolidation Loan Application and Promissory Note.
- Instructions for completing the Direct Consolidation Loan Application and Promissory Note.
- Additional forms related to applying for a Direct Consolidation Loan.

Items You Should Review Before Applying

Choosing a Direct Consolidation Loan is a decision that will affect your financial future. There are several documents that will help you make an informed decision. Please be sure to carefully read all of these documents before you complete your Direct Consolidation Loan Application and Promissory Note:

- **Application and Promissory Note, Borrower's Rights and Responsibilities, and Instructions:** Find helpful, line-by-line guidance and information—a "must" when completing your application and understanding your rights and responsibilities.

  ADDITIONAL INSTRUCTIONS: If you have any Direct Unsubsidized Loans (TEACH) (converted from TEACH Grants), which you want to consolidate or do not want to consolidate, select loan type 'L' (Direct Unsubsidized Loans) when you complete the *Education Loan Indebtedness* sections of the Direct Consolidation Loan Application and Promissory Note and Additional Loan Listing Sheet—and on the Request to Add Loans form if you add any loans to an existing consolidation.

- **Addendum to Direct Consolidation Loan Application and Promissory Note:** As a result of new laws or regulations, some of the terms and conditions of Direct Consolidation Loans may differ from the terms and conditions that are included in the Application and Promissory Note. If any of the loan terms and conditions in the Application and Promissory Note have changed, this package will also include an Addendum to the Direct Consolidation Loan Application and Promissory Note that explains these changes.

Estimate Your Monthly Repayment Amounts

Determining how much you will pay each month and for how long is essential to determining which repayment plan is best for you. Use our online, interactive repayment estimator (calculator) at http://www.loanconsolidation.ed.gov or contact us at the telephone number or address listed below.

Additional Forms You May Need to Submit

You may be required to submit other forms with your Application and Promissory Note. Read each form carefully to determine whether you need to submit it. The following is a description of each form:

- **Additional Loan Listing Sheet:** Use this form if all of your loans do not fit in the space provided in the *Education Loan Indebtedness* section of your Application and Promissory Note.
- **Repayment Plan Selection Form:** Complete this form to select a repayment plan to repay your consolidation loan.

  NOTE: For your information only, a Repayment Plan Choices insert is also provided to help you decide which plan to select. This insert does not need to be returned to us.

NOTE: You may not repay your parent Direct PLUS Loan(s) or Direct Consolidation Loan(s) that includes a parent Direct PLUS Loan(s) under the IBR Plan.

NOTE: If you pay under the Income Contingent Repayment (ICR) or Income-Based Repayment (IBR) Plan, your 25-year repayment period may include prior periods of repayment under other repayment plans and certain periods of economic hardship deferment.

- **Consent to Disclosure of Tax Information Form:** Complete this form *only* if you are required or select to repay your consolidation loan under the ICR or IBR Plan. This form provides your consent for the Internal Revenue Service (IRS) to disclose your tax information to us. The income information provided by the IRS is used to determine your monthly payment amount under the ICR or IBR plan. If you are married, follow the instructions on the form regarding any spousal requirements.

- **Alternative Documentation of Income Form:** You may also complete this form to provide us with your income information before we receive it from the IRS or to provide updated income information. If you are married, follow the instructions on the form regarding any spousal requirements.

Checklist of Items to Send Us

_____ Your completed Application and Promissory Note.

_____ A photocopy of any supporting documents required to be sent as stated in the application and/or instructions.

_____ A completed Repayment Plan Selection form showing the repayment plan you selected.

- If you selected the ICR or IBR Plan, you must also complete the Consent to Disclosure of Tax Information. You may also submit the Alternative Documentation of Income form..
- If you are consolidating a defaulted loan(s) and have not made satisfactory repayment arrangements, you **must** select the ICR Plan on the Repayment Plan Selection form.

The Length of the Consolidation Process Varies

Generally it takes 60 to 90 days to complete the consolidation process. Processing may take longer if your Application and Promissory Note is incomplete or if your loan holder(s) does not reply promptly to our request for loan pay-off information. We will contact you if we have questions.

You Need to Continue Making Payments

Continue making your monthly loan payments to your current loan holder (if you are required to do so) until you receive written notification that your loan(s) has been successfully consolidated. If you are having difficulty making your loan payments, contact your current loan holder(s) to find out how to postpone payments. Ask specifically about your “deferment” or “forbearance” options.

Additional Information and Assistance

The list below contains information on how to contact us and various methods for submitting your application.

- **E-mail** loan_consolidation@mail.hp.com

- **Web** **Apply online—it’s fast, it’s easy, and it reduces errors!**
  http://www.loanconsolidation.ed.gov

- **Phone** 1-800-557-7392 (1-800-557-7395 TDD for the hearing impaired)
  8:00 AM to 8:00 PM Eastern Time, Monday through Friday

- **Mail** **U.S. Department of Education**
  Consolidation Department
  P.O. Box 242800
  Louisville, KY 40224-2800