

# Getting Started in the Direct Loan Program

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## **Schools New to Title IV**

### **Title IV Eligibility and Certification**

If a school wishes to participate in the Title IV federal student financial aid programs (including the Direct Loan Program), it must submit an application through the [Electronic Application for Program Participation \(E-App\)](#). Once the application is processed, the school will receive an "Eligibility and Certification Approval Report" (ECAR), listing all of the Title IV programs in which the school is eligible and certified to participate.

### ***Special case: Schools with additional locations***

If a school has additional locations, each location will need to be approved through the Title IV Eligibility and Certification process and will be assigned its own unique OPE ID. Additional locations that will be processing Direct Loans separately from the main campus will also need to complete the steps below to request Direct Loan participation. A unique DUNS number for that location needs to be added to the school's [E-App](#).

## **Request for Direct Loan Participation**

If a school has the Direct Loan Program listed as an approved program on its ECAR, Federal Student Aid will complete some basic setup actions that are necessary for the school to process Direct Loans via the Common Origination and Disbursement (COD) System. The school will also have to complete several actions, beginning with the Direct Loan setup request (explained below).

If a school is currently eligible and certified for other FSA programs, but it does not have the Direct Loan Program listed as an approved program on its ECAR, the school must first submit a revised [E-App](#).

**Note for Foreign Schools:** Additional Direct Loan information for foreign schools can be found on the Foreign School Information page at <https://ifap.ed.gov/ForeignSchoolInfo/ForeignSchoolInfo.html>.

### **Direct Loan Setup Request**

Once the Direct Loan Program is listed an approved program, the school should send an e-mail request to the COD School Relations Center at [CODSupport@ed.gov](mailto:CODSupport@ed.gov). The subject line of the e-mail should be "Request to Participate in the Direct Loan Program." In addition, the following information should be provided in the body of the e-mail:

- Name of your school
- Address including city, state, and zip code

- Person requesting participation (financial aid director or an official listed on the E-App is preferred)
- E-mail and phone number of the official
- OPE ID
- DUNS Number (if known)
- Award year in which processing will begin

When a school sends its request to the COD System to complete the FSA Direct Loan setup, a member of the Federal Loan School Support Team (FLSST) will be assigned as your school's point of contact. The FLSST point of contact will send a participation acknowledgement e-mail which will include your school's Direct Loan code. The FLSST point of contact will also explain how the Direct Loan Program works and help you set up school user account(s) and options in FSA systems (and the G5 payment system, if the school has not previously received funds from ED).

At the point your school begins to successfully process Direct Loan data for its borrowers and disburse Direct Loan funds, the FLSST point of contact will make sure you are assigned to the school's new primary Direct Loan contact at the COD School Relations Center.

### **Federal Student Aid-Initiated Setup Actions**

The following actions will be completed for a school that is approved to participate in the Direct Loan program as reflected on its ECAR and requests Direct Loan participation/setup (as outlined above):

A school will—

- Be assigned a Direct Loan school code (a six-digit code beginning with G or E). Note: A school cannot change this setup action.
- Be automatically enrolled in COD to participate in the electronic MPN and loan counseling on StudentLoans.gov.
- Have its Student Aid Internet Gateway (SAIG) mailbox profile updated to include the options to enroll for Direct Loan Services and Direct Loan Delinquency Reporting Services. Note: Schools still need to go into the mailbox to enroll for these services to send and receive Direct Loan records. Federal Student Aid will e-mail the school's primary Destination Point Administrator regarding the SAIG mailbox update.
  - Federal Student Aid will include these services under the same SAIG mailbox used for Grants Services.
  - If not participating in Grants Services, Federal Student Aid will include these services under the same SAIG mailbox used for ISIR Services.

- If a school uses a third party servicer, Federal Student Aid will NOT update the SAIG mailbox services. In this case, a school will need to update its SAIG mailbox services through the SAIG Enrollment website. A school can do this when it is ready to do so.
- If a school wishes to change its SAIG mailbox setup, it can do so through the SAIG Enrollment website.
- For questions about SAIG or for assistance with the enrollment process, contact CPS/SAIG Technical Support at (800) 330-5947. A school may also e-mail CPSSAIG@ed.gov.

## **School-Initiated Setup Actions**

When a school is ready to actively participate in the Direct Loan Program, it will need to complete several actions to ensure all connections are in place to receive Direct Loan funds and to electronically transmit and receive Direct Loan data.

### ***COD Website Access***

To view or process Direct Loan data on the [COD website](#), authorized users must be enrolled for the COD Online Service and have an FSA user ID and password. Authorized users will also be required to enter the six-digit password generated by the user's Two Factor Authentication (TFA) token.

To obtain access to the [COD Website](#), a school must designate a Primary Destination Point Administrator (PDPA) who is responsible for enrolling other users for the COD Online Service and the associated procedures.

If your school is not currently enrolled for any SAIG services select "Initial Enrollment for Services" at the SAIG Enrollment site ([fsawebenroll.ed.gov](http://fsawebenroll.ed.gov)). The initial Enrollment for Services link is used to

1. establish an initial SAIG mailbox (TG Number),
2. assign batch data services to be exchanged, and
3. identify your organization's Primary Destination Point Administrator (Primary DPA).

If your school is already enrolled for some SAIG services, the PDPA can use the "Primary Destination Point Administrator Access" link at the SAIG Enrollment site to manage existing services, add new services, or enroll others for online services.

School and third-party servicer users should refer to the Information for Financial Aid Professionals (IFAP) posting at <https://ifap.ed.gov/eannouncements/052213CODWebSiteAccess.html>.

### ***TFA Token***

All authorized users will be required to enter two forms of authentication to access Federal Student Aid systems. An authorized user will be required to use a traditional user ID and password as well as provide a one-time password (OTP). The OTP will be generated by a registered token device that is in the physical possession of the user or by a "soft token" that is an application on a user's mobile device (see also: <https://ifap.ed.gov/eannouncements/122914TFATransitiontoSoftTokens.html>).

To receive physical tokens for authorized users, the primary Destination Point Administrator must request them by e-mailing [TFASupport@ed.gov](mailto:TFASupport@ed.gov) and include the school name and OPE ID on the correspondence. Users may also call the CPS/SAIG Technical Support and the TFA Support Center at 800-330-5947 (option 2 for TFA).

### ***StudentLoans.gov Process Settings***

Schools can elect to participate or not participate in StudentLoans.gov processes for their applicants. Some processes also have school-controlled options that can be selected to best fit the needs of the school.

Your school should review the default settings for the Master Promissory Note (MPN), electronic PLUS Application (PLUS Request), and Loan Counseling as listed on the COD website for your school (under the "School" tab and then click on "Options"), and revise if necessary.

### ***School Direct Loan Reports Options***

Schools can also select the format and frequency of certain Direct Loan reports. In a few cases a school can select to not receive a particular report.

Your school should review the default format settings for the various Direct Loan reports available on the COD website for your school (under the "School" tab and then click on "Report Selection"), and revise if necessary.

### ***Financial Aid Contacts***

Your school can identify a specific contact for the Direct Loan Program on the COD website (under the "School" tab and then click "Financial Aid Contact").

### ***G5 Payment System***

G5 is the U.S. Department of Education's payment system, and all schools receive FSA funding through G5. To receive Direct Loan funds, **a school must review its bank account information in G5 or provide new bank account information to G5.**

- If a school has a single bank account for its Title IV funds and the school plans to use this same account for their Direct Loan funds, no further action is necessary.
- If a school has more than one bank account for its Title IV funds, the school must contact G5 to designate the specific account that will be used for Direct Loan funds.
- If a school will use a new bank account for its Direct Loan funds, it must submit a new direct deposit form, Form SF1199A, to G5 at the address below:

U.S. Department of Education  
Financial Management Operations  
550 12<sup>th</sup> Street, SW, Room 6087  
Washington, DC 20202-4328

Additional information about establishing banking information can be found under the [Banking section](#) of the frequently asked questions on the [G5 website](#). To access G5, users must have an authorized G5 user ID and password.

- If a school user already has a valid G5 user ID and password, he or she does NOT need to request a separate one for Direct Loans.
- If a school user needs a G5 user ID and password, he or she must submit a completed G5 User Registration Form (the online form is available on the G5 website by clicking on the “Sign Up” link next to “Not registered?”).

For further information about G5, visit the [G5 website](#) or call the G5 Hotline at (888) 336-8930.

### ***Other Helpful Actions***

Familiarize yourself with our information geared for aid professionals participating in the Direct Loan Program, which includes both the [IFAP website](#) and the [Direct Loan Processing Resources page](#).

Review Direct Loan training information (detailed below).

Review the school’s settings on the "My IFAP" page on the [IFAP website](#) to receive notification of all Direct Loan-related guidance and communications.

- By selecting "Weekly Email Summary," the school will receive a notice about all FSA guidance and communications that are published each week, including Direct Loans.
- By selecting "Content Specific Email," the school will have the option of selecting which publications it receives notice about. At a minimum, Federal Student Aid encourages schools to select the boxes for Dear Colleague Letters, Electronic Announcements, Direct Loan Consolidation, and Direct Loan Servicing.

### **Direct Loan Training Information**

Federal Student Aid provides training in a variety of formats. Examples include:

- Webinars to allow school participants to receive Federal Student Aid instructor-led, online training from their desktops,
- Computer-based training, and
- Publications and written materials that provide helpful information about the Direct Loan Program.

### **Training & Presentations for Financial Professionals**

Federal Student Aid's central and regional offices provide ongoing training on Direct Loans, EDExpress, and other related topics.



To register or to get additional information about ongoing training opportunities, please go the [Training for Financial Professionals website](#). Most of the training sessions that are relevant to Direct Loans are found there under "Training on Specific Functions."

Also note that many topics related to Direct Loans will be presented at our [Fall Conference](#).

### **Computer-Based Training**

Several Computer-Based Training (CBT) programs are available on the [IFAP website](#).

- Common Origination and Disbursement (COD) CBT
- EDEXpress Basics Web-based Training
- FSA COACH

### **Publications and Written Materials**

Helpful publications and written materials are available on the [IFAP website](#).

- Federal Student Aid Handbook
- COD Technical Reference
- Cohort Default Rate Guide
- 150% Direct Subsidized Loan Limit Info page
- Gainful Employment Info page
- NSLDS Reference Materials

Schools interested in printed materials geared for students and parents can check out FSA's publication site, FSAPubs. You can place an order online at [www.fsapubs.gov](http://www.fsapubs.gov), or you can call (800) 394-7084 or e-mail [Orders@FSAPubs.gov](mailto:Orders@FSAPubs.gov). These publications are also in Portable Document Format (PDF). To view a PDF file, you will need the Adobe Acrobat Reader. If you do not have it, you can [download a free copy](#) from Adobe.