Federal **Student** Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Getting Started in the Direct Loan Program

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. Even though additional locations have unique OPE ID numbers, a school can process Direct Loans for an additional location under the main campus Direct Loan ID. If a school intends to have any additional locations process Direct Loans separately from the main campus, those locations will also need to complete the steps below to request Direct Loan participation. A Unique Entity Identifier (UEI) for those locations needs to be added to the school's E-App.

Schools New to Direct Loans – Request for Direct Loan Participation

If a school is currently eligible and certified for other *Title IV* 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.

Once 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).

Note for Foreign Schools: Additional Direct Loan information for foreign schools can be found on the [Foreign School Information page](#).

Direct Loan Setup Request

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

- 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)

- Email and phone number of the official

- OPE ID

- UEI (if known)

- Award year in which processing will begin

When a school sends its request to complete the Direct Loan setup, it will receive an email providing the school's Direct Loan code and all information needed to get started with the Direct Loan Program.

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 the COD System to participate in the electronic *Master Promissory Note* (MPN) and loan counseling.

- 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 email the school's primary Destination Point Administrator regarding the SAIG mailbox update.

  o Federal Student Aid will include these services under the same SAIG mailbox used for Grants Services.
  o If not participating in Grants Services, Federal Student Aid will include these services under the same SAIG mailbox used for ISIR Services.
  o 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.
  o If a school wishes to change its SAIG mailbox setup, it can do so through the SAIG Enrollment website.

o   For questions about SAIG or for assistance with the enrollment process, contact CPS/SAIG Technical Support at 1-800-330-5947. A school may also email 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. This action is completed on the SAIG Enrollment website.

If a school is not currently enrolled for any SAIG services, select "Initial Enrollment for Services" on the SAIG Enrollment website home page. 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 a 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 May 5, 2013 Electronic Announcement posted on the Knowledge Center.

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: May 5, 2013 Electronic Announcement posted on the Knowledge Center).

To receive physical tokens for authorized users, the primary Destination Point Administrator must request them by emailing 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 1-800-330-5947 (option 2 for TFA).

StudentAid.gov Process Settings

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

A school should review the default settings for the MPN, electronic ***William D. Ford Federal Direct Loan Program Direct PLUS Loan Request*** (Direct PLUS Loan Application), and Loan Counseling as listed on the COD website for the 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.

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

Financial Aid Contacts

A 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 Federal Student Aid 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
  Office of Financial Management
  400 Maryland Ave., SW, Room 5B107
  Washington, DC 20202

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?" on the home page).

For further information about G5, visit the G5 website or call the G5 Hotline at 1-888-336-8930.

Other Helpful Actions

Familiarize yourself with the information on the [Knowledge Center](#).

Direct Loan Training Information

Federal Student Aid provides training in a variety of formats.

Training & Presentations for Financial Professionals

Additional information about ongoing training opportunities can be found on the [FSA Training Center](#) website.

Hands-on and online training – Federal Student Aid's central and regional offices provide ongoing training on Direct Loans, EDExpress, and other related topics. Webinars are often offered to allow school participants to receive Federal Student Aid instructor-led, online training from their desktops.

In addition, schools can participate in the annual [Federal Student Aid Training Conference](#).

Publications and Written Materials

Helpful publications and written materials are available on the Knowledge Center.

- [Federal Student Aid Handbook](#)
- [COD Technical Reference](#)
- [Cohort Default Rate Guide](#)
- [NSLDS® User Resources](#)