

PUT Program Frequently Asked Questions

1. What is this program?

On May 7, 2008, the Ensuring Continued Access to Student Loans Act (ECASLA) was signed into law, thus creating the PUT Program. This legislation authorizes the U.S. Department of Education to purchase federal student loans from lenders to ensure on-going liquidity and availability of funds for student loans. The purpose of the program is to provide lenders with the means to continue offering student loans to students.

2. Do I still have to make payments?

Yes. The sale of your student loan(s) does not affect the terms and conditions governing the loan(s). Your loans will still be subject to all the terms and conditions stated in the Master Promissory Note (MPN) that you signed to take out the loan. You may have other loans that are not included in the loan transfer that will continue to be serviced by your lender. You will receive repayment information from the Department of Education Servicing Center for any loan(s) transferred to them.

3. How will payments be applied?

If you have recently sent any payments intended to be applied toward a loan(s) that is being transferred, we will work with the Department of Education Servicing Center to ensure that any applicable payments are transferred to them in a timely manner. You may have other loans that are not included in this loan transfer that will continue to be serviced by your lender, and your payment will be applied to your account. Payments received are first applied to outstanding interest, and the remainder is applied to the principal balance, unless late fees have been assessed. Since this is a federal loan, you do not prepay interest, and there is no prepayment penalty.

4. How will this transfer of ownership change my loan? Contact information?

The terms and conditions of your loan will not be impacted by the transfer of ownership. All future payments and correspondence regarding your loan(s) that has been sold should now be directed to the Department of Education Student Loan Servicing Center. **If you have any questions regarding the loan(s) that has been transferred, please contact the Department of Education Student Loan Servicing Center at 1-800-508-1378, Monday through Friday 8:00 a.m. to 11:00 p.m., ET.** Please be advised that you may have other loans through this lender that are not impacted by the PUT Program. If you have other loans serviced by another lender, please continue to communicate with that lender regarding those loans.

Borrowers can access their DOE-serviced student FFEL loan accounts online via the services web site (www.ed-servicing.com)

5. What if I do not want to participate?

Unfortunately, the decision to participate in the PUT program is determined by your lender. The lender of your student loan(s) is authorized to sell your loan to the U.S. Department of Education under ECASLA.

6. Are all my current student loans affected?

You may have other loans with your lender that is not impacted by this loan transfer. The ECASLA only authorizes lenders to sell loans disbursed for the 2007/2008, 2008/2009 and 2009/2010 academic years. If you have loans for prior academic years, these loans will remain with your lender and current servicer. It is important that you keep careful records of your student loans, who holds them and who services them.

7. What if I need to take out an additional loan next year?

Please request your current lender again. The Master Promissory Note (MPN) that you signed to take out the loan(s) is still valid, and you may continue to borrow with the original lender if you choose to do so.

8. I recently sent in a deferment/forbearance request to my current lender. Will my deferment/forbearance automatically be applied on my loan(s) that was transferred to the Department of Education?

You will need to send a copy of the deferment/forbearance request to the Department of Education Servicing Center to request a deferment/forbearance for any loan(s) transferred to them. You may have other loans that are not included in this loan transfer, and we will process your deferment/forbearance for any loan(s) that continues to be serviced by your lender.

9. If my loan(s) is transferred to the Department of Education, does that mean that it is now considered to be a Direct Loan?

No. The loan is still a FFEL program loan and is not considered to be a Direct Loan.