

Dear USA Students, Faculty, and Staff:

Beginning this fall, the University of South Alabama will begin participating exclusively in the William D. Ford Federal Direct Loan Program. This is an important change that affects all students and families who receive federally backed student loans.

This change means that our students and parents will now acquire Stafford and PLUS (parent) Loans *directly* through the U.S. Department of Education, rather than through private lenders participating in the Federal Family Education Loan Program (FFELP).

USA has carefully compared the Direct Loan Program to the Federal Family Education Loan Program and has determined that direct lending is simpler, faster, and less expensive for borrowers. In addition, Direct Lending ensures the availability of funds for our students and their families, since the shifting credit markets and changes in federal law have reduced the number of private lenders offering Stafford and PLUS Loans through FFELP.

In short, we believe that, due to anticipated federal mandates, students and families are best served when their loans are made directly to them by the federal government. In order to provide a smooth transition to direct lending, assistance is needed from our students.

What do students need to do to receive loans starting fall semester?

ALL USA students currently receiving a student loan will be required to electronically sign a new Direct Loan Master Promissory Note (MPN), which may be done online now at <http://dlenote.ed.gov>. Students can get a head start by signing this form even before filing for financial aid.

What should students do to prepare for this change and ensure fall 2010 loans?

- Students should file their Free Application for Federal Student Aid (FAFSA) as soon as possible. While this can be done anytime, it is strongly advised that it be completed by March 30 of this year.
- Students should check their USA jaguar1 e-mail account at least once weekly for e-mails from the Financial Aid Office. Be aware that notices and updates about financial aid files will be sent to this e-mail account. Students who haven't maintained their mailboxes will miss out on important information.
- Students who need help with their University e-mail accounts should contact the Computer Services Center at (251) 460-6161.
- Students should check their financial aid records in PAWS at least once weekly to see if the Office of Financial Aid needs additional documents. Respond to all requests from Financial Aid immediately.

The University of South Alabama is committed to providing timely and dependable financial assistance to our students, and we must ensure that the student lending process is reliable and efficient. We encourage students to work with the Office of Financial Aid and do their part to ensure a successful transition to direct lending starting this fall.