

Hampton University Switches to the William D. Ford Federal Direct Loan Program for the 2010-2011 Academic Year

Why the change?

Over the last thirteen months, as Congress continues to consider eliminating the Federal Family Education Loan Program (FFELP), many of the FFEL Program lenders have already left the program and, the few remaining cannot guarantee that they will have the liquidity to make new loans for the 2010-2011 academic year.

Helping our students and parents fund their education remains our top priority in the Hampton University Financial Aid Office. For this vitally important reason, as well as the uncertainty of the future of the FFEL Program, Hampton University has elected to participate fully in the Direct Loan Program for the 2010-2011 academic year and beyond.

In the past year, the U.S. Department of Education has successfully transitioned hundreds of FFEL Program participating schools into the Direct Loan Program.

What does this specifically mean for every student and parent borrower?

The single most important change is that every student or parent borrower must sign a new Direct Loan Master Promissory Note (MPN) for the 2010-2011 academic year. Note that signing of the MPN is a one-time only requirement.

It is important to note further here that the Direct Loan Program provides students and parents with the types of loan programs, with essentially the same rights and responsibilities, terms and conditions, repayment options, including discharge, cancellation and forgiveness, as those in the FFEL Program.

In the upcoming weeks, the Financial Aid staff, through the primary use of the website, and other mediums, will provide periodic updates to help our students and parents learn more about anticipated changes of the Direct Loan Program delivery process.

As Director, I am fully confident that our transitioning into the Direct Loan Program can happen in an efficient and effective manner without any interruption of service for the upcoming academic year.

Thank you for your attention to this important matter.

Martin Miles

Director of Financial Aid and Scholarships