The "PUT" program and why it is important to you, the student borrower.

Due to disruptions in the credit market, the Department of Education (ED) created a program to allow lenders to continue making student loans. This program, the Loan Purchase Commitment Program, or PUT Program, grants the U.S. Secretary of Education the authority to purchase eligible Federal Family Education Loan Program (FFELP) loans from lenders. The PUT Program is valid for FFELP loans that are fully funded for the 2008-09 and 2009-10 academic years. The lenders Creighton students have borrowed loan fund through have sold the majority of their loans to the PUT Program. All loans sold to the PUT Program, are now owned by ED and the original guarantee agency will no longer provide any borrower assistance. Please go to NSLDS www.nslds.ed.gov to view your current loan servicer.

In other words, there is a good chance that your old Stafford and PLUS loans that were borrowed in 0809 and 0910 were sold to a government program called "PUT". This was done because lenders didn't have the funds to make those loans on their own so they received assistance from the Dept. of Education. This does not change any of the terms of your loans, but you will be making payments to another agency. You should have received notification when your loan was sold, but you can always go to the above NSLDS link to see who holds your loan now.

The following information was provided by NELNET.

INFORMATION FOR BORROWERS

Borrowers with FFELP loans that have been PUT will experience some changes. Borrowers should know how the transfer of ownership of their FFELP loans from their current lender to ED affects them. Impacts to borrowers may vary based on when their loans were PUT, whether all of their loans were PUT at the same time, and whether or not they have loans prior to the 2008-2009 academic year.

Following are questions and answers regarding the effects on borrowers for ED-serviced loans. Please refer to this information to assist you in guiding your students and parents with loans that have been PUT to ED:

Q1. What notification will the borrower receive before or after the borrower's loans have been PUT?

A. Per regulations, ED servicers will notify the borrower of the change in loan ownership from the borrower's current lender to ED. This notification will be provided via a "welcome letter," delivery of which will always be in paper form.

Q2. In addition to the welcome letter notification, how can borrowers identify the owner of their loans and where they are serviced?

A. If a borrower is unsure of the ownership of his or her loans and where they are serviced, the borrower should be directed to the NSLDS Web site at www.nslds.ed.gov.

Q3. Who are the possible servicers for PUT loans?

A. There are 4 servicers handling repayment of PUT loans. These servicers are ACS, Great Lakes, Nelnet and Sallie Mae. If a borrower is unsure of the ownership of his or her loans and where they are serviced, the borrower should be directed to the NSLDS Web site at www.nslds.ed.gov.

Q4. Will there be any differences in repayment options or customer services for PUT loans versus non-PUT loans?

A. PUT loans are FFELP loans and will continue to be serviced under FFELP rules and regulations. The repayment offerings available within FFELP will remain available to all borrowers whose loans are PUT to ED.

Q5. If a borrower has both lender-owned FFEL loans and ED-owned PUT loans with the same servicer, will the borrower receive one bill?

A. *Borrowers will receive separate bills for their lender-owned and ED-owned loans. Payments for ED-owned loans must be made directly to the U.S. Department of the Treasury; therefore, servicers must bill separately to properly guide borrowers to the correct payment address Each billing statement will clearly define the payment due and correct remittance address. It is critical for borrowers to remit payments to the correct location to ensure timely and accurate processing for their loans. The servicers strongly encourage borrowers to establish electronic ACH payments to ensure correct payment routing.*

Q6. Where should borrowers send their payments for PUT loans? Can they have combined billing for PUT and non-PUT loans?

A. It is critical that borrowers remit loan payments to the correct loan holder and lockbox address. This information will be clearly identified on monthly billing statements. Each servicer for ED will have its own separate lockbox address for borrower payments. Borrowers *WILL NOT* have the option of combined billing for their PUT and non-PUT loans with the same servicer *OR* their PUT loans for multiple servicers.

Q7. If borrowers have split servicing between two or more of ED's servicers, may they request their loans be converted to a single servicer?

A. No, the borrowers will not have the option to request that their loans be combined and converted to a single servicer. ED does have a desire to keep borrowers' loans serviced by a single servicer. Servicers will work with ED as much as possible in the best interest of borrowers and schools on this issue. The borrower may choose to consolidate loans with ED to a single loan with a single servicer. Note: Consolidation may result in loss of some benefits to the current loan.

Q8. Guaranty agencies will not play a role in loans that have been PUT. How will default prevention activities or other delinquency-related actions change for these loans? How will loan discharge/forgiveness provisions be administered?

A. The servicers will follow all servicer-related default prevention requirements for FFELP loans.

There will be changes to the claim process for delinquent PUT loans. Non-PUT loans have a claim filed with the associated guarantor after 270 days of being delinquent. Since there will no longer be a guarantor involved for PUT loans, a claim will not be filed and the loan will remain on the servicer's system for up to 360 days past due. This allows additional time for borrowers to make payments and/or resolve the delinquency, however, the loan will still be considered in default when a payment is more than 270 days past due. Note: Borrowers with PUT loans 270 or more days delinquent will not be eligible for additional loan funds until or unless they resolve their delinquent status. This policy is consistent with non-PUT loans.

Eligibility requirements for loan discharge and forgiveness programs for PUT loans remain the same.

Q11. Will there be any processing or other noticeable differences among the four servicers chosen by ED?

A. One important difference among the four servicers will be the address of each servicer's payment lockbox for PUT loans. Each of the four servicers will have a unique account and address. *The servicers' respective ED contact information is also available via NSLDS.*

GLOSSARY OF TERMS

ED SERVICER
This is the contractor that will service the loans for ED. The servicer is selected and assigned by ED at the time a 45-Day Notice of Intent to Sell is submitted by the seller.

EDPAY
This is ED's ACH payment product.

LOCKBOX
This is the address to which borrower payments are sent for processing and posting to a borrower's loan.

NSLDS
The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.

PARTICIPATION PROGRAM

This program is a short-term loan funding program that ED has established to allow ED to purchase participation interests in certain FFELP loans in order to help provide lenders with capital necessary to make more FFELP loans.

PUT
This is the term ED and participants in the programs are using to indicate the sale of loans to ED.