



Office of Student Financial Aid & Scholarships

Dear Jaguar:

Beginning in fall 2010, Southern University at Shreveport will participate in the William D. Ford Federal Direct Loan Program. This means that students and parents will now get 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).

In the Direct Loan Program, the U.S. Department of Education acts as a lender, providing funds for Stafford loans and PLUS Loans. With FFELP, students chose a bank or lender; the college then certified that students and parents were eligible for the loans and applied the loan proceeds to student accounts. SUSLA very carefully weighed the differences between FFELP and the Direct Loan Program. We decided to go with the Direct Loan Program because it: (a) Is a simpler process for families as every borrower uses the same application process and is subject to the same loan fees; (b) Better guarantees the availability of funds for families; (c) Is cheaper for families in the short term and offers the same cost to families in the long term; The net fee for the PLUS loans is 2.5 percent through the Direct Loan Program vs. 4 percent through FFELP. The net fee for the Stafford Loan is 0.5 percent through the Direct Loan Program vs. 1.5 percent through FFELP. The PLUS loan interest rate is 7.9 percent through the Direct Loan Program, as compared with 8.5 percent through FFELP; (d) Offers loans through the same department that handles consolidation of student loans (the U.S. Department of Education).

All students needing a Parent PLUS or Stafford Loan for the 2010-11 school year will need to apply for the loan through the Direct Loan Program. ALL STUDENTS WILL NEED TO SIGN A NEW MASTER PROMISSORY NOTE AT www.studentloans.gov !!!

If you have any questions/concerns in reference to the Direct Loan Program, please contact the Office of Student Financial Aid & Scholarships at: (318)-670-6221; or via web www.susla.edu.

Sign your New Direct Loan Master Promissory Note NOW: www.studentloans.gov

Regards,

K. Michael Francois
Director of Student Financial Aid & Scholarships