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Subject: Loan Servicing Information - Transition to New Direct Loan Servicing Center (ACS) System and Web Sites Planned for Fall 2011 (Update #4)

Over the past few months, we have communicated that the Direct Loan Servicing Center (ACS), one of the Department of Education's five federal loan servicers, plans to transition to a new loan servicing system in fall 2011. In addition to the new system, the Direct Loan Servicing Center (ACS) will launch new Web sites for schools as well as William D. Ford Federal Direct Loan (Direct Loan) borrowers and Teacher Education Assistance for College and Higher Education (TEACH) Grant recipients.

Through a series of announcements, we have been informing and will continue to inform the community of transition-related activities, preparations, and impacts. To date, we have posted four electronic announcements on the Information for Financial Aid Professionals (IFAP) Web site ([June 10, 2011](#), [June 24, 2011](#), [July 14, 2011](#), and [August 26, 2011](#)).

In this announcement, we provide the following information:

- Pre-Transition NSLDS Reporting Impact
- Pre-Transition Direct Consolidation Loan Processing Impact
- Transition Outage Periods and Impact
- Contact Information

Pre-Transition NSLDS Reporting Impact

Generally, the Direct Loan Servicing Center (ACS) reports weekly to the National Student Loan Data System (NSLDS) under NSLDS ED Servicer Code 583. To support the preparatory work and eventual transition, it will be necessary to temporarily limit the reporting of Direct Loans serviced by the Direct Loan Servicing Center (ACS) to the NSLDS.

Specifically, the Direct Loan Servicing Center (ACS) will report to the NSLDS two times between now and completion of the transition. The servicer will report information for one-half of its portfolio on September 10, 2011 and information for the remaining half of its portfolio on September 17, 2011. We anticipate that

regular weekly reporting will resume in mid-October 2011.

Depending on individual situations, schools and Direct Loan borrowers may be impacted as follows:

- Delayed reflection of Direct Loan disbursements and adjustments in the NSLDS and accessed via the [NSLDS Professional Access Web site](#) and [NSLDS Student Access Web site](#).
- Delayed updates to aggregate loan limit amounts in the NSLDS and accessed via the [NSLDS Professional Access Web site](#).
- Delayed reflection of prescreening and postscreening information on Institutional Student Information Records (ISIRs).
- Delayed inclusion of loan information in various NSLDS reports including school portfolio and delinquency reports.
- Delayed inclusion of borrower information in enrollment reporting rosters and transfer student monitoring generated by the NSLDS.
- Inaccuracy of September Repayment Information Rates that will occur the first week of October 2011.

Pre-Transition Direct Consolidation Loan Processing Impact

Also in support of the preparatory work and eventual Direct Loan Servicing Center (ACS) transition, it will be necessary to temporarily suspend certain aspects of Direct Consolidation Loan processing. Specifically, from September 14, 2011 until October 10, 2011, the funding and booking of Direct Consolidation Loans will be on hold.

During this period, borrowers may continue to complete and submit applications and supporting documentation to us via the Direct Loan Consolidation Center and/or the [Direct Consolidation Loans Web site](#). We request schools' assistance in counseling borrowers to continue to make required payments on underlying loans they wish to consolidate or, if needed, to contact their current loan holders or servicers to make arrangements to suspend payments until the consolidation has been completed.

Transition Outage Periods and Impact

To bring the new system and Web sites into production, it will be necessary for the Direct Loan Servicing Center (ACS) to shut down system and Web site access for a period of time. The actual transition outage impact falls into two categories—Web Payment Outage and System and Web Site Outage.

To assist schools, Direct Loan borrowers, and TEACH Grant recipients in preparing for the necessary outages, we are providing the outage plan as it stands at this time. If it becomes necessary to adjust the outage plan, we will inform the community through a subsequent announcement on the [IFAP Web site](#).

Web Payment Outage

Web payments via the Direct Loan Servicing Online Web site will be unavailable from 4:00 P.M. (ET) on Thursday, September 29, 2011 until 8:00 A.M. (ET) on Monday, October 10, 2011.

During this outage period, borrowers will be able to mail their payments to the following address:

United States Department of Education
PO Box 530260
Atlanta, GA 30353-0260

Note: As explained in [the August 26, 2011 announcement](#), Web payments that are scheduled for debit after September 30, 2011 have been cancelled. Borrowers who have scheduled such payments will be contacted through three separate communication campaigns to ensure proper handling of these payments.

System and Web Site Outage

The system and Web sites will be unavailable from 8:30 P.M. (ET) on Friday, September 30, 2011 until 8:00 A.M. on Monday, October 10, 2011.

During this outage period, school, Direct Loan borrower, and TEACH Grant recipient customers will be impacted as follows:

- **Schools** will not be able to access the Direct Loan Servicing Online School Web site or its related functions.
- **Direct Loan borrowers and TEACH Grant recipients** will not be able to access their account information via the Direct Loan Servicing Online Web site.
- **Direct Loan borrowers and TEACH Grant recipients** will not be able to access borrower account information via the Direct Loan Servicing Center's Interactive Voice Response (IVR) system.
- **Schools, Direct Loan borrowers, and TEACH Grant recipients** will be able to talk with customer service representatives at the Direct Loan Servicing Center during the normal hours of operation, Monday through Friday from 8:00 A.M. to 8:30 P.M. (ET). However, due to the system and Web site outage, customer service representatives will be limited in the assistance they will be able to provide during the outage period.

Customer service representatives will assist as best they can at the time of contact. Customers will be instructed to access the new Web site or place a follow up call to the Direct Loan Servicing Center after the outage period ends.

Contact Information

We appreciate the community's patience and assistance as the Direct Loan Servicing Center (ACS) transitions to its new system and Web sites. In addition, we regret inconveniences that may be caused by the reporting impacts, processing impacts, and outage periods explained above. Thank you for your understanding.

We will continue to inform the community about the transition. Please monitor the [IFAP Web site](#) for these announcements as well as the [Direct Loan Servicing Online School Web Site](#) for ongoing updates to the posted Q&As.

If you have questions about the transition, contact the Direct Loan Servicing Center (ACS) School Services Team by phone at 888/877-7658. You may also contact the Direct Loan Servicing Center (ACS) School Services Team via the Web by visiting the current Web site at <http://www.dl.ed.gov/schools>.

