

March 17, 2010

Beginning with the 2010-2011 academic year, Southern Methodist University will be joining thousands of other U.S. higher education institutions in the [William D. Ford Federal Direct Loan Program](#). As a result, all SMU students with federal Stafford, Grad PLUS, and Parent PLUS loans will borrow their funds from one lender, the U.S. Department of Education, rather than a bank or other lending institution.

The shift comes in the wake of turmoil in the financial markets as well as pending legislation (Student Aid and Fiscal Responsibility Act), which has led many private lenders to suspend or terminate their participation in the Federal Family Education Loan Program (FFELP) for 2010-2011. In addition many lenders have sold their student loans to the Department of Education, leaving borrowers with multiple loan holders to repay. Therefore, moving to the Direct Loan Program will make the borrowing process much more efficient for schools and borrowers.

Your SMU campus email continues to be our primary source for communicating important updates and instructions. Thus, we will contact you via email to inform you of any necessary steps you must complete to ensure timely processing of your Direct Loan(s).

We encourage you to visit the SMU Financial Aid website at http://smu.edu/Financial_Aid/Loans to learn more about the Direct Loan Program. You may also contact our office at enrol_serv@smu.edu or 214-768-3417 to seek additional guidance.

Thank you for allowing our office to serve your family as we assist you in your educational endeavors at Southern Methodist University.

Sincerely,

SMU Office of Financial Aid