

LOAN PURCHASE PROGRAMS ELECTRONIC ANNOUNCEMENT #9

Date: July 30, 2008

To: FFEL Program Community

From: Larry Warder, Acting Chief Operating Officer, Federal Student Aid

Subject: Notices of Intent to Participate in Loan Purchase Commitment Program and Loan Participation Purchase Program – Reminder

As July 31 approaches, we want to remind FFEL Program participants that any lender (including a school lender) that wishes to participate in either or both of the Loan Purchase Programs (the Loan Purchase Commitment Program and the Loan Participation Purchase Program) must file a “Notice of Intent to Participate” (NOI). As explained in the July 1, 2008 *Federal Register* Notice that announced the programs (modified on July 17, 2008), any lender that may choose to participate in either program, or that may transfer loans it originates to other lenders that may want to participate in either program, must submit an NOI.

We stress first that an originating lender must timely file its NOI in order for the loans it originated to be eligible for either program. The Department will not purchase a loan, or a participation interest in a loan, that was first disbursed prior to the date on which the Department received the NOI from the originating lender. The only exception is that the Department will purchase loans, or interests in loans, first disbursed on or after May 1, 2008 if the originating lender’s NOI is received on or before July 31, 2008. If the NOI of the originating lender is received after July 31, 2008, the Department will purchase only those loans, or interests in those loans, for which the first disbursement was made on or after the date the Department received the NOI from that originating lender.

We also stress that a secondary market or other subsequent holder must also timely file a Notice of Intent to Participate in order to sell to the Department loans, or interests in loans, it acquires. For such a holder, both the date on which it submitted its own NOI and the date on which the originating lender submitted its NOI control which loans the holder may include in the Loan Purchase programs. First, the Department will only purchase a loan, or an interest in a loan, from a subsequent holder if the loan was acquired by that holder on or after the date the Department received that holder’s NOI. In addition, the Department will purchase such loans only if the loan was first disbursed either after the date on which the NOI of the originating lender was received, or, if the originator’s NOI is received on or before July 31, 2008, on or after May 1, 2008.

Therefore, we encourage all FFEL lenders and entities that purchase FFEL loans from originating lenders to file their Notices of Intent to Participate in a timely manner. As we have noted earlier, while the submission of a Notice of Intent to Participate does not bind the lender or holder to actually sell loans or to place loans in a participation interest facility, it does reserve those choices for both the originating lender and for any subsequent holder.

Included as an attachment to this memo is the copy of the Notice of Intent to Participate that should be completed, signed, dated and sent as a PDF attachment to an e-mail message addressed to ffel.agreementprocess@ed.gov. The e-mail message subject line should read "Submission of Notice of Intent to Participate." Of course, entities that have already submitted Notices of Intent to Participate need not re-submit.

For questions concerning the submission and receipt of the email please call (202) 377-4401.

For the purpose of item 3 above, the Department of Education will return to the Undersigned, via electronic mail (e-mail), information indicating the date the Notice of Intent to Participate was received by the Department of Education.

The Department of Education has provided that it will accept signed copies of this Notice of Intent sent as a PDF attachment via e-mail at the address below.

The Undersigned is aware that it must refer to the Federal Register Notice and to the agreements referred to therein for a complete description of the terms and conditions under which the Department of Education will administer the Loan Purchase Programs. The Undersigned also is aware that in order to participate in the Loan Purchase programs it must execute a Master Agreement for the respective program. If the Undersigned is a beneficial holder of FFELP loans, include on this form the LID(s) under which it operates. If the Undersigned, as an eligible lender trustee, files this Notice on behalf of its beneficial holders of FFELP loans, include the name and LID of each of those beneficial holders.

This Notice of Intent to Participate is hereby executed and dated as of the date first listed above.

By executing this Notice of Intent, the Undersigned now possesses an option to participate in the Loan Purchase Program or Programs indicated by the Undersigned above.

The Undersigned asks that the Department of Education please direct all inquiries and correspondence relating to these programs to:

[UNDERSIGNED NAME AND LENDER ID NUMBER (LID)]
[ELIGIBLE LENDER TRUSTEE NAME OR BENEFICIAL
HOLDER NAME, IF ANY AND LIDS]
[STREET ADDRESS]
[CITY], [STATE] [ZIP]
Attention of: [NAME], [TITLE]
By Phone - [XXX-XXX-XXXX]
By Fax – [XXX-XXX-XXXX]
By E-mail – [email address]

[NAME OF ENTITY]
By: _____
Name:
Title:

The completed, signed, and dated Notice of Intent to Participate should be sent as a PDF attachment to an e-mail message addressed to ffel.agreementprocess@ed.gov. The e-mail message subject line should read "Submission of Notice of Intent to Participate."

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