

# Loan Purchase Commitment Program (PUT)

## Borrower FAQs

**Q. Why was my loan sold to the U.S. Department of Education?**

**A.** In order to ensure the availability of loan funds for borrowers, President Bush signed the Ensuring Continued Access to Student Loan Act of 2008 (ECASLA) into law on May 7, 2008. One of the programs created under this law enabled lenders to sell loans to the Department so that the lender would have funds to provide loans to other borrowers. The sale of federal loans is very common, and by signing the Master Promissory Note (MPN), you authorized the potential sale of your loan to another entity. In this case, your loan was sold or “PUT,” as it is generally called, to the Department.

**Q. How will I be impacted if my loans are sold to the Department of Education?**

**A.** The impact should be minimal. The terms of your loan will remain the same, and your loan continues to be a part of the Federal Family Education Loan Program (FFELP). However, the servicer—the entity you contact to make payments and complete deferments—may change. It is important to note that not all of your loans may be sold to the Department of Education, so you may have multiple servicers. To keep track of your federal student loans, you are encouraged to log on to the National Student Loan Data System (NSLDS<sup>SM</sup>) at [www.nsls.ed.gov](http://www.nsls.ed.gov).

**Q. How will my borrower benefits on my original loan be affected?**

**A.** Your loan terms will remain the same even if your loan is sold. The sole repayment benefit you may have been offered is a 0.25 percent interest rate reduction if you enroll in automatic debit for your monthly loan payments. If you received up-front fee reductions, those have been honored. Any loans that had additional benefits are ineligible to be PUT.

**Q. How will I know if one of my loans has been sold to the Department of Education?**

**A.** You will receive a letter from both your lender and the Department of Education notifying you of which loans were sold.

**Q. I had automatic debit set up to make monthly payments on my loan. Now that it was sold to the Department of Education, will I need to set this up again?**

**A.** Yes, you will need to enroll in the automatic debit service with the Department of Education Loan Servicing Center.

**Q. What happens if I make a payment to my lender/servicer while the loan is in the process of being PUT?**

**A.** Lenders will reconcile loan payments prior to selling the loan to the Department of Education. However, you should review your account carefully in order to ensure payments were applied properly.

**Q. Who do I contact if I am having trouble making my student loan payments?**

**A.** For loans that were PUT, you should contact the Department of Education Student Loan Servicing Center. If you have loans with other servicers, you must contact them as well. Also, if you have any questions or are confused, please feel free to call American Student Assistance® (ASA) at 800.999.9080.

**Q. Will the payment due date change once my loan has been PUT?**

**A.** Your payment due date may change. Payments will be due on the 7th, 14th, or 28th of a month. For your assigned due date, please refer to the letter you received from the Department of Education Student Loan Servicing Center or your account statement.

**Q. Who do I contact with questions about my loans that were sold to the Department of Education?**

**A.** The Department of Education Student Loan Servicing Center. Below is their contact information:  
Address:

**Department of Education Student  
Loan Servicing Center  
PO Box 7063  
Utica, NY 13504-7063  
Phone number: 800.508.1378  
Fax number: 866.938.4751 or 315.223.3855  
Website: [www.ed-servicing.com](http://www.ed-servicing.com)**

Hours of Operation:

**8:00 a.m. to 11:00 p.m. ET, Monday–Friday**

