

# Direct Loans

Federal Student Aid  
U.S. Department of Education



OMB No. 1845-0040  
Form Approved  
Exp. Date 04/30/2008

## Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is §451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1087a *et seq.*) and the authority for collecting and using your Social Security Number (SSN) is §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed to third parties as authorized under routine uses in the appropriate systems of records. The routine uses of this information include its disclosure to federal, state, or local agencies, to other federal agencies under computer matching programs, to agencies that we authorize to assist us in administering our loan programs, to private parties such as relatives, present and former employers, business and personal associates, to credit bureau organizations, to financial and educational institutions, to guaranty agencies, and to contractors in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to counsel you in repayment efforts, to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default, to provide default rate calculations, to provide financial aid history information, to assist program administrators with tracking refunds and cancellations, or to provide a standardized method for educational institutions efficiently to submit student enrollment status.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

## Paperwork Reduction Notice

The time required to complete this information collection is estimated to average 0.0333 hours (2 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data that is needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, D.C. 20202-4651. **If you have any comments or concerns regarding the status of your individual submission of this form, write directly to:**

U.S. Department of Education  
Direct Loan Servicing Center  
Borrower Services Department  
P.O. Box 5201  
Greenville, TX 75403-5201

# Electronic Debit Account

Automatic Student Loan Payment System

Borrower Services  
Federal Student Aid  
U.S. Department of Education

## What is Electronic Debiting?

Electronic Debiting is a service that allows your bank to automatically deduct your monthly student loan payments from your checking or savings account. Your payment will be forwarded from your bank to the Direct Loan Servicing Center for processing.

## What are the benefits?

Electronic Debiting is the most convenient way to make your student loan payments. In addition, if you pay by Electronic Debiting, you may be eligible to have your interest rate(s) discounted by 0.25%! Electronic Debiting is an efficient repayment method that will save you the time and the inconvenience of writing and mailing a check every month. Your student loan payments will be on time.

## How do I set up this service?

1. You can complete and submit the application on the Direct Loan Servicing Center Web site at [www.dl.ed.gov](http://www.dl.ed.gov), or
2. You can complete the attached application by—
  - Making a copy of the application for your records.
  - Writing the word “VOID” on a blank check or savings account deposit slip. **Deposit slips from your checking account will not be accepted because the information provided is sometimes incomplete.**
  - Sending your application and voided blank check or savings account deposit slip to the address at the bottom of the application.

One application will cover all your Direct Loans, and we will keep all of your information confidential.

## How will I know if my application has been approved?

The Direct Loan Servicing Center will notify you in writing about the status of your application for electronic debiting.

## On what day will my bank account be debited and for how much?

The Direct Loan Servicing Center will inform you of your payment due date. Your account will be debited on that date. If the payment due date does not fall on a business day, your bank account will be deducted on the following business day. The amount deducted will be the total of all your current monthly payment amounts held by the U.S. Department of Education.

## What if i change my mind later and want to cancel this service?

To cancel electronic debiting and receive a monthly billing statement instead, contact the Direct Loan Servicing Center at 1-800-848-0979. Because it may take up to 30 days to discontinue electronic debiting, one more automatic payment may be deducted from your bank account before you start receiving monthly statements.

## Where do I mail my application?

U.S. Department of Education  
Direct Loan Servicing Center  
Borrower Services Department  
P.O. Box 5201  
Greenville, TX 75403-5201

## Electronic Debit Account Application

Borrower's Name (Please Print)

Borrower's Account Number

I authorize my bank to deduct my student loan payments automatically from my checking or savings account each month. I agree that I may be charged a return item fee if the funds are not available at the time of the scheduled payment due date. By submitting this form, I agree to the terms and conditions stated above.

I understand that I must make regular payments until I am notified that my application has been approved. If at any time I decide to discontinue Electronic Debiting, I will notify the Direct Loan Servicing Center by calling 1-800-848-0979.

### Bank Account Type — Check One:

Checking  Savings

### Purpose of This Application — Check One:

First Application  Change Banking Information

Bank Name: \_\_\_\_\_

Bank Phone #: \_\_\_\_\_

Bank Routing Number:

Because the routing # on the bottom of your check or savings deposit slip may be incomplete, please verify it with your bank and fill in the boxes.

Checking/Savings Account Number

Signature \_\_\_\_\_  
Holder of Bank Account

Date Signed \_\_\_\_\_

Here is an example of where you can find your 9-digit bank routing number and account on your savings deposit slip or your check.

John Q. Public  
1313 Mockingbird Lane  
Anytowne, FL 12345  
(999) 999-9999

Direct Bank

9 Digit Bank Routing Number: 1 2 3 4 5 6 7 8 9

Savings Account Number: 1 2 3 4 5 6 7 8 9

Deposit to \_\_\_\_\_

Memo \_\_\_\_\_

Total Deposit \_\_\_\_\_

Deposit Cash  
Deposit Checks

Date \_\_\_\_\_

No. 1234

VOID

SAVINGS DEPOSIT

## Mail to this address:

U.S. Department of Education  
Direct Loan Servicing Center  
Borrower Services Department  
P.O. Box 5201  
Greenville, TX 75403-5201

Tear along this line