

2009-2010 Loan Announcement

Barnard College is happy to announce that we will be participating in the Federal Direct Loan program beginning in the 2009-10 academic year. We recently researched and compared two student loan programs for our students, the Federal Family Educational Loan program (FFELP) and the Federal Direct Loan program. During our research it became evident that the direct loan program was the better loan program for our students and parents for a number of reasons.

- The direct loan program is funded directly by the Federal Government, thereby eliminating the middle man (private lenders) and some of the confusion involved in borrowing from third parties.
- Direct loans are never sold by the Federal Government so student borrowers always know who holds their loan and what the repayment terms are. Students will only have to track their loans with one lender instead of multiple lenders.
- Direct lending offers the Public Service Loan Forgiveness program that will forgive remaining debt after 10 years of eligible employment in key public service professions such as teaching, social work and law enforcement.
- The Direct PLUS Loan interest rate is 7.9%. The interest rate for the FFELP PLUS loan is 8.5%. This is a considerable cost savings for our many parents who are currently borrowing PLUS loans through private lenders.

The Financial Aid Office will be sending out more information when award letters are sent in late June. The Office's website will be updated shortly to provide additional information regarding this new loan process. We believe that this is a wonderful opportunity to simplify the process of applying for federal loans.

Some other schools who are currently participating in direct lending are Amherst College, Brown University, Cornell University, Harvard College, MIT, Mt. Holyoke College and Williams College.

I would like to thank the members of the group whose work enabled us to become a part of the Direct Lending Program. They are Greg Brown, Vice-President for Finance & Planning; Denis Riker, Bursar; Eileen DiBenedetto, Controller; Nanette DiLauro, Director of Financial Aid; Janet Landis-Frey, Senior Manager, Financial Aid Office; and Ivan Santiago, Loan Officer, Financial Aid Office.

Dorothy Denburg
Dean of the College