



The header features the U.S. Department of Education logo on the left, the text "U.S. Department of Education" in the center, and the "IFAP" logo on the right. Below the department name is "Information for Financial Aid Professionals (IFAP) Library". A navigation menu includes links for HOME, Help Center, What's New, Schools Portal, Other Links, Feedback, and Privacy. A descriptive sentence states: "The IFAP online library contains technical publications, regulations, and policy guidance on the administration of the Federal Student Aid programs." The FSA logo is also present on the left side of the header.

Publication Date: January 2003

DCL ID: GEN-03-02

Federal Family Education Loan (FFEL) Program loan holders must respond to Consolidation Loan verification requests within 10 business days.

Posted on 01-24-2003

January 2003

GEN-03-02  
G-03-334  
L-03-238

SUBJECT: Federal Family Education Loan (FFEL) Program loan holders must respond to Consolidation Loan verification requests within 10 business days.

Dear Colleague:

It has come to our attention that some FFEL loan holders may not be complying with regulatory requirements to respond to requests from another lender (FFEL or Direct Loans) for certification of loan status for a loan included on a borrower's application for a consolidation loan. Under the FFEL Consolidation Program, 34 CFR 682.209(j) states:

*(j) Certification on loans to be repaid through consolidation.* Within 10 business days after receiving a written request for a certification from a lender under 682.206(f), a holder shall either provide the requesting lender the certification or, if it is unable to certify to the matters described in that paragraph, provide the requesting lender and the guarantor on the loan at issue with a written explanation of the reasons for its inability to provide the certification.

Under the Direct Loan Consolidation Program, 34 CFR 685.220(f)(1)(i) states -

*(f) Origination of a consolidation loan.* (1)(i) The holder of a loan that a borrower wishes to consolidate into a Direct Loan shall complete and return the Secretary's request for certification of the amount owed within 10 business days of receipt or, if it is unable to provide the certification, provide to the Secretary a written explanation of the reasons for its inability to provide the certification.

This is an important obligation that every loan holder must fulfill in order to ensure that a borrower's Consolidation loan is processed in a timely fashion. Loan holders must, within 10 business days after receiving a request for loan certification, provide the requesting lender with the requested certification information or a reason why it is unable to provide the information. Failure to comply with this requirement could result in a lender being subject to fines or other sanctions consistent with 34 CFR 682, Subpart G. Requesting lenders who do not receive loan

certification information or responses informing them why that information is not being provided from a loan holder in a timely manner, should inform their FSA regional lender review staff, so that the Department can follow up with the loan holder.

We hope that this information helps you fully comply with the requirements of the Federal student loan programs.

Sincerely,

Jeffrey Andrade  
Deputy Assistant Secretary  
Postsecondary Education

[Home](#) | [Privacy Statement](#) | [FAQs](#) | [IFAP Search Help](#)  
Copyright © 2002, IFAP. All rights reserved.