



Financing Today for a Better Tomorrow

**FFELP EXIT PROCESSING
UPDATE
April 20, 2010**

Dear Valued Colleagues and Friends:

Thank you for your past and continued support of Lela's student loan programs which have provided over \$150 million in savings opportunities to our students, parents, nurses and teachers in Louisiana since inception.

As you are aware, effective July 1, 2010, the Federal Family Education Loan Program (FFELP) will be eliminated as a result of the recently enacted federal legislation, specifically, the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152). Thus, we would like to update you on the following exit guidelines gathered from Lela's third party servicer, Edfinancial, and guarantor providers.

According to federal law, all **NEW** FFELP loans must be first disbursed **no later** than June 30, 2010. In order to assist you with meeting this requirement, please adhere to the following deadlines:

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| June 18, 2010 | Schools should have <u>all new Lela loans certified</u> and submitted for processing. |
| June 24, 2010 | All Lela loans must be " <u>disbursement ready</u> " by close of business (COB), 5pm eastern. This includes: <ul style="list-style-type: none">- certified and guaranteed- credit check (if applicable)- complete/valid MPN or e-sign- All other requirements are satisfied. <p>(Note: If the loan is blanket guarantee and the guarantor utilizes the lender approval date or first disbursement date as the guarantee date, Edfinancial will process using the blanket guarantee.)</p> |
| June 24, 2010 | Last date for school to release any loans on "HOLD" status. |
| June 24, 2010 | Last date Edfinancial will roster loans for a first disbursement which includes all methods (EFT, CHECKS , etc). |
| June 30, 2010 | Final date to make new FFELP loan disbursements <u>provided the disbursement is on the June 24, 2010 roster.</u> |
| September 15, 2010 | All Lela loans must be <u>FULLY disbursed</u> on this date. If you have previously processed a loan set to be fully disbursed after this date, we will contact you to discuss your situation. |

Many thanks for your assistance and cooperation as Lela and our partners work to hopefully provide you with more seamless transition for our students and parents in the upcoming months. We certainly appreciate you and continue to value our partnership through the years and look forward to continuing to serve you in new ways going forward.

The Lela Team

For more information and specific details, please contact the Lela office at 1-800-228-4755.