



SPECIAL ANNOUNCEMENT

July 13, 2010

Important Change. It is important to advise you of the significant change to the federal student loan program. This mandatory change is currently impacting our ability to award you federal student financial aid funds in a timely manner. Although we anticipate that we will have your financial aid evaluated and processed by the middle of August 2010, it was important that you are aware of the cause of the delay in your federal student loans.

Recent New Law. On March 30, 2010, President Obama signed into law the Health Care and Education Reconciliation Act (HCERA) (Public Law 11-152), which made substantial changes to the federal student aid programs. On June 30, 2010, this law eliminated the Federal Family Educational Loan Program (FFELP) and replaced it with the Federal Direct Loan Program (FDLP) for all federal student and parent loans.

Your School Makes Application. As of July 1, 2010, your school made application to participate in the William D. Ford Federal Direct Loan Program for all federal student and parent loans. This change was made to ensure students and parents access to loan funding. By participating in the direct loan program, your loans will be disbursed directly from the Federal Government. This program is easy for families to understand; borrowers have one source for student loan servicing throughout the life of your loan.

Nationwide Transition. Across America, hundreds of colleges, universities, and post-secondary schools are currently transitioning from FFELP to FDLP. This transition has resulted in bottlenecks and delays that are out of the school's control. Schools are experiencing delays in the gathering the information and credentials required for the application to participate in FDLP. It is also possible that FDLP funds that flow from the federal system may be delayed.

Application Delays. As of July 13, 2010, your school may be awaiting required documentation or final approval of its application to participate in FDLP. Please be assured that your school is monitoring the application and documentation on a daily basis and will push through your individual financial aid awards and your Federal Direct Loan, if you are otherwise eligible, as soon as possible.

Our Priority. Federal guidelines are strict and limit what your school can do to help you with interim funding. Daymar will, however, keep you informed, and we pledge to you, our valued Daymar student, that this matter is of the highest priority to us.

Your Questions and Cooperation. If you have any questions about your school's transition to FDLP and how this transition impacts processing your student loan for 2010-11, please set up a time to speak with your Financial Services representative. To help you, we have prepared some Frequently Asked Questions and the answers. Thank you for your cooperation.

Daymar Moves to Federal Direct Loan Program (FDLP), Summer 2010 Frequently Asked Questions

July 2010

Q. What are the steps to obtaining a loan for the 2010-2011 school year?

- A. Follow these steps. Note that these forms are electronic and available on the school's website.
- Complete the 2010-2011 FAFSA with your and your parents 2009 federal tax forms.
 - Complete the Loan Request Form.
 - Complete Student Loan Entrance Counseling.
 - Complete the Master Promissory Note (MPN).

Q. What are the benefits in the direct lending program?

- A. FDLP loans provide
- A guaranteed source of funding for student loans.
 - A low interest rate for parent PLUS loans.
 - A single point of service for borrowers while in school and during repayment.
 - Various repayment options for students and interest rate reductions.

Q. Why did Daymar move to FDLP?

- A. To ensure access to student and parent loan funding, Daymar followed the federal mandate.

Q. Will I still choose the lender that I had in previous years?

- A. No. Beginning summer 2010, all federal loans will be processed through the Direct Lending Program, which means you will be borrowing directly from the Federal Government.

Q. How will repayment work with FFELP and Direct Loans?

- A. You can consolidate your previous FFELP loans with your Direct Loans and have only one payment when you go into repayment. Otherwise, you will have to make separate payments.

Q. Where can I find information about who services my other federal loans?

- A. You can find your previous federal loan information on www.nslds.ed.gov. You will need your PIN number from the FAFSA to access your information.

Q. Where can I receive information about the entire Direct Loan process?

- A. For information about FDLP and your individual account, loan consolidation, electronic services, payments, and other options, log on to www.studentloans.gov.

Q. I applied for financial aid, as usual, and I submitted all required documents. I have some of my awards, but I do not have any student loan funds for Summer 2010. What is the problem?

- A. Your school's application and final approval to participate in FDLP may be in process and caught in one of the bottlenecks, as hundreds of colleges and schools across the nation transition to FDLP during the summer 2010.

Q. Can Daymar just process a student loan for me through the lender that I used last year?

- A. No. The FFELP program is obsolete and the lender you used last year is prohibited from making a federal student loan to you, effective July 1, 2010.

Q. Can Daymar just give me some money to take the place of my student loan?

- A. No. Federal guidelines prohibit Daymar from replacing federal student loan funds with institutional funds.

Q. Will Daymar hold my balance due to the school until my student loan comes through?

A. Daymar will defer payment up to the amount of your student loan until we are able to process your student loan, if you have completed the FAFSA and supplied all required documents and if your school has determined that you are otherwise eligible for a student loan.