

DEPARTMENT OF EDUCATION

Office of Postsecondary Education—
William D. Ford Federal Direct Loan
Program

AGENCY: Department of Education.

ACTION: Notice of deadline for submission of loan records and promissory notes.

SUMMARY: This notice establishes the deadline for the submission of all William D. Ford Federal Direct Loan (Direct Loan) Program electronic loan records and promissory notes to the Secretary for the 1997–1998 academic year (Year 4).

DEADLINE DATES FOR SUBMISSION OF RECORDS: Institutions that participated in the Direct Loan Program during academic year 1997–1998 (Year 4) must submit all electronic loan records and promissory notes associated with Direct Loans made during that year to the Secretary no later than August 2, 1999.

SUPPLEMENTARY INFORMATION: An institution that participates in the Direct Loan Program is required under 34 CFR 685.300(b)(6) to comply with all requirements established by the Secretary relating to loans made under that program. The Secretary has the authority under this provision to establish a deadline by which all required electronic records and promissory notes for a particular academic year must be final, complete, accurate, and submitted to the Secretary.

The Secretary believes that establishing an annual deadline for the submission of all electronic records (both initial and adjusted or revised records) and promissory notes is necessary to protect the rights of borrowers, and to protect the United States from unreasonable financial risks. Under 34 CFR 685.309(a), schools that participate in the Direct Loan Program are required to establish and maintain proper administrative and fiscal accounting procedures. The establishment of an annual submission deadline promotes compliance with this requirement. An annual deadline also enables the Secretary to close out the processing of Direct Loan Program cash records for an academic year and makes

it easier for the Secretary to determine that Direct Loan funds were disbursed appropriately to student and parent borrowers. Further, an annual deadline enables the Secretary to conduct program reviews of Direct Loan schools more efficiently, since all Direct Loan records submitted to the Secretary by the deadline are final.

The annual submission deadlines established in this notice are separate from the 30-day requirement for the regular submission of initial electronic records and promissory notes. Under 34 CFR 685.301(d), Direct Loan schools that participate under Origination Option 1 or Origination Option 2 must submit loan origination records, promissory notes, and disbursement records no later than 30 days after the date the disbursements are made. Schools that participate under Standard Origination must submit initial and subsequent disbursement records to the Secretary no later than 30 days after the date of each disbursement.

In some cases, institutions may need to adjust or revise electronic records that were previously submitted to the Secretary within the regular 30-day time period. The annual submission deadline established in this notice is the date by which all electronic records (whether adjusted/revised or initial) and promissory notes for the 1997–1998 academic year (Year 4) must be submitted to and accepted by the Secretary. If initial records and promissory notes have not been submitted before the annual deadline, the annual submission deadline supersedes the regular 30-day requirement under 34 CFR 685.301(d). Therefore, any initial records or promissory notes for the 1997–1998 academic year must be submitted to the Secretary by the annual submission deadline, even if that date is earlier than the regular 30-day deadline.

Any electronic record or promissory note for the 1997–1998 academic year that is submitted to the Secretary after the annual submission deadline will be rejected. This includes any record or promissory note that was previously submitted, but rejected, on or before the submission deadline. Records and promissory notes that have been

rejected and remain incomplete or inaccurate by August 2, 1999 may result in institutional, rather than Federal, responsibility for the loan or portion of the loan.

FOR FURTHER INFORMATION CONTACT: Jon Utz, U.S. Department of Education, 400 Maryland Avenue, SW, ROB–3, Room 3045, Washington, DC 20202–3272. Telephone (202) 708–8242. If you use a telecommunications device for the deaf (TDD) you may call the Federal Information Relay Service (FIRS) at 1–800–877–8339.

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(Catalog of Federal Domestic Assistance Number 84.268, William D. Ford Federal Direct Loan Program)

(**Program Authority:** 20 U.S.C. 1087a *et seq.*)

Dated: July 1, 1999.

Greg Woods,

Chief Operating Officer for the Office of Student Financial Assistance.

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