

# Direct Loan Consolidation



## Borrower



### Application Submittal

A student loan borrower begins the Direct Loan Consolidation process by logging into their account at [studentloans.gov](http://studentloans.gov), where they can apply to consolidate their Federal Direct loans and select a servicer.

## U.S. Dept. of Ed.



### Application Review

Sends application information to originator (i.e., borrower's selected servicer) to be entered in their system and reviewed.

## Originator



### Loan Verification Certificate (LVC)

An originator, such as Great Lakes, sends an LVC to verify the borrower's application.



### Payoff Manifest & Payoffs

Sends funds to pay off existing loans.

## Becomes Servicer



### Loan Creation

Once the loan holder receives funds to pay off the borrower's existing loans, the originator/servicer creates the consolidation loan.

## Borrower



- Notified the application was received.
- Informed of next steps.
- Contacted for missing or incorrect information.



- Receives Loan Summary statement.
- Notified they have 10 days to make changes.



The student loan borrower receives a new Direct Consolidation loan! Their selected servicer sends them important information, such as their repayment schedule, about their new loan.

## Loan Holder



### LVC Response

A loan holder, such as a school or lender, sends the LVC response.



### Paid in Full

Although the process is designed to be as accurate as possible, underpayments or overpayments may occur.