

Direct Loan Consolidation



Borrower



Application Submittal

A student loan borrower begins the Direct Loan Consolidation process by logging into their account at 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.