What is a Federal Consolidation Loan?
A Federal Consolidation Loan is a loan that repays all your outstanding eligible federal student loans and replaces the multiple payments you may be making each month with a single student loan payment. This loan is not to be confused with private consolidation loans which may consolidate other types of debt (credit cards, private loans, etc.,) in addition to student loans, but do not have the same benefits as a Federal Consolidation Loan.

What loans can I consolidate?
- Federal and Federal Direct Stafford (subsidized and unsubsidized)
- Federal and Federal Direct PLUS
- Supplementary Loans for Students (SLS)
- Federal Perkins
- Federal Nursing Student Loans (NSL)
- Health Professions Student Loans (HPSL)
- Loans for Disadvantaged Students (LDS)
- Federal Insured Students Loans (FISL)
- Federal Consolidation Loans
- Federal Direct Consolidation Loans

How do I apply for a Federal Consolidation Loan?
STEP 1: Obtain all of your student loan information: loan type, current balance, lender’s name and address, account number, and the current interest rate. If you have a problem locating your records, go to www.nslds.ed.gov to retrieve student loan information. (see How To Find Your Loans©)
STEP 2: Gather all of your personal information (address, home telephone number, Social Security number, e-mail address, driver’s license number, date of birth and two references) and employer information (name, address and telephone number).
STEP 3: Select a lender you would like to work with. Here’s a tip: If one of your current lenders offers consolidation loans, you may want to consider working with them since they already have your loan information on file.
STEP 4: Make sure your total loan balance meets the lender’s minimum requirement to obtain a consolidation loan. Some lenders require a minimum of $7,500 to consolidate; some require $15,000. These amounts will vary from lender to lender.
STEP 5: Complete a consolidation loan application. The application process may include the ability to complete an on-line application, download and print an application or request a paper application by telephone or e-mail. Some lenders will allow you to complete an application over the telephone. Make sure you have all of the information in steps one and two ready before you make the call.

STEP 6: Choose a repayment plan. The lender will offer you several repayment options. Review and pick the one that best suits your financial situation.

STEP 7: Read and sign the promissory note. Some lenders may offer you the option of signing electronically; others may only take a signed paper promissory note. Either way, you accept the loan with your signature.

STEP 8: Maintain your payment schedule with your current lender. Funding for the consolidation loan can take six to ten weeks to process depending upon the lender; therefore, it is important to keep making payments to your current lender if you are in repayment status.

STEP 9: Review the loan disclosure statement. After your loan is disbursed, a disclosure statement will be sent to you. It will contain detailed information regarding your new consolidation loan. Review it to make sure all loan information is correct and keep it in your files.

What lender do you recommend?
We do not endorse any particular company; however, here is a short list to help you get started. You can find more consolidation loan companies on the Internet. It is important for you to research any company before giving your business and loans to them.

- ACS
  www.acs-education.com

- EDFUND®
  www.edfund.org

- Direct Consolidation Loan
  www.loanconsolidation.ed.gov