

Understanding ECASLA

A Side-by-Side Comparison of Programs Within the Ensuring Continued Access to Student Loans Act of 2008

The Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) created programs to ensure that federal loan funds remained available to eligible borrowers by increasing liquidity in the student loan marketplace.

Below is a side-by-side comparison chart as well as a brief description of each of the programs along with American Student Assistance’s processing details if applicable.

Program	Loan Purchase Commitment Program (PUT)	Loan Purchase Commitment Program (PUT) Extension	Loan Participation Purchase Program	Conduit
Objective	Commitment by U.S. Department of Education (ED) to purchase eligible 2008/2009 FFELP loans through October 15, 2009, and eligible 2009/2010 loans through September 30, 2010.	Commitment by ED to purchase eligible 2009/2010 FFELP loans through September 30, 2010. Provide liquidity after fully disbursed.	Commitment by ED to purchase “participation interests” in eligible 2008/2009 FFELP loans through September 30, 2009. Provide liquidity as disbursements are made.	ED promises to purchase the loans if the commercial paper that has been issued by the conduit cannot be reissued and the conduit doesn’t have sufficient cash to repay the investors. Provide security for commercial paper backed by loans.
Terms			Loans can either be redeemed by lender by paying off ED or can be sold (PUT) to ED outright.	
Purchase Price	Current Outstanding Principal Balance: <ul style="list-style-type: none"> Accrued interest owed by borrower Reimbursement of 1% lender fee \$75 per loan 	Current Outstanding Principal Balance: <ul style="list-style-type: none"> Accrued interest owed by borrower Reimbursement of 1% lender fee \$75 per loan 		Purchase Price: “...the Department will agree to purchase loans at either 97% or 100% of the total of the outstanding principal balance plus accrued but unpaid interest as of the purchase date, depending on the characteristics of the loan.” <ul style="list-style-type: none"> “...Secretary of Education determined that 100% of outstanding principal and accrued interest was the appropriate price for those loans first disbursed on or after May 1, 2008, with no borrower benefits or only ‘eligible borrower benefits,’ and not more than 255 days delinquent at the time of purchase...” ...97% of principal and interest for any other loans.

Continued on reverse.

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Program	Loan Purchase Commitment Program (PUT)	Loan Purchase Commitment Program (PUT) Extension	Loan Participation Purchase Program	Conduit
Loan Dates	<ul style="list-style-type: none"> Academic Year 2007/2008 included in Short-Term PUT <ul style="list-style-type: none"> Loan period included or began on or after July 1, 2007 First disbursement was on or after May 1, 2007, and no later than July 1, 2008 Must have been PUT by February 28, 2009 Academic Year 2008/2009 <ul style="list-style-type: none"> Loan period includes or begins on or after July 1, 2008 First disbursement on or after May 1, 2008, and no later than July 1, 2009 Will be fully disbursed no later than September 30, 2009 Must be PUT by October 15, 2009 Academic Year 2009/2010 <ul style="list-style-type: none"> Loan period includes or begins on or after July 1, 2009 First disbursement on or after May 1, 2009, and no later than July 1, 2010 Will be fully disbursed no later than September 30, 2010 Must be PUT by September 30, 2010 	<p>Made for loan periods that include, or begin on or after July 1, 2009:</p> <ul style="list-style-type: none"> First disbursed on or after May 1, 2009, but no later than July 1, 2010 Fully disbursed by September 30, 2010 	<p>Made for loan periods that include, or begin on or after July 1, 2008:</p> <ul style="list-style-type: none"> First disbursed on or after May 1, 2008, but no later than July 1, 2009 Fully disbursed by September 30, 2009 	<p>Loans made between October 1, 2003, and July 1, 2009:</p> <ul style="list-style-type: none"> First disbursement on or after October 1, 2003, and no later than July 1, 2009 Fully disbursed by September 30, 2009 Conveyed to conduit by June 30, 2010 This program expires no later than September 30, 2014
Final Purchase Date	<ul style="list-style-type: none"> October 15, 2009, for 2008/2009 loans September 30, 2010, for 2009/2010 loans 	September 30, 2009 (really 45 days prior)	<ul style="list-style-type: none"> September 30, 2009 	<ul style="list-style-type: none"> September 30, 2014
Still an ASA® Loan?	Until sold.	Until sold.	Yes, but if PUT, the loan moves at time of sale.	Yes, while in conduit; changes if ED buys conduit loans.
Loan Types	<ul style="list-style-type: none"> Subsidized and unsubsidized Stafford loans Grad and Parent PLUS loans Consolidations loans excluded LLR loans excluded Defaulted loans or claim filed loans excluded Loans 210 or more days delinquent excluded 	<ul style="list-style-type: none"> Subsidized and unsubsidized Stafford loans Grad and Parent PLUS loans Consolidations loans excluded LLR loans excluded Defaulted loans or claim filed loans excluded Loans 210 or more days delinquent excluded Loans with borrower benefits other than upfront fee payments or .25% interest rate reductions excluded 	<ul style="list-style-type: none"> Subsidized and unsubsidized Stafford loans Grad and Parent PLUS loans Consolidations loans excluded LLR loans excluded Defaulted loans or claim filed loans excluded Loans with borrower benefits other than upfront fee payments or .25% interest rate reductions excluded 	<ul style="list-style-type: none"> Subsidized and unsubsidized Stafford loans Grad and Parent PLUS loans Details to be released
When	Loans must be fully disbursed to be purchased.	Loans must be fully disbursed to be purchased.	As each disbursement released.	Loans put in conduit as disbursed.
Miscellaneous	Must give ED 45-day advance notice before purchase.			<p>Borrower benefits: While loans that have a direct payment to a borrower as a borrower benefit—rather than an interest or principal reduction—are eligible for inclusion in the conduit, ED will require the holder of the loan to make the payment to the borrower prior to sale to ED, regardless of whether the borrower actually earned the benefit.</p> <p>Unfortunately, most repayment benefits offered to borrowers are in the form of interest or principal reduction.</p>