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.

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

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

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.

U.S. Dept. of Ed.

• 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.