

CHAPTER THIRTEEN

OFFICE OF STUDENT FINANCIAL ASSISTANCE OMBUDSMAN

A new provision has been added requiring that the institution provide the borrower with information on the availability of the Student Loan Ombudsman's office (at the Department of Education), if the borrower disputes the terms of the loan in writing and the institution does not resolve the dispute.

WHAT IS AN OMBUDSMAN?

An ombudsman resolves disputes from a neutral, independent viewpoint. The OSFA Ombudsman will informally conduct impartial fact-finding about borrower complaints. They will recommend solutions, but will not have the authority to reverse decisions. They will also work to bring about changes that will help prevent future problems for other student loan borrowers.

WHAT CAN THE OMBUDSMAN DO FOR ME?

The Ombudsman will informally research your problem and determine if you have been treated fairly. If your student loan complaint is justified, we will work with you and the office, agency, or company involved in the problem. On your behalf, we will contact:

- Other offices within the U.S. Department of Education,
- Your private lender (banks, credit unions, savings and loan associations, and others).
- Your loan guaranty agency or firm collecting your loan.

If your complaint is not justified, we will take the time to explain how we came to the conclusion.

The Ombudsman is not an advocate or someone who will automatically take your side in a complaint. We must consider all sides in an impartial and objective way. Often, the process of finding all the facts of a complaint and explaining that information to all the parties involved leads to the development of reasonable and fair solutions. It's the Ombudsman's job to help develop fair solutions to complex and difficult problems.

WHEN SHOULD I GO TO THE OMBUDSMAN?

It's best to think of the Ombudsman as a last resource. We will try to help when other approaches have failed. If you have a complaint, first calmly discuss it with the person, company, or office directly involved. If needed, ask to speak with someone higher up, such as a supervisor. In many cases, this action can resolve the problem or help you better understand the reason for the answer you have received.

When you have made a reasonable effort to resolve a problem through normal processes and it is still not resolved, contact the Ombudsman.

ARE THERE PROBLEMS AND DISPUTES THAT THE OMBUDSMAN WILL NOT HANDLE?

The OSFA Ombudsman does not provide general customer services. For example, we don't process general student aid information requests or any federal aid application forms. For general assistance, visit the [**OSFA Website**](#).

Also, we don't disburse loans, take in loan payments, process deferments, or mail out forms. Contact your lender or loan collection agency directly for information about these services. If your loan is serviced by the [Direct Loan Servicing Center](#), please call 1-800-848-0979. If you don't know who your lender is, call 1-800-4-FEDAID.

We will not accept complaints about grants or private sources of student financial aid. We also won't accept complaints when the U.S. Department of Education has already begun formal or legal investigations.

The OSFA Ombudsman will only accept complaints about Direct Loans, FFELP Loans, Guaranteed Student Loans, and Perkins Loans (collectively referred to as Title IV Loans and authorized under the Higher Education Act of 1965, as amended). The U.S. Department of Education administers these loans.

WHERE ELSE CAN I GO FOR HELP?

The U.S. Department of Education offers a number of toll-free telephone services and informative web sites. We suggest you go to our [Financial Aid for Students Home Page](#) at www.ed.gov/studentaid

HOW CAN I RESOLVE STUDENT LOAN PROBLEMS ON MY OWN?

While there is no single best way to get action on a complaint, there are a number of steps that you can take on your own. Frequently, by your own actions you can resolve the problem quickly. Here are a few suggestions to help you get results:

- **Before you complain**, review your student loan documents, promissory note, Borrower's Right's and Responsibilities statement, and any loan counseling materials you received from your school. Try to determine what your rights are and what you want to have happen. Gather together and have ready any papers you will need, such as your promissory note, repayment information, copies of any deferment and forbearance forms you sent in, and copies of any letters and bills sent to you.
- **Who you should contact** depends upon the type of loan you have and whether your loan is in default.

Perkins Loan problems: If the problem lies at the school, contact the financial aid office first. Also, ask if the school has any kind of administrative review process or Ombudsman service, (many do). If your problem is with a collecting agent, contact that agency first.

Direct Loan problems: Contact the Direct Loan Servicing Center toll-free at 1-800-848-0979 or go to the Direct Loan Website: www.dlservice.ed.gov

FFEL and Guaranteed Student Loans: Contact your lender or loan servicer. You borrowed the loan money from a lender. A loan servicer is the business that sends you bills and notices about repaying your loan. Find out if your lender or loan servicer has a complaint resolution process that you can use to appeal a decision that you feel is unfair or does not address your problem. Another option is to contact the agency that guarantees your loan. This information is found on your copy of the loan promissory note. For often asked FFEL and Guaranteed Student Loan questions and answers read: FFEL Program Frequently Asked Questions.

- **Start** by clearly and calmly presenting the facts of the problem. ALWAYS keep detailed records of people you talk to, including names and dates, what you said and what they said.

- **Ask for someone higher up** if the first person you speak with cannot help you. Work through the system to take advantage of the customer services offered by the school, lender, servicer, or the Department of Education. Allow time for your request to be processed. Some problems take more time to resolve than others do.
- **When you have done all you can on your own**, contact the OSFA Ombudsman.

Note: Borrowers may contact the Ombudsman's office at 1-887-557-2575 (not a toll-free call) or at <http://osfaombudsman.ed.gov>.