



# ST. FRANCIS COLLEGE

## THE SMALL COLLEGE OF BIG DREAMS

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### Frequently Asked Questions: Direct Stafford Loan

Students who are borrowing for the first time through the Federal Direct Stafford Loan (Subsidized and/or Unsubsidized) Program must complete a Direct Loan Master Promissory Note (MPN) and Entrance Loan Counseling in order to receive their Direct Loan funds. The MPN authorizes St. Francis College to credit the Direct Loan funds to the student's SFC account. Once you complete the MPN and Entrance Loan Counseling, you will not have to complete either for the duration of your education at St. Francis College.

#### **What is a Master Promissory Note (MPN)?**

The MPN is a promissory note that can be used to make one or more Direct Stafford loans for one or more academic years (up to 10 years).

#### **How do I complete my MPN?**

The electronic MPN is available on the U.S. Department of Education's Direct Loan Servicer website [www.studentloans.gov](http://www.studentloans.gov) and allows you to complete and sign an MPN on the web. The MPN authorizes St. Francis College to send the Direct Loan funds to your SFC student account.

#### **What is Entrance Loan Counseling?**

If you are a first-year student or a first-time Direct Stafford Loan borrower, you must also complete the required Direct Loan Entrance Counseling at [www.studentloans.gov](http://www.studentloans.gov). This interactive counseling session will help you understand your loan responsibilities.

#### **What is Exit Loan Counseling?**

All recipients of a Federal Direct Loan who withdraw, drop below six (6) credits, or graduate must complete an Exit Counseling session on the web at [www.nslds.ed.gov](http://www.nslds.ed.gov). During this counseling, you will be able to view your loan history and learn about deferral and repayment options.

#### **What is the difference between a subsidized and unsubsidized Direct Stafford Loan?**

A subsidized loan is a loan in which federal government pays the interest during the enrollment period. The interest begins to accumulate once you withdraw, drop below six (6) credits, or graduate. An unsubsidized loan is a loan which accumulates interest immediately.

#### **What is the interest rate for a subsidized and unsubsidized Direct Stafford Loan?**

Interest rates are determined by the federal government every July 1. You can logon to [www.studentaid.ed.gov](http://www.studentaid.ed.gov) for the latest interest and repayment information.

**\*\*\*Instructions continue on the reverse side. \*\*\***

## How to Apply For Your Direct Stafford Loan

### What you will need to complete the MPN

#### 1. A Department of Education PIN Number:

- Students, parents, and borrowers are required to use an *FSA ID*, made up of a username and password, to access certain U.S. Department of Education websites. Your FSA ID is used to confirm your identity when accessing your financial aid information and electronically signing your *federal student aid* documents.
- An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.
- Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your identity to the federal government could result in criminal or civil penalties. This can be done at <https://fsaid.ed.gov/npas/index.htm>

#### 2. You will also need:

- Your Social Security Number
- Your permanent address and telephone number
- Your driver's license number
- Names, addresses, and phone numbers for two references

In order to receive your Direct Stafford Loan funds in a timely manner, it is best to complete the MPN online at [www.studentloans.gov](http://www.studentloans.gov). When you complete the MPN online, you receive a confirmation number immediately so that you know immediately that the federal government has received and accepted the MPN. You can request a paper version be sent to you; however that will delay the receipt of your Direct Stafford Loan funds.

#### Step 1: Complete Your MPN online:

1. Go to [www.studentloans.gov](http://www.studentloans.gov)
2. Log in using your username and password
3. Be sure to review the "What You Need" and "What to Expect" sections of the website. If you need technical assistance, click on the "Contact Us" section of the site.
4. Select "Complete Loan Agreement (Master Promissory Note)."
5. Be sure to select the correct name and address of the school: **Saint Francis College 180 Remsen Street, Brooklyn, NY 11201**
6. Print a copy for your records.

#### Step 2: Complete Your Entrance Loan Counseling:

1. On the [www.studentloans.gov](http://www.studentloans.gov) homepage, select "Complete Loan Counseling (Entrance, Financial Awareness, Exit)"
2. Be sure to review the information carefully, then select "Complete Entrance Counseling"
3. Select the counseling type
4. Be sure to review the information carefully, then select "Continue". When you have complete the session, print a copy for your records.

**\*\*\*Please Note: Loan proceeds will not disburse until both steps below have been successfully completed. \*\*\***