

### **Important Loan Information Regarding your Federal Student Loans**

Federal student loans are issued by the U.S. Department of Education. This instruction sheet will educate you on the steps you need to complete to receive federal student loans.

#### **Required steps for receiving federal student loans:**

- Accept your aid electronically on the [TU Portal](#) indicating **YES** or **NO** for federal student loans.
- Sign a Master Promissory Note (MPN) electronically at <https://studentaid.gov> (see instructions on back).
- Complete entrance counseling electronically at <https://studentaid.gov>.

**YOU WILL NOT RECEIVE FEDERAL STUDENT LOANS UNTIL THE ABOVE THREE ITEMS ARE COMPLETE.**

#### **HELPFUL FACTS**

**Direct Subsidized Loan:** The current interest rate for a Direct Subsidized Loan is determined each June for new loans being processed for the upcoming award year, which runs from July 1 to the following June 30. The fixed interest rate will be for the life of the loan. The government will deduct an origination (processing) fee from each Direct Subsidized Loan disbursement. Refer to <https://studentaid.gov/understand-aid/types/loans/interest-rates> for the actual interest rate and origination fee for your Direct Subsidized Loan. The government pays the interest on this loan while you attend school at least half-time, during the first six months of repayment once you graduate or drop below half-time enrollment (referred to as a grace period), and during a deferment period. As of 7/1/13, a new provision was added to the Direct Loan requirements that limit a first-time borrower's eligibility for Direct Subsidized Loans to a period not to exceed 150 percent of the length of the borrower's educational program. Only first-time borrowers on or after 7/1/13 are subject to the new provision. Acceptance of this loan requires you to complete an electronic Master Promissory Note (MPN) and entrance counseling with the U.S. Department of Education.

**Direct Unsubsidized Loan:** The current interest rate for a Direct Unsubsidized Loan for undergraduate and graduate/law students is determined each June for new loans being processed for the upcoming award year, which runs from July 1 to the following June 30. The fixed interest rate will be for the life of the loan. The government will deduct an origination (processing) fee from each Direct Unsubsidized Loan disbursement. Refer to <https://studentaid.gov/understand-aid/types/loans/interest-rates> for the actual interest rate and origination fee for your Direct Unsubsidized Loan. The government does not pay your interest on this loan while you attend school at least half-time, during grace period, and during deferment or forbearance periods. Interest begins accruing at the time the loan disburses. You may defer the interest payment, or you may pay the accrued interest quarterly. Both options are listed on the electronic Master Promissory Note (MPN). Acceptance of this loan requires you to complete an electronic Master Promissory Note (MPN) and entrance counseling with the U.S. Department of Education.

Direct Subsidized and Unsubsidized Loans are made in two equal disbursements for a two-semester loan. At least one-half of the loan period must elapse before the second disbursement can be released. Direct Loans credit your student Bursar account no earlier than the first day of class upon the completion of a MPN and entrance counseling. A disbursement letter will be emailed to your TU email address when funds are credited. You have the right to cancel all or any portion of the loan within 14 days of the loan crediting your student Bursar account. After all university charges have been paid in full, any excess loan proceeds will be refunded by the Bursar's Office within 14 days to the student.

Loan repayment begins six months after you drop below half-time enrollment. Refer to <https://studentaid.gov/manage-loans/repayment/plans> for repayment plans.

This document was prepared based on the best information available at the time it was printed (04/21/21). All information is subject to change without notice or obligation.

## What to Expect as You Complete your MPN at <https://studentaid.gov>

**LOG IN** – You will be prompted to enter your U.S. Department of Education FSA ID. If you do not have an FSA ID, you may create one at <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-04-19/next-gen-fsa-retirement-fsaidedgov-website-ea-id-general-21-24>.

**NOTE:** If you wish to receive electronic confirmation of your completed MPN, select “Settings” from the dropdown by your name. Select “Contact Information” from the list on left hand side of the page.

**SELECT “Complete a Master Promissory Note (MPN)” from the COMPLETE AID PROCESS dropdown**

**CHOOSE THE TYPE OF DIRECT LOAN MPN YOU WOULD LIKE TO PREVIEW or COMPLETE** – All federal student loans require an MPN. Select the MPN for “I’m an Undergraduate Student,” “I’m a Graduate/Professional Student,” or “I’m a Parent of an Undergraduate Student.” Note: A graduate student must complete two MPNs, if accepting both a Direct Unsubsidized Loan and a Direct Graduate PLUS Loan.

**SUBMIT MASTER PROMISSORY NOTE** – Complete all 5 tabs.

<b>Tab 1: Information</b>	Enter borrower, student, and school information.
<b>Tab 2: References</b>	Provide personal information and two personal references. The references must have different phone numbers and U.S. addresses, do not live with you, and have known you for at least 3 years.
<b>Tab 3: Agreements</b>	Read the MPN Agreement which includes Terms & Conditions, Important Notices, Borrower’s Rights & Responsibilities, Right to Cancel, Loan Process, and Loan Repayment Process.
<b>Tab 4: Review and edit</b>	Review and edit any of the information for the borrower, student, or school as well your references.
<b>Tab 5: Sign &amp; Submit</b>	If you need to correct the information you provided, then click on <b>Tab 4: Review &amp; Edit</b> at the top of the page or cancel the MPN process now. This section certifies you have read, understand, and agree to the MPN Terms and Conditions including the Borrower’s Request, Certifications, Authorizations, and Understandings in addition to the Borrower’s Rights & Responsibilities Statement. All of which is important information about the loan(s) you may receive under your MPN. If the information is correct, enter your name (the borrower). It must match the name on your FSA ID. The time and date of your signature will be made part of your completed MPN.

**SUCCESSFULLY SUBMITTED MPN** – You will receive an immediate response and an email confirming submission of your MPN, if set up to receive emails. The school will be notified of your MPN completion within 24 hours. To confirm your MPN was submitted, select “Documents” from the dropdown by your name. Select “Master Promissory Note (MPN)” from the dropdown for Completed Documents.

View, save and/or print a copy of your completed MPN for your records.

If you experience any problems in completing your MPN, contact the Student Loan Support Center at 800-557-7394.