Dear First Year Student at WPI,

Your financial aid award for the upcoming 2015-2016 academic year may include a Federal Direct Stafford Loan(s). Completing the Free Application for Federal Student Aid, or FAFSA, is a prerequisite for borrowing from this loan program. To assist you with completing the application requirements for this loan(s), step-by-step instructions are included on the reverse of this letter outlining how to complete your online Master Promissory Note (MPN) and Entrance Counseling so that these loan funds will pay to your WPI student account in a timely manner. You, as the student borrower, should make every effort to complete these two steps by August 14th.

What are the specifications for the Federal Direct Stafford Loan Program? The student is the borrower for the Stafford Loan, while the U.S. Department of Education is the lender. The Subsidized Stafford Loan is offered to students who demonstrate financial need; therefore, no interest on this loan is charged while students are enrolled at least half-time. The Unsubsidized Stafford Loan is offered to students who may not demonstrate financial need, so interest does accrue on this loan at all times. Both the Subsidized and the Unsubsidized Stafford Loans carry an interest rate of 4.29% for undergraduate borrowers for loans first disbursed on or after July 1, 2015 until June 30, 2016. Loan limits vary with the student’s year in school. For additional information on the Federal Direct Lending program, please visit http://studentaid.ed.gov/types/loans.

What is a Master Promissory Note (MPN)? The Master Promissory Note (MPN) is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). All schools participating in the Direct Lending Federal Stafford Loan program are required to use the Master Promissory Note (MPN).

What is Entrance Counseling? Entrance Counseling walks you through the Direct Loan process and explains your rights and responsibilities as a borrower. You will be prompted to answer some questions. When you have completed the session, a confirmation will be sent to WPI.

Why do I need to complete an MPN and Entrance Counseling? You must complete both of these two steps in order to borrow a Federal Direct Stafford Loan. If you do not complete both steps, then your Federal Direct Stafford Loan funds will not pay to your WPI account, your loan(s) will be cancelled, and you will be billed by WPI for any balance owed to the student account.

How do I decline or reduce the amount of my Stafford Loan? If you decide to opt out of any portion of the Federal Direct Stafford Loan(s) offered to you this year, you will need to inform our office by sending an email to DLoanchanges@wpi.edu. Please include your full name and WPI ID in this email along with the specific amount of your Unsubsidized and/or Subsidized Federal Direct Stafford Loan that you wish to reduce or cancel. Be sure to send this email by June 19th so that any changes you request will be reflected on your fall student account statement.

If you have any questions about your Federal Direct Stafford Loan(s), please do not hesitate to call our office.

WPI Office of Financial Aid

508-831-5469 (TEL) 508-831-5039 (FAX)

100 INSTITUTE ROAD, WORCESTER MA 01609-2280 USA
WPI.EDU/4FINAID
Federal Direct Stafford Loan Instructions for Students

In order to borrow a Federal Direct Subsidized and/or Unsubsidized Stafford Loan, the student borrower must complete the following steps after completing the FAFSA:

1. **Apply for an FSA ID (this replaces the Federal Student Aid PIN)** – This is a username and password used to access certain U.S. Department of Education websites and confirms your identity. If you already have a PIN, you can link your information to your new FSA ID by entering your PIN while registering for your FSA ID, which saves you time. However, a PIN is not required to create an FSA ID.
   - Visit [https://fsaid.ed.gov/npas/index.htm](https://fsaid.ed.gov/npas/index.htm) to create your FSA ID

2. **Complete your Federal Direct Stafford Loan Master Promissory Note (MPN)**

   Visit [www.studentloans.gov](http://www.studentloans.gov)
   - Select the green “Sign In” icon under the “Manage My Direct Loans” header and provide the requested information in order to “Sign In”
   - Click on “Complete Master Promissory Note”
   - Then, select the “Subsidized/Unsubsidized” icon and follow the directions to complete your Federal Direct Stafford Loan Master Promissory Note (MPN).

3. **Complete your Entrance Counseling requirement**

   Visit [https://studentloans.gov/myDirectLoan/counselingInstructions.action](https://studentloans.gov/myDirectLoan/counselingInstructions.action)
   - Select the green “Sign In” icon under the “Manage My Direct Loans” header and provide the requested information in order to “Sign In”
   - Click on “Complete Counseling,” then select “Entrance Counseling”
   - In the “Counseling Type” box, select “I am an undergraduate student” and then click on the “Continue” icon.
   - Follow the directions to complete your Federal Direct Stafford Loan Entrance Counseling.

If you experience any difficulties while in the [www.studentloans.gov](http://www.studentloans.gov) website, please contact the Federal Direct Loan Servicing Center at 1-800-557-7394.