



Dear Student,

Your financial aid award for the upcoming 2018-2019 academic year may include a federal Direct Loan(s). Completing the Free Application for Federal Student Aid, or FAFSA at <https://fafsa.ed.gov/>, is a prerequisite for borrowing from this loan program. To assist you – the student - with completing the application requirements for this loan(s), step-by-step instructions are included on page 2 of this letter outlining **how to complete both your online Master Promissory Note (MPN) and Entrance Counseling** on <https://studentloans.gov/myDirectLoan/index.action>. That way, your Direct Loan funds will pay to your WPI student account in a timely manner. You, as the student borrower, should complete these two steps as soon as possible.

**What are the specifications for the Federal Direct Loan program?** The student is the borrower for the Direct Loan, while the U.S. Department of Education is the lender. The Subsidized 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 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 Loans carry an interest rate of 5.045% for undergraduate borrowers for loans first disbursed on or after July 1, 2018 until June 30, 2019. A loan origination fee of 1.066% is deducted proportionately from each loan disbursement. Loan limits vary with the student's year in school. For additional information on the federal Direct Loan 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 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 answer some questions, and the single session takes 20-30 minutes. 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 Loan. If you do not complete both steps, then your federal Direct 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. The recommended deadline is July 15, 2018.

**How do I decline or reduce the amount of my Direct Loan(s)?** If you decide to opt out of any portion of the federal Direct Loan(s) offered to you this year, you will need to inform our office by sending an email to [DLoanchanges@wpi.edu](mailto: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 Direct Loan that you wish to reduce or cancel.

If you have any questions about your Federal Direct Loan(s), please do not hesitate to call our office at (508) 831-5469.

WPI Office of Student Aid & Financial Literacy

## Federal Direct Loan Instructions for Students

In order to borrow a Federal Direct Subsidized and/or Unsubsidized Loan, **the student borrower** must complete the following steps after completing the FAFSA at <https://fafsa.ed.gov/> :

### 1. Complete your Federal Direct Loan Master Promissory Note (MPN)

Visit <https://studentloans.gov>

- Select the blue **“Log In”** icon and provide your FSA ID in order to log into StudentLoans.gov
  - For questions on the FSA ID, visit <https://studentaid.ed.gov/sa/fafsa/filling-out/fsaid> for
- Click on **“Complete Master Promissory Note”**
- Then, select the **“Subsidized/Unsubsidized”** icon and follow the directions to complete your Federal Direct Loan Master Promissory Note (MPN).

### 2. Complete your Entrance Counseling requirement

Visit <https://studentloans.gov/myDirectLoan/counselingInstructions.action>

- Select the blue **“Log In”** icon and provide your FSA ID in order to log into StudentLoans.gov
- 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 Loan Entrance Counseling.

**If you experience any difficulties while in the <https://studentloans.gov> website, contact the Federal Direct Loan Servicing Center at 1-800-557-7394.**