Promissory Note

Learn about the requirements of your federal loans and the steps you need to take to satisfy them.

What is a Direct Master Promissory Note (MPN)?

The MPN is a promissory note that can be used to make one or more loans for one or more academic years (up to 10 years). There are three types of MPNs in the Direct Loan Program: one for Direct Subsidized/Unsubsidized Loans, one for Direct PLUS Loans, and Graduate PLUS Loans.

The **Federal Direct Loan Program** offers the following types of loans:

- **Subsidized:** for students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace period, and during deferment periods. This provision eliminates the interest subsidy provided during the six-month grace period for subsidized loans for which the first disbursement is made on or after July 1, 2012, and before July 1, 2014. If you receive a subsidized loan during this timeframe, you will be responsible for the interest that accrues while your loan is in the grace period.
- **Unsubsidized:** not based on financial need; interest is charged during all periods, even during the time a student is in school and during grace and deferment periods. Unsubsidized loans is for the parents of dependent students and for graduate/professional students.
- **PLUS and Graduate PLUS:** PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance. Direct PLUS Loans are available to graduate and professional students, and to parents of dependent undergraduate students to pay for their children's education.
    - Borrower must not have an adverse credit history.
    - Interest is charged during all periods.
    - Parent borrowers may request deferment while the student is enrolled at least half-time, and for an additional six months after the student ceases to be enrolled half-time.

Steps to Complete the MPN:

- Log onto www.studentloans.gov
    - Click on the Log In box. You will be required to enter your FSA User ID and Password.
- Once you have logged in, select Complete Master Promissory Note (MPN). Be sure to select the MPN you need for the type of loan you accepted.