Accepting Your Loans

Your Offer of Financial Assistance probably includes an amount from the Federal Stafford Loan program. The Federal Stafford Loan program is a low interest loan program that provides loan funds that are to be repaid after you complete your program of study, or stop attending on an at least half-time basis. The funds for the Federal Stafford loan come from commercial lending institutions, such as banks and education finance companies, which in turn receive financial guarantees from the Federal government to ensure the affordability of the loan program.

The Process for Accepting Student Loans

Unlike the grants included in your Offer of Financial Assistance, there are additional steps you must take in order to receive a Federal Stafford Loan. It is important to follow each of these steps to avoid delays in receiving your student loan funds. (Not having an accepted Federal Stafford loan for the semester is a common reason for not being eligible for the bookstore credit program at Metropolitan State.)

1. **Review your lender options:** Many loan companies participate in the Federal Stafford loan. You are free to use most lenders for your loan. In order to simplify your decision, Metropolitan has provided a list of recommended lenders from which to choose. (Click on the name or company logo to view more information about the programs offered by our lenders.) These lenders offer very competitive loans based on loan fees, on-time repayment benefits and reputation for customer service. To review the list of recommended lenders, go to [www.metrostate.edu/aid/loanmpn.html](http://www.metrostate.edu/aid/loanmpn.html).

2. **Complete the Loan Request process:** When you click the “Choose Lender” button in the “How To Apply” column of the recommended lender list, you will be directed to a web page that will collect information necessary to complete the loan process. (As part of this process, you may be asked to create an account with the web site, which is done to protect your private information.) The first part of this process is called the **Loan Request** process. For this process, you will answer several questions about your enrollment plans for the academic year and about when you expect to graduate. You will also be asked to indicate the amount of Federal Stafford loan you wish you borrow. You may request up to the maximum combined Federal Stafford loan (both the Subsidized and Unsubsidized amounts) listed on your Offer of Financial Assistance.

3. **Complete the Master Promissory Note (MPN):** If this is your first time borrowing as a student at Metropolitan State University, you will be asked to complete a Master Promissory Note, or “MPN.” The MPN is your legal agreement that you will repay the funds being loaned to you, and that you will abide by the terms, conditions, rights and responsibilities stated in the MPN and the accompanying Rights and Responsibilities statement. The MPN will ask for detailed information from you, including the names, addresses and phone numbers for two references. You may use the Personal Identification Number (PIN) assigned to you by the U.S. Department of Education when you completed the FAFSA to electronically sign the MPN. Once signed, this becomes a binding and enforceable legal agreement between you and the lender or any entity which acquires the loan from the original lender.

4. **Complete Entrance Counseling (if you are a first-time borrower):** Entrance counseling is a web-based process of reviewing your rights and responsibilities under the Master Promissory Note. You only need to complete Entrance Counseling if this is your first ever Federal Stafford loan. Once you have completed the MPN, click through to the Entrance Counseling web site link to complete Entrance Counseling and follow the steps for completing the on-line review process.
5. **School Certification:** After you have completed the MPN and Entrance Counseling (if necessary) your lender will automatically send a request for loan certification to the Metropolitan State Office of Student Financial Aid. Approximately 6 weeks prior to the beginning of the first term of the loan period, we will begin processing loan certification requests (which will continue throughout the school year.) In the loan certification request process, we confirm to the lender that you are eligible for the amount of funds being offered, and establishing with the lender a schedule of disbursements that conform to the requirements of the loan program. (Once this process is complete, your loan will be shown as “accepted” in our computer system.)

6. **Notification of Guaranty and Disclosure:** Once we have certified your loan eligibility with your lender, and the lender completes processing of your MPN, the lender will send to you a Notice of Loan Guaranty and Disclosure. This notice will disclose to you the terms of your Federal Stafford loan, and is considered part of your MPN.

7. **Loan Disbursement:** Beginning with the first scheduled disbursement date for the semester, loan funds are transmitted from the lender to the University and then applied to your student account. Financial aid funds in excess of your tuition, fees and other charges on your student account are provided to you (either by check or by direct deposit) for your indirect education expenses. (For more information on the disbursement process, see the Financial Aid Disbursement Process.)

Each year that you wish to accept student loans, you will need to complete Step 2, the Loan Request process. Because the MPN is not year specific, you can obtain additional loans for future academic years under the same MPN. So long as you do not change lenders or stop attending for more than two consecutive terms, your MPN will remain active.

**Other Requirements of the Federal Stafford Loan Program**

By accepting loans from the Federal Stafford Loan program, you agree to abide by the rules of the program. Three of the most important rules in this program are:

1. You must notify your lender and the Office of Student Financial Aid when you stop attending at least half time; that is, when the number of credits you are registered for drops below 6 credits (4 if you are a graduate student); and

2. You must notify your lender and the Office of Student Financial Aid when you have a change of circumstance (for example, if you withdraw, graduate or otherwise change your degree program) that affects your loan eligibility.

3. You must attend or participate in On-Line Exit Counseling after you stop attending at least half time.

**Borrow Just What You Need**

It’s important to remember that Federal Stafford loans are funds that you will need to repay after you graduate. Because of this, it is important to ensure that the job-market value of your education supports the amount of student loans that you are borrowing. To help you analyze this information, we’ve created a spreadsheet that compares income from various occupations with average expenses and student loan repayments. Go to our web site at [www.metrostate.edu/aid](http://www.metrostate.edu/aid) and click on the “Loan Calculator” link.

Student loans are an affordable way to invest in your future – but borrow wisely so that you can enjoy the benefits of your education without the burden of excessive student loan debt.

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