

# DIRECT LOAN INFORMATION

## Federal Loan Requirements

**If you have not previously received a Direct Subsidized Loan or a Direct Unsubsidized Loan, you must complete entrance counseling and sign a Master Promissory Note (MPN) before you can receive the proceeds of your first loan disbursement.**

You can complete the Direct Loan Entrance Counseling and the Master Promissory Note (MPN) online at <https://studentaid.gov/>. Log in entering your FSA ID username and password. If you don't already have an account, you can create an account. Select INDIAN HILLS COMMUNITY COLLEGE-OTT as the school you'd like to notify of your counseling and MPN completion.

### **What is Entrance Counseling?**

If you have not previously received a Direct Loan or Federal Family Education Loan (FFEL), the federal government requires you to complete entrance counseling to ensure that you understand the responsibilities and obligations you are assuming. You must complete entrance counseling before you can receive the proceeds of your first Direct Loan. Entrance counseling ensures you understand the terms and conditions of your loan and your rights and responsibilities. You'll learn what a loan is, how interest works, your options for repayment, and how to avoid delinquency and default. Entrance Counseling takes about 30 minutes to complete and it must be completed in a single session. You can complete the Direct Loan Entrance Counseling online at <https://studentaid.gov/entrance-counseling/>.

### **Do I have to complete entrance counseling?**

If this is the first time you're receiving a subsidized, unsubsidized, or PLUS loan under the Direct Loan Program or the Federal Family Education Loan (FFEL) Program, you need to complete entrance counseling before receiving your loan. This is to make sure you understand your rights and responsibilities around borrowing money for your education.

### **Who should complete entrance counseling?**

Federal law requires entrance counseling for students who have not previously received a subsidized or unsubsidized loan or PLUS loan (graduate/professional students only) under the Direct Loan Program or Federal Family Education Loan (FFEL) Program.

### **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 borrowers need to complete an MPN before they can receive a federal student loan.

### **How do I complete and sign a Master Promissory Note (MPN)?**

Access the MPN at: <https://studentaid.gov/mpn>.

Some circumstances may require you to sign an MPN more than once:

- If you're receiving a type of loan for which you haven't signed an MPN previously
- If you signed an MPN more than one year ago for a loan that hasn't yet been disbursed
- If you haven't signed an MPN within the last 10 years

### **To Accept or Decline Your Loans Online**

Log in to your WIN Dashboard to review your financial aid offer. Navigate to your Financial Aid Checklist and select the appropriate **'Award Year'**. Click **'Review and accept your Financial Aid Award Package'** if the preceding checklist items have been completed. In addition, please be advised that you have the right to cancel or reduce your loan(s) by contacting the OneStop.

### **Complete Student Loan Exit Counseling**

All student borrowers who are graduating, leaving school, or dropping below half-time enrollment are required to complete exit counseling. The purpose of exit counseling is to ensure you understand your student loan obligations and are prepared for repayment. We strongly encourage borrowers to complete exit counseling using the online tool at <https://studentaid.gov/>.

### **Other Resources**

To learn more about staying eligible for federal student aid, please refer to the 'Resources' section in your Financial Aid Checklist within your WIN Dashboard, or visit our financial aid webpage.