



BORROWING A DIRECT LOAN

IMPORTANT INFORMATION

for all first-time
Direct Loan
borrowers!

If you have any
questions, feel free
to contact us. Our
office hours are
**Monday through
Friday, 8 a.m.-5 p.m.**
during the academic
year, and **7:30
a.m.-4:30 p.m.**
during the summer.



NORTHERN
STATE UNIVERSITY

Financial Aid Office
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1200 S. Jay St.,
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605-626-2640
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finaid@northern.edu

northern.edu/financial-aid

All first-time Direct Loan borrowers must complete a Master Promissory Note (MPN) and Loan Entrance Counseling before disbursement can be made.

Master Promissory Note

The Master Promissory Note (MPN) is the application and promissory note for all Direct Loans – Subsidized and Unsubsidized. You will complete the MPN the first time you borrow a Direct Loan. For all subsequent years, you only need to submit a FAFSA and accept your loans via your aid offer. Your MPN is good for 10 years from the date the note was signed and can be used for any loan period that begins within the 10-year time frame.

Loan Entrance Counseling

This is to help you understand your rights and responsibilities as a borrower so that you can properly manage your future indebtedness.

Process

- Accept your Direct Loan as listed on your aid offer.
- Go to studentaid.gov and log in.
- Select “Master Promissory Note” listed under “Grants and Loans”. Be sure you’re selecting the Subsidized/Unsubsidized version of the MPN.
- Have the names, addresses and telephone numbers of two individuals to serve as references on the MPN. References should be U.S. citizens who have known you at least three years. It is acceptable to use parents and other relatives as references, as long as the two references have different addresses.
- Carefully read through the Rights and Responsibilities and the Master Promissory Note. Remember, by signing an MPN you are agreeing to pay back any Direct Subsidized

and/or Unsubsidized Loan that you borrow.

- After electronically signing and confirming your acceptance of the MPN terms, save a copy of the MPN and keep it for your records.
- This process will take about 30 minutes to complete. If you are unable to complete the entire process in a single session, the MPN Web site will require that you start again from the beginning.
- Select “Loan Entrance Counseling” under the “Grants and Loans” section. NSU will be notified once you have completed this process.
- The Financial Aid Office will transmit your loan eligibility information to the federal government who will release the funds to the school once a valid MPN is on file and Loan Entrance Counseling is completed.

MONTHLY REPAYMENT/ACCRUED INTEREST CALCULATORS

Remember to keep track of your student loan borrowing. It is easy to accumulate a large amount of student loan debt. Always borrow from the “best” loan program first, meaning the one with the lowest interest rate and most favorable repayment terms. **Don’t forget the ABC’s of borrowing: Always Borrow Conservatively!** A Loan Simulator is available at studentaid.gov. Using this website will help you keep track of how much your monthly payments will be, the cost of capitalizing accrued interest, and how much you can afford to borrow.