

# Morningside College

## Federal Direct Stafford Loan

### Instructions

To apply for the Federal Direct Stafford Loan indicated on your award letter, you must complete Entrance Counseling and a Master Promissory Note.

#### **Entrance Counseling:**

- Go to [www.studentloans.gov](http://www.studentloans.gov).
- Click on “Log In”
- Enter your Username and Password (If you do not have a Username and Password, click on the blue “here” and follow the setup instructions.)
- Click on “Complete Counseling” (located in the middle of the screen).
- Choose Entrance Counseling and click on START.
- Please read the information and answer all of the questions in each purple “Check Your Knowledge” section.
- Click “Continue” at the bottom of each page.
- Click “Submit Counseling”.

#### **Master Promissory Note:**

- You will need your driver’s license number and two references (Name, Address, Phone Number).
- Click on “Complete Master Promissory Note” on the left side of the page.
- Choose Subsidized/Unsubsidized.
- Please read and answer each question.
- Click “Continue” at the bottom of each page.
- Click “Sign” at the bottom of the final page.
- Scroll down and click on “Submit”.

#### **Next Steps in the Process:**

- Morningside College will receive electronic notification that you have completed your Entrance Counseling and Master Promissory Note for your Federal Direct Stafford Loan.
- **Morningside College will certify the amount of Federal Direct Subsidized and/or Unsubsidized Stafford Loan that you accept on your award letter.**
- If your Entrance Counseling, Master Promissory Note, and all requested Verification materials have been completed and submitted, loan proceeds will be applied to your student account beginning in September and January (typically within two weeks after the start of each semester).

# **Your Rights and Responsibilities Regarding Your Federal Direct Subsidized and/or Unsubsidized Stafford Loan**

1. You must enroll in a minimum of six (6) credit hours for each semester included in your loan period.
2. Federal Regulations may require multiple disbursements of all loan funds.
3. All funds will be credited to your account first, with any remaining balance refunded to you at your request. Requests are made at the Business Office.
4. You must apply with a Master Promissory Note. You understand that you may receive one or more loans under this Master Promissory Note and you must repay such loans.
5. Loans will be electronically transmitted to your student account.
6. If this is the first loan you are borrowing at Morningside College, federal regulations require you to complete a loan counseling session prior to receiving the first disbursement. If you fail to do so, your loan will be canceled and the funds returned to the federal government.
7. You have the right to authorize or not authorize Morningside College to pay tuition, fees, room, board, and all other miscellaneous charges (examples include: health insurance, books, music lessons, etc.) using your financial aid funding including Direct Stafford Loan proceeds. You may reserve the right to exclude miscellaneous charges and will notify the Business Office of this decision.
8. You have the right to authorize Morningside College to maintain a credit balance on your student account and/or request a refund of a credit balance. This should be done at the Business Office.
9. You have the right to authorize Morningside College to use financial aid funds to be applied to any prior-year charges.
10. You have the right to cancel or modify your authorizations at any time.

- **Please note: Origination and default fees of 1.073% will be deducted from the disbursement amount prior to funds being issued to the college after 10/1/2014 and 1.068% after 10/1/2015. The interest rate for Direct Stafford loans with a first disbursement date between 7/1/15 and 6/30/16 will be 4.29% for Undergraduate Students and 5.84% for Graduate Students.**