



LOAN INSTRUCTION SHEET

Direct Stafford Loan (for students)

- ❑ **Federal Entrance Counseling for Federal Stafford Loans** (by July 15, 2009 for Fall Semester)
Entrance Counseling is a federal requirement and **must** be completed prior to disbursement of funds. This process provides you with an explanation of your rights and responsibilities as a Stafford Loan borrower.
 - Go to Direct Loan Servicing www.dl.ed.gov and select “Entrance and Exit Counseling,” at the top of the page select “Take the Entrance Counseling Session.” Complete the Entrance Counseling process and print the confirmation for your records. **Do not stop here. You must also apply for your Federal Stafford Loan.**

- ❑ **Apply for your Federal Stafford Loan** (by July 15, 2009 for Fall Semester)
In addition to required Federal Entrance Counseling, you must also complete a loan application and sign a Stafford Loan Master Promissory Note (MPN). The MPN allows the school to disburse Stafford Loan funds under one promissory note for future years. You will need your Department of Education issued PIN to begin the process. This 4-digit number was used to sign your FAFSA. To request a duplicate PIN number go to www.pin.ed.gov.
 - To apply for your Federal Stafford Loan, go to www.dlenote.ed.gov and select “Complete New MPN for Student Loans”.

Direct PLUS Loan (for parents)

- ❑ **Apply for a Direct PLUS Loan** - Parents may borrow the entire cost of education minus any financial aid, with credit approval. Please refer to your award letter for your maximum PLUS Loan eligibility. The Direct PLUS Loan interest rate is fixed at 7.9% with a 2.5% (net) origination fee which is deducted from the disbursement of the loan. You must complete a Direct PLUS Loan Request Form and a Direct PLUS Loan Master Promissory Note (MPN) to complete the application process.
 - Complete the Direct PLUS Loan Request Form (attached). Return it to the Office of Financial Aid by mail or fax it to 814-332-2837. The school will initiate a credit check.

 - If you are expected to be denied the PLUS Loan, you do not need to complete the next step.
Dependent students whose parents do not qualify for the Federal PLUS are eligible to borrow additional unsubsidized Stafford Loans up to the following amounts: \$4,000 each of the first two years, then \$5,000 each year for up to three additional years of undergraduate study.

 - If you are expected to be approved for the Direct PLUS Loan, go to www.dlenote.ed.gov and select “Complete New MPN for Parent PLUS Loans”. The MPN allows the school to disburse the PLUS Loan funds under one promissory note for future years, with credit approval. You will need your Department of Education issued PIN to begin the process. The 4-digit number was used to sign your FAFSA. To request a duplicate PIN number go to www.pin.ed.gov.

Federal Perkins Loan (for students)

- ❑ **Federal Entrance Counseling for Federal Perkins Loans** (by July 15, 2009 for Fall Semester)
Entrance Counseling is a federal requirement and **must** be completed prior to disbursement of funds. This process provides you with an explanation of your rights and responsibilities as a Perkins Loan borrower. Note this entrance counseling **must be completed in addition to** the Stafford Loan entrance counseling in order for you to receive a Perkins Loan.
 - Go to Mapping Your Future at <http://mappingyourfuture.org> and select “Complete Online Student Loan Counseling,” select “Perkins Entrance Counseling Session.” You will need three references, including your parents. Please make sure you print out your confirmation for your records.
- ❑ **Perkins Loan Master Promissory Note (MPN)**
If you qualify for a Perkins Loan, Allegheny College Office of Financial Aid will mail new borrowers two copies of this document after July 1, 2009.
 - Please sign and return one copy (by August 1, 2009 for Fall Semester) and keep one copy for your records. This MPN allows the school to disburse Perkins Loan funds under one promissory note for future years.

Alternative Student Loans (for students)

- ❑ **Apply for an Alternative Loan**
The Office of Financial Aid recommends that students utilize federal student loans first. These loans have lower fixed interest rates than alternative educational loans and also have deferment and consolidation options. If you need further financing after federal student loans, you should select the loan that best meets your needs and which offers the best interest rate and borrower benefits.

At Allegheny College, we believe families should have as much information as possible to make individual loan choices that are in their best interest. Many families find it challenging to gather accurate loan information to make the best borrowing decision, so they rely on the Office of Financial Aid for guidance. To assist you, Allegheny maintains a list of suggested lenders to include in your comparison. Neither Allegheny College, nor any of its employees, benefit financially from families using any specific lender. Any information we provide regarding loans is for information purposes only and should be used in comparison with other loan options.

After a family has researched and selected the alternative loan of their choice, and once the lender approves the loan application, Allegheny College promptly certifies the loan, regardless of lender choice, so the funds can be credited as soon as possible to the student’s account.

Warning! Be aware of unsolicited direct-to-consumer (DTC) marketing techniques that are misleading, confusing, or look like official government correspondence. DTC educational loans are often very easy to obtain, but generally have very high interest rates, large fees to defer loans, few borrower benefits, and less favorable repayment terms.

Families who have questions regarding student loans are encouraged to contact the Office of Financial Aid at (800) 835-7780 for more information or individual assistance.

Please see www.ELMSelect.com for some examples of alternative student loan options.

