

## Completing Your Student Federal Direct Loans

MSU participates in the Federal Direct Loan Program. Funds for the Direct Loans are provided by the U.S. government directly to students. These loans have low interest rates and do not require credit checks or collateral. Direct loans also provide a variety of deferment options and extended repayment terms.

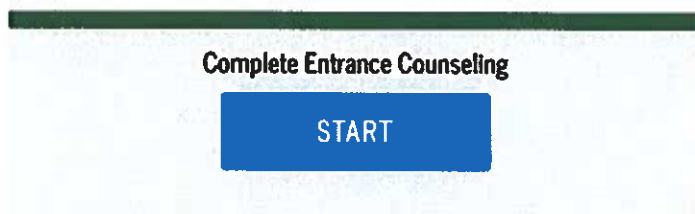
All Direct Loans are either subsidized or unsubsidized.

1. **Subsidized loans**-the government pays the interest while students are in school. To receive a subsidized Direct Loan, you must be able to demonstrate financial need.
2. **Unsubsidized loans**-students pay all the interest, although they can have the interest payments deferred until after graduation by capitalizing the interest. This adds the interest payments to the loan balance, increasing the size and cost of the loan.

Many students combine subsidized loans with unsubsidized loans to borrow the maximum amount permitted each year. When you graduate from MSU or fall below half-time enrollment, you must complete **Direct Loan Exit Counseling**.

Instructions:

1. Accept your Direct Subsidized and/or Unsubsidized loan on MSU's **Web World**.
2. Go to <https://studentaid.gov> and click log in.
3. Using the student's verified FSA ID, created for FAFSA, sign in and Place cursor on COMPLETE AID PROCESS.
4. In drop down box click Complete Entrance Counseling then click on:



You will need to Add School to Notify

- a. Click on Direct Loans as an undergraduate
- b. You will complete a short quiz regarding the details of the Direct Loan program.
- c. Click "Submit Counseling"

5. Go back to COMPLETE AID PROCESS and click on Subsidized/Unsubsidized Loan MPN



- a. Complete all information.
- b. Electronically submit the EMPN to the Department of Education (DOE). The DOE will email you a confirmation that your EMPN was received.

When the DOE notifies MSU Financial Aid Office the Entrance Counseling and the EMPN has been completed, your SAP, number of semester hours, and any other previously requested information will be verified. Once this process is complete, your funds will be disbursed to your MSU student account during each registration period.

We strongly encourage you to review our **Direct Loan Information** for more details regarding the Direct Loan program

Additional information regarding the Direct Loan Program is available at [www.studentaid.ed.gov](http://www.studentaid.ed.gov)