

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 **Loans and Grants**.
4. In drop down box click **Loan Entrance Counseling** then click on:

I am an Undergraduate Student ⓘ

Entrance counseling for undergraduate students is required if you have not previously received a Direct Subsidized Loan or a Direct Unsubsidized Loan.

You're an undergraduate student if you are enrolled in an undergraduate course of study that usually doesn't exceed four years and that leads to an undergraduate degree or certificate.

Start

- a) You will need to Add School to Notify
- b) Click on Direct Loans as an undergraduate
- c) You will complete a short quiz regarding the details of the Direct Loan program.
- d) Click "Submit Counseling"

5. Go back to **Loans and Grants** and click on **Master Promissory Note (MPN)**

I'm an Undergraduate Student

MPN for Subsidized/Unsubsidized Loans

Use this MPN for Direct Subsidized Loans and Direct Unsubsidized Loans available to eligible undergraduate students. [Learn More](#)

Start

OMB No. 1845-0007 • Form Approved

- 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