



Federal Student Loan Changes for 2010-2011

Why is the University changing its loan process?

On March 25, 2010, the U.S. House of Representatives and the U.S. Senate passed *The Health Care and Education Affordability Reconciliation Act of 2010* ("HCEARA"-H.R. 4872) . This bill makes major changes in several federal student aid programs AND mandates that, effective July 1, 2010, all federal student loans (Stafford, PLUS, and Grad PLUS) will be originated through the Federal Direct Loan Program. The Family Federal Education Loan Program, which permitted private lenders to originate these loans, is eliminated effective June 30, 2010.

President Obama signed the bill into law on March 30, 2010.

What do I have to do to get my loan funds for next year?

As in prior years, you must:

- Complete the FAFSA (Free Application for Federal Student Aid). You can complete the FAFSA online at www.fafsa.ed.gov .
- Provide any documents requested by our office, **and** accept your federal student loans. This gives us permission to transmit your information to the Department of Education.
- Students who are borrowing for the first time will need to complete an "Entrance Counseling" Session. We would encourage ALL borrowers to go ahead and complete this short session (which is available online) to review your rights and responsibilities under the federal loan programs.
- ALL students will have to complete a new Master Promissory Note for the Direct Loan program before the Department of Education will electronically disburse your funds to Loyola.

"Can I complete the new MPN now to get a head start?"

Yes, the Department of Education has launched a new Web site that will serve as a portal for Direct Loan borrowers to manage their Direct Loans. The new Web site is StudentLoans.gov .

Effective March 28, 2010, borrowers will use the StudentLoans.gov web site to:

- complete Stafford and GradPLUS Entrance Counseling session.
- complete a Direct Loan Electronic Master Promissory Note ("MPN")
- view electronic loan correspondence such as disclosure statements, and
- link to other tools and resources

"What is involved in the Entrance Counseling Process?"

Students who are borrowing for the first time will need to complete an [Entrance Counseling Session](#). Continuing students who currently are participating in the Stafford Loan Program do not have to complete a new Entrance Counseling session with the Direct Loan Program . However, we would strongly encourage you to do so

You can complete Entrance Counseling in person at the Office of Scholarships and Financial Aid (Room 110 Marquette Hall) during the week OR
Effective March 28, 2010, students can go to [StudentLoans.gov](#) to complete this requirement.

NOTE: There have been some technical difficulties with the new StudentLoans.gov site. As an alternative, students can complete entrance counseling on the old Direct Loans Servicing site at <https://www.dl.ed.gov> .

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Effective March 28, 2010, borrowers will use the [StudentLoans.gov](#) web site to:
complete a Direct Loan Electronic **Master Promissory Note** ("MPN")

You will need the same PIN that you used for your FAFSA to electronically sign the note. If you do not have a PIN, you may obtain one via <http://www.pin.ed.gov>.

If you will borrow from **BOTH** the Stafford and Grad PLUS programs, you will need to complete a separate MPN for each loan program.

