ATTENTION FEDERAL DIRECT LOAN APPLICANTS

Steps to Apply for a Direct Loan

- Students MUST be enrolled in at least 6 credit hours to be eligible for a student loan.
- Students MUST apply for federal financial aid using the Free Application for Federal Student Aid (FAFSA). [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- Students MUST complete the Entrance Counseling and Master Promissory Note (MPN) at [www.studentloans.gov](http://www.studentloans.gov). Detailed instructions for Entrance Counseling are on the back of this form. Your FAFSA (Personal Identification Number) PIN is required to complete this information. If you have lost or forgotten your PIN, you can obtain it at [www.pin.ed.gov](http://www.pin.ed.gov).
- NOTE: THE DEPARTMENT OF EDUCATION WILL NOT DISBURSE LOAN FUNDS WITHOUT A COMPLETED AND SIGNED MPN.
- Students MUST complete the Direct Loan Information Worksheet. The Financial Aid Office will electronically submit the information that you provide on the Direct Loan Information Worksheet.

**Important Information About Direct Loans (PLEASE READ)**

**Disbursements**

- Students entering their first year of undergraduate study who have not previously received a Direct Loan must have satisfactorily completed 30 regular (college-level, not remedial) semester hours or wait 30 days after classes begin before the first Direct Loan check can be disbursed. The 30 required semester hours may be completed at Northeast State, transferred from another institution, or a combination of both.
- Once your loan is processed and money received by Northeast State your money will be released after the census date of the term. Attendance must be confirmed in all of your classes. Each loan will be disbursed in two separate checks; one at the beginning and one at the midpoint of the loan period. **Example:** If you request a loan for one semester, you will receive two checks; one at the beginning of the semester, and one at the midpoint of the semester. If you request a loan for two semesters, you will receive one disbursement at the beginning of each semester.

**Exit Loan Counseling and Cancellation of Loans**

- You must participate in Exit Loan Counseling at [www.studentloans.gov](http://www.studentloans.gov) before you totally withdraw from all classes, drop below half-time (6 hours), or graduate. Detailed instructions for Exit Counseling are on the back of this form.
- Students who apply for a two-semester loan and withdraw, stop attending, or do not complete the first semester may have their second semester loan cancelled.

**Deferrals**

- If you register prior to the date fees are due, have been approved for a direct loan and have no other aid, you may request a deferment of fees until the check is released by completing the form in the Financial Aid Office. **HOWEVER, IF YOU BECOME INELIGIBLE FOR YOUR LOAN PRIOR TO RECEIVING YOUR CHECK, THE DEFERMENT OF FEES WILL BE CANCELLED, AND YOU WILL BE RESPONSIBLE FOR YOUR FEES.**

YOU MAY DECLINE YOUR LOAN AT ANY TIME.

If you have any questions about the MPN or the loan process, please come by the Financial Aid Office or call us at 423.323.0252.
Federal Direct Loan Entrance Counseling, MPN, and Exit Counseling Steps

Before you begin you will need your social security number, birth date, and FAFSA PIN. You will need about 30 minutes to complete these counseling sessions.

Entrance Counseling & MPN

- Go to [www.studentloans.gov](http://www.studentloans.gov)
- Click *Sign In* on the left hand side of the page, and follow the steps to set up an account using your FAFSA PIN. Remember if you have lost or forgotten your pin you can obtain it at [www.pin.ed.gov](http://www.pin.ed.gov)
- Click *Complete Entrance Counseling*. Be sure to read each step carefully before continuing to the next step.
  - **Step 1** – Select undergraduate student
  - **Step 2** – Select school state and the name of school. Use the drop-down box and select Tennessee. Then select Northeast State Community College. Click continue at the bottom of the screen.
  - **Step 3** – This step will explain 16 loan topics. Read each screen then answer the multiple choice or true/false questions about each topic. After answering the questions, click continue to go to the next topic.
  - **Step 4** – Step 16 under Borrower’s Rights and Responsibilities – click on the Borrower’s Rights and Responsibilities for Direct Loan Sub/Unsub/Perkins Loan and carefully read the information. Exit out of the pop-up box and click continue. Congratulations you have completed your Entrance Counseling! Next you need to complete the Master Promissory Note (MPN).
  - **Step 5** – At the bottom of the page-click you can submit your Master Promissory Note. Select type. Read and complete the MPN. Click Submit.

Exit Counseling

Before beginning this process you will need to have the following:

- Name, address, phone number, and employer for your spouse, if applicable.
- Names, addresses, phone numbers, and employers for your next of kin and/or parent.
- Names, addresses, phone numbers, and employers for two references residing at different addresses.

**Note:** Providing names and information of your spouse, parent, next of kin, and references does not obligate them to assist with repayment of your loan. Regulations require you to provide data so your loan holder can locate you if, in the future, they have an invalid address or phone number.

- Go to [www.studentloans.gov](http://www.studentloans.gov)
- Click *Sign In* on the left hand side of the page, and follow the steps to set up an account using your FAFSA PIN. Remember if you have lost or forgotten your pin you can obtain it at [www.pin.ed.gov](http://www.pin.ed.gov)
- Click *Complete Exit Counseling*. Be sure to read each step carefully before continuing to the next step.
- Follow Steps 1 through 4 listed above in Entrance Counseling.