

July 1999

DLB 99-46

Subject: Promissory note review/acceptance guidelines

Dear Partner:

Attached are the 1999-2000 promissory note review/acceptance guidelines. These guidelines will help you in reviewing promissory notes for completeness before mailing them to the Loan Origination Center (LOC).

If you have any questions regarding the guidelines, please call the LOC at 1/800/848-0978 or your Client Account Manager.

Sincerely,

Margaret E. White
Chair
Direct Loan Task Force

Attachment

**1999-00 Federal Direct Stafford Loan and Federal Direct Unsubsidized Stafford Loan
Master Promissory Note Review/Acceptance Guidelines**

SECTION A: TO BE COMPLETED BY THE BORROWER			
Form Label/Position	Valid Values	Alterations?	Required?
1. Driver' s License State and Number	May be left blank. If either license number or state is present, both must be on the P-Note	Yes, with initials	No
2. Social Security No.	Borrower's Social Security Number	Yes, with initials	Yes
3. E-mail address	Student Borrower' s Current E-mail Address, May be blank		No
4. Name and Address (street, city, state, zip code)	Must have first and last name. Middle initial is optional.	Yes, with initials	Yes
	Student Borrower' s Permanent Street Address OR Student' s Street Local Address, May be blank	Yes	No
	Student Borrower's Permanent City, State and Zip Code OR Student Borrower's Local City, State, and Zip Code Must have city, state, and zip. If foreign country, zip must be blank	Yes	Yes
5. Date of Birth	Borrower's Date of birth in Month, Day, Year Order	Yes	Yes
6. Area Code/Telephone No.	Student Borrower's Permanent Telephone Number 10 digit telephone number	Yes	No
7. References	2 references – Name, Address, Phone Number, Relationship to the borrower.	Yes	No
8. <i>Label is preprinted; no label to be printed</i>	Requested Loan Amount Note: This field doesn't appear on all MPNs.	Yes, with initials	No
15. Borrower's Signature & Date	Signature should match the name in item # 4, with the following exceptions: middle initial may be omitted in the signature and an obvious derivative of the first or middle name may be used (i.e. William/Bill, Richard/Dick)	No alterations are permitted on the borrower's signature; however date may be altered or blank. Signature must be in Blue or Black Ink "X" Signature/Disabled Borrowers may show their symbol, including "X" for a signature. However, we request that the school official provide a statement of school letterhead, indicating that the symbol is the signature of the borrower.	Yes
SECTION B: TO BE COMPLETED BY THE SCHOOL			
Form Label/Position	Valid Values	Alterations?	Required?
9. School Name and Address	School Name	Yes, with school official's initials	Yes
	School's Street Address	Yes, with school official's initials	No
	School' s City, State and Zip code	Yes, with school official's initials	Yes
10. School Code/Branch	Direct Loan School Code	Yes	Yes
11. Identification No.	Loan ID of one of the loans associated with this Master Promissory Note. Must be a valid XX-character field	Yes, with school official's initials (only last 2 digits may be modified)	Yes

Additional Reasons for P-note rejection:

- Promissory Note Text or Signature Altered
- Signed date on promissory note is after the expiration date on the form
- Promissory Note marked "copy" or "non-negotiable"

1999-00 Federal Direct PLUS Loan Promissory Note Review/Acceptance Guidelines

SECTION A: TO BE COMPLETED BY THE BORROWER			
Form Label/Position	Valid Values	Alterations?	Required?
1. Identification No. (a)	Loan ID Promissory Note Print Sequence #	Yes, with school official's initials (only last 2 digits may be modified)	Yes
2. Social Security No.	Borrower's Current SSN	Yes, with borrower's initials	Yes
3. Loan Amt. Requested	Loan Amount Requested by the borrower	Yes, with borrower's initials. Changing the loan amount requested from blank to zero to an amount is not considered an alteration.	Yes.
4. Date of Birth	Borrower's Date of Birth, MM/DD/YYYY formation.	Yes	Yes
5. U.S. Citizenship Status (Check one)	Citizenship Status Alien Registration Number	Yes, with Initials	Yes. If "Permanent resident/other eligible alien" is selected, the Alien Registration # must be present. If "Neither" is selected, the note will reject.
6. Name and Address	Borrower's Last Name, First Name, Middle Initial. Middle Initial is optional. Borrower's Permanent or Local Street Address Borrower's Permanent or Local City State, and Zip Code. If foreign country, zip must be blank.	Yes, with Initials Yes. Yes.	Yes. No. Yes.
7. Driver's License (State-No.)	Borrower's Drivers License State and Number. May be blank. If either the license number or state is present, both must be on the p-note.	Yes	No
8. Area Code/Telephone No.	Borrower's Permanent Telephone Number	Yes.	No.
9. Loan Period	Loan Period Start Date (MM/DD/YYYY) and Loan Period End Date (MM/DD/YYYY)	Yes, with initials.	Yes.
Borrower's Signature	Signature should match the name in item # 6, with the following exceptions: middle initial may be omitted in the signature and an obvious derivative of the first or middle name may be used (i.e. William/Bill, Richard/Dick) Signature must be in Blue or Black Ink "X" Signature/Disabled Borrowers may show their symbol, including "X" for a signature. However, we request that the school official provide a statement of school letterhead, indicating that the symbol is the signature of the borrower.	No alterations are permitted on the borrower's signature; however date may be altered or blank.	Yes.

SECTION B: TO BE COMPLETED BY THE SCHOOL			
Form Label/Position	Valid Values	Alterations?	Required?
10. School Name and Address	School Name School's Street Address School's City, State, and Zip Code	Yes, with school official's initials Yes. Yes, with school official's initials	Yes No. Yes
11. Loan Period	Loan Period Start Date (MM/DD/YYYY) and Loan Period End Date (MM/DD/YYYY)	Yes, with initials.	Yes.
12. School Code/Branch	Direct Loan School Code	Yes	Yes
13. Certified Loan Amount	Loan Amount Approved	Yes, with school official's initials	Yes
14. Anticipated Disbursement Dates	Must include at least two disbursements that fall within the loan period.	Yes, with school official's initials	Yes
SECTION C: TO BE COMPLETED BY THE STUDENT			
Form Label/Position	Valid Values	Alterations?	Required?
15. Name	Student's Last Name, First Name and Middle Initial. Middle Initial is optional.	Yes, with initials	Yes
16. Social Security No.	Student's Current SSN	Yes	Yes
17. U. S. Citizenship Status	Student's Citizenship Status Student's Alien Registration Number	Yes, with initials	Yes. If "Permanent resident/other eligible alien" is selected, the Alien Registration # must be present.
18. Student's Date of Birth	Student's Date of Birth (MM/DD/YYYY)	Yes.	No.

Additional Reasons for P-note rejection:

Promissory Note Text or Signature Altered

Signed date on promissory note is after the expiration date on the form

Promssory Note marked "copy" or "non-negotiable"