



## *Session 4*

# Implementation of the Federal Perkins Loan Program Master Promissory Note (MPN)

Gail McLarnon, Department of Ed  
Ralph Hosterman, Penn State Univ.  
Sharon Suber-Davis, Claflin Univ.



# Implementation of the Federal Perkins Loan Program Master Promissory Note

This panel presentation covers ED policy guidance on the use of the Master Promissory Note (MPN) as well as guidance from schools that have implemented the Perkins MPN on their campuses.



# Perkins MPN Implementation

- Spring 2002 Negotiated Rulemaking provided for use of Perkins MPN
  - **Sec. 674.2 – Definitions**
    - **Modified definition of “making of a loan” – “when the institution makes the first disbursement of a loan to a student for an award year.”**
    - **Add definition of “MPN” – “A promissory note under which the borrower may receive loans for a single award year or multiple award years.”**



# Perkins MPN Implementation

- Spring 2002 Negotiated Rulemaking
  - **Sec. 674.16 – Making & Disbursing Loans**
    - **Modified Sec. 674.16(d)(2) to require “legally enforceable promissory for each loan” and eliminated requirement for the borrower’s signature each award year**
    - **Added Sec. 674.16(d)(3) – conditions under which Perkins MPN expires**



# Perkins MPN Implementation

- NPRM -- August 6, 2002
  - <http://ifap.ed.gov/fregisters/FR0806200205.html>
  
- Final regulations -- November 1, 2002
  - <http://ifap.ed.gov/fregisters/FR1101200203.html>
  - Effective date July 1, 2003



# Perkins MPN Implementation

- MPN approved by OMB-June 12, 2003
  - Expiration June 30, 2006
  
- MPN Posted to IFAP
  - Dear Colleague CB-03-11, July 17, 2003
    - <http://ifap.ed.gov/dpcletters/CB0311.html>
  - Dear Colleague CB-03-13, August 7, 2003 (electronic MPN)
    - <http://ifap.ed.gov/dpcletters/CB0313.html>



# Perkins MPN Implementation

- Implementation Guidance
  - Dear Colleague CB-03-14, Aug. 8, 2003
    - <http://ifap.ed.gov/dpcletters/CB0314.html>
- Replaces current note after transition
- Implementation Dates:
  - Optional for new loans on or after 7/1/03
  - Requirement for new loans made on or after 11/1/04



# Perkins MPN Implementation

- Perkins MPN does not change the lending process:
  - Determine borrower eligibility
  - Ensure a signed prom note covers loan
  - Provide required loan disclosures/notices under Sec. 674.16(a) and Sec. 668.165(a) (can be provided electronically through a secure website)
  - Disburse, Service and Collect



# Perkins MPN Implementation

- Options for MPN Use
  - School chooses annual or multi-year use
  - Annual Note: Borrower signs once each year for all loans made that year
  - Multi-year: Borrower signs one MPN for all loans made until the note expires
  - Borrower must notify school in writing if she wants no further loans made under multi-year MPN



# Perkins MPN Implementation

- MPN Expiration Provisions-No further loans under MPN after earliest of:
  - The date schools receives borrower's written notice for no further loans on MPN
  - 12 months after signature date if no disbursement has been made under MPN
  - 10 years after the signature date or date of school's receipt of MPN



# Perkins MPN Implementation

- MPN format and text cannot be changed [except bracketed language]
- MPN requires subsidiary record of disbursements and adjustments
- Use electronic MPN in accordance with ED E-Signature Standards
  - Dear Colleague GEN-01-06, May 2001
  - <http://ifap.ed.gov/dpcletters/gen0106.html>

# Master Promissory Note Paper Implementation

Sharon Suber-David  
Claflin University



# Perkins MPN Implementation

- Two Options for Master Prom Note:
  - Single Award Year
  - Multi-Award Year
  - Must implement by November 1, 2004



# Perkins MPN Implementation

- Single Award Year
  - Most common with schools
  - Borrower signs an MPN each award year
  - MPN covers all loans during that academic year
  - Borrower signs new MPN for each subsequent year



# Perkins MPN Implementation

- Multi-Award Year
  - Student signs promissory note once when s/he first borrows a Perkins Loan
  - MPN covers all loans that school makes to borrower until the MPN expires (up to 10 years)
  - If MPN expires, a new prom note is needed for loans made after expiration date
  - If borrower does not want further loans under MPN, they must notify you in writing



# Perkins MPN Implementation

- System Enhancements
  - Awarded students information stored in database
  - Perkins Loans accepted or declined by student
  - Information transferred to access or excel



# Perkins MPN Implementation

- Student Notification
  - Send letters/email to students awarded Perkins Loans
  - Amount awarded
  - Terms and Conditions
  - Interest Rate
  - Estimated monthly payments



# Perkins MPN Implementation

- Borrower Information
  - Address, email and phone number
  - Driver's License
  - Copy of Social Security if available
  - Name(s) and address(es) of parents
  - Name(s) and address(es) of two other contacts



# Perkins MPN Implementation

- Promissory Note Process
  - Create prom note for each student
  - Signed prom notes maintained along with award notification for each student
  - Update system for signed prom note information



# Perkins MPN Implementation

- Loan Disbursements
  - Letter to students informing them when funds are transmitted to account
  - Student has 14 days after disbursement to cancel loan
  - Maintain data in files for future reference



# Perkins MPN Implementation

- Supporting Documentation
  - Keep copy of all award notifications
  - A copy of student account records
  - Signed copy of prom note
  - Borrower information
  - Reference information
  - Repayment schedules



# Perkins MPN Implementation

- Reference Information
  - Implementation guidance “Dear Colleague” posted to IFAP CB-03-14, 8/18/2003
  - Replaces Current Perkins Promissory Notes After Transaction Period
  - Implementation Dates:
    - **May be used for award years beginning on or after July 1, 2003**
    - **Must be used for new loans on or after November 1, 2004**



**Spring Conference**

*New York, New York*  
**2004**

# Implementation of the Federal Perkins Loan Program Master Promissory Note

Ralph Hosterman



# Penn State Information

- 84,000 students
- 23 locations
- University Park – 40,000 + students
- Disburse 5,000 + loans (Perkins/Institutional)



# Standards for Electronic Signature

Document – “Standards for Electronic Signature” (revised as of July 25, 2001)

<http://ifap.ed.gov/dpcletters/attachments/gen0106Arevised.pdf>



# Standards for Electronic Signature

- Worked with the following Penn State offices in obtaining policies & procedures to determine if PSU met the standards:
  - Admissions
  - Center for Academic Computing (CAC)
  - Office of Student Aid
  - Registrar
  - Security Office
  - Student ID Office
  - Office IT Staff
  - Central IT Staff
  - Internal Auditors



# Standards for Electronic Signature

- Gathered information and policies and procedures from offices in regards to the process of verifying or changing Name, SSN, and date of birth
  - Admissions
  - Registrar
  - Office of Student Aid



# Penn State Authentication Process

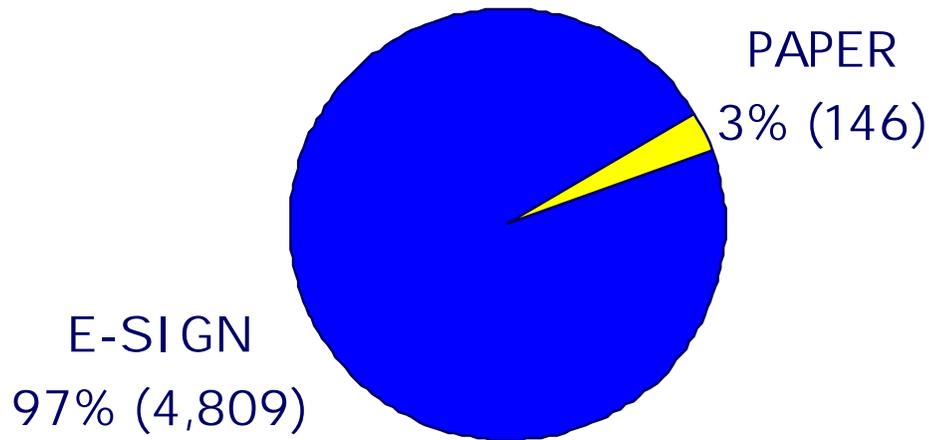
- Student ID Card process:
  - ★ Freshmen Testing – students directed to Student ID Office
  - ★ Must bring photo ID (Driver's License, Passport)
  - ★ Students asked for social security number
  - ★ Photo is taken for the Student ID. Image is stored on database
  - ★ Student issued ID. ID has photo and student's name on front of card. Magnetic stripe on back of card has SSN embedded



# Penn State Authentication Process

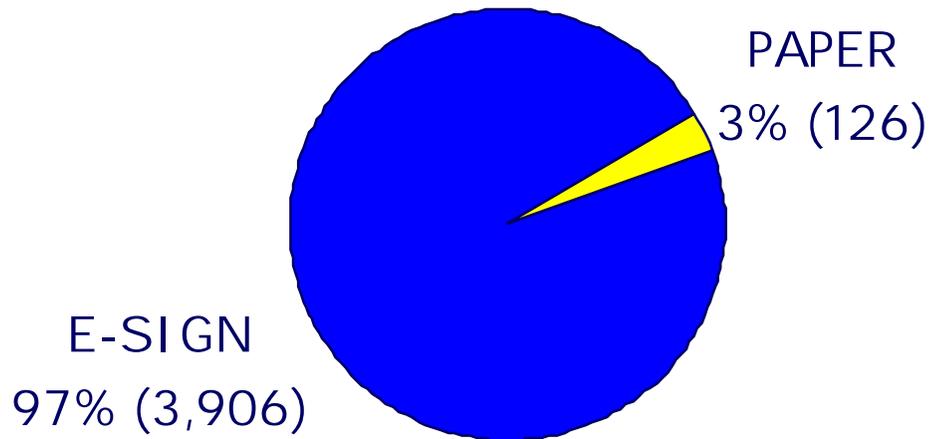
- Computer Access Account Process
  - ✦ Student is directed to computer access account signature station
  - ✦ Student swipes Student ID and is prompted to enter date of birth
  - ✦ If date of birth matches our database the student is prompted to sign an agreement accepting electronic services and agreeing to computer usage and security policies
    - ✦ Not to share their password
    - ✦ Notify officials if password is compromised
    - ✦ Consequences if policy is violated
  - ✦ The agreement and signature is electronically imaged
  - ✦ The student is issued a User ID and Password

# Promissory Notes (Perkins, University and Emergency) Signed e-Sign vs Paper: 2003-04





# Perkins Master Promissory Notes Signed - 2003-04





# Mainframe Changes

- ❖ Awarding – Future semester awards for students who signed master prom note
- ❖ eLion Student Aid Summary – Direct students to electronic signature web-site
- ❖ Promissory Note creation process:
  - To not create paper notes for students with Penn State computer accounts
  - To invite students to choose method of signing (Paper/e-Note)
  - MPN's for Perkins and University Loan, individual notes for each short-term/emergency loan student receives
- ❖ Automatically print paper notes for students choosing not to sign electronically
- ❖ Control reports revised for updating student signature



# Mainframe Changes

- ❖ Master Note Dates (Perkins/U-Loan)
  - ✓ Created
  - ✓ Signed
  - ✓ Expires
  
- ❖ MPN expiration procedure
  - ❖ Cancel Create Date
  
- ❖ Loan Disclosure Notice
  
- ❖ Notification of Disbursement – Regulation 34 CFR 668.165(a)
  
- ❖ Loan Disbursement (System disbursements and manual disbursements)
  
- ❖ Loan Decreases/Cancel (Future online enhancement)
  
- ❖ Paid in Full/Assignments – (Future enhancement)



# **Penn State eSignature Perkins Master Promissory Note Process**



# Loan Disclosure Notice

- Notice sent to students outlying information specific to their Perkins Loan – Regulation 34 CFR 674.16(a)
  - ✓ Estimated dates of disbursement
  - ✓ Total Perkins loan balance to date
    - Includes awarded loan
  - ✓ Estimated Monthly Payment Amount
  - ✓ Interest Rate
  
- Future enhancement – Student able to access loan information



# Promissory Note Invitation

- e-mail sent to students with Penn State Access Account inviting them to sign their promissory note electronically
- Student notified to have specific information ready before beginning the e-Note process:
  - ✓ Borrower's permanent address, e-mail address, and phone number
  - ✓ Borrower's drivers license number
  - ✓ Name(s), address(es), and phone number(s) of borrower's parent(s)
  - ✓ Names, addresses, and phone numbers of two other adults



# eLion Student Aid Summary

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eLion

## Student Aid Summary | [Help](#)

### Academic Progress Status for Student Aid:

Status is subject to change based on academic performance.

Fall: [Satisfactory](#) Spring: [Satisfactory](#) Summer: [Satisfactory](#)

[Credits for Student Aid Purposes:](#) Fall: 16.00 Spring: 00.00 Summer: 00.00

### Student Financial Aid Award for 2003-04:

	Aid Program Name	Fall	Spring	Summer	Total
<input type="radio"/>	Federal Perkins Loan	\$1,100	\$1,100	\$0	\$2,200
<input type="radio"/>	Mary Beaver White Univ Loan	\$500	\$0	\$0	\$500
<input type="radio"/>	Federal Stafford Loan	\$3,500	\$0	\$0	\$3,500
<b>Total</b>		<b>\$5,100</b>	<b>\$1,100</b>	<b>\$0</b>	<b>\$6,200</b>

[View aid program status](#)

[Additional aid](#)



# eLion Student Aid Summary

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eLion

## Student Aid Summary | [Help](#)

### Federal Perkins Loan

Information seen below is current as of October 16, 2003.

Fall:

You must complete your University Loan Promissory Note before your loan can disburse into your account. Please access the secure [e-note Web site](#) to review and complete your University Loan Promissory Note.

Spring:

You have been awarded this loan. Awards disburse on or after the first day of the semester after you have completed your registration.

[Learn more about this student aid program](#)

Select another aid program



# Welcome Borrower



Federal Perkins & University Electronic Promissory Note



## Welcome to the Pennsylvania State University Federal Perkins & University Electronic Promissory Note Signature System.

This site is for Penn State students that have been awarded a Federal Perkins loan or a University loan. This site allows:

- Viewing promissory notes and related documents
- Requesting paper promissory notes and related documents
- Electronically signing promissory notes
- Printing promissory notes and related documents

Questions concerning this process should be directed to <https://www.studentloans.psu.edu/question.cfm>.

Sample Promissory Notes can be viewed [Here](#).

[Click Here](#) to enter.



# PSU Loan Question Web-site

PENNSYLVANIA STATE UNIVERSITY



## Student Loans and Scholarships

A unit of the Bursar's office

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Repayment Information  
Consolidations  
Aid Disbursements  
Outside Scholarships  
T.A./S29 Plans  
International Taxes  
Forms

Contact Us  
FAQ



### Ask us a question

If you have a general question, you might want to reference our [FAQ](#) page. Otherwise, simply fill out the form below and press the "Send Question" button. Please fill out a new form for each question.

First Name:

Middle Initial:

Last Name:

Email:  (abc@xyz.com)

Daytime Phone #:

Student Number:

Classification:



# PSU Loan Question Web-site

**Category:**

**Address**

**Street1:**

**Street2:**

**City:**

**State:**

**or Province:**

**Zip Code:**

**Country:**

**Question:**



# PSU Loan Question Web-site

PENNSTATE



## Student Loans and Scholarships

A unit of the Bursar's office

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Thank You!

Your question has been successfully sent.

Below is the information you provided. You should receive a reply within 24 to 48 hours.

**First Name:** Ralph

**Middle Initial:** R

**Last Name:** Hosterman

**Email:** rrh2@psu.edu

**Daytime Phone #:** 8148650461

**Student Number:** 999999999

**Classification:** Current Student

**Category:** Perkins and University Loan - Payment Concerns

**Address Street1:** 108 Shields Building

**Street2:**

**City:** University Park

**State:** PA

**Province:**

**Zip Code:** 16802

**Country:** U.S.A.

**Question:** Can you please tell me what my monthly payments will be regarding my Perkins Loan?



# PSU Intranet

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- ABAS Data
- ABCD Data
- ABGC Comments
- ABBH Data
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## Office of the Bursar - Intranet

A unit of the Corporate Controllers Office

March						
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7	<b>8</b>	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

### Messages / Alerts

There are no messages and/or alerts to display at this time

Access to this site is limited to Bursar and Loans & Scholarships staff. This System is for AUTHORIZED use only. See Policy AD-20 regarding obligations/liability.

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# PSU Electronic Student Inquiry Response System

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OFFICE OF STUDENT LOANS: Electronic Student Inquiry Response System					
	<b>Perkins and University Loan - Exit Interviews</b>				1
	<b>Perkins and University Loan - Deferments</b>				1
	Perkins and University Loan - Address Changes				0
	<b>Perkins and University Loan - Payment Concerns</b>				1
	Perkins and University Loan - Economic Hardship Options				0
	Perkins and University Loan - Cancellations				0
	Perkins and University Loan - Promissory Note				0
	Perkins and University Loan - Other Concerns				0
	Federal or State Grants				0
	Federal Stafford or Plus Loan				0
	Private Loans				0
	Private Scholarships				0
	Penn State Scholarships				0
	Other				0



# PSU Electronic Student Inquiry Response System

**Office of the Bursar - Intranet**

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OFFICE OF STUDENT LOANS: Electronic Student Inquiry Response System

Process	Date Received	From	Reason/Subject
	03/08/04 2:49:39 PM	rrh2@psu.edu	Perkins and University Loan - Payment Concerns

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# PSU Electronic Student Inquiry Response System

<b>Office of the Bursar - Intranet</b>		<a href="#">Back</a>	<a href="#">Home</a>	<a href="#">Print</a>	<a href="#">Logoff</a>
OFFICE OF STUDENT LOANS: Electronic Student Inquiry Response System					
Date:	03/08/04 2:49:39 PM				
From:	rrh2@psu.edu	Student ID:	999999999	<a href="#">Change</a>	
Reason:	Perkins and University Loan - Payment Concerns		<a href="#">Change</a>		
First Name: Ralph Middle Init: R Last Name: Hosterman Email: rrh2@psu.edu Phone: 8148650461 Student ID: 999999999 Classification: Current Student Category: Perkins and University Loan - Payment Concerns Address Street1: 108 Shields Building					
City: State: Provi: Zip: Count:					
None Paper Note Request Perkins Loan and Promissory Note response Student Loan Response Penn State Access Account Student Aid Referral Autopay request Loan Disclosure Notification Short Term Loan Note Cancel Perkins Loan eSignature Website None					
<b>onse</b>					
<a href="#">Continue with reply</a>					



# PSU Electronic Student Inquiry Response System

Office of the Bursar - Intranet

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OFFICE OF STUDENT LOANS: Electronic Student Inquiry Response System

To: rrh2@psu.edu

From: office-of-the-bursar\_non-returnable@www.bursar.psu.edu

Subject: Reply to your Loans Question

BCC: Enter.....

Exclude SSN From BCC List

(ex: XXXX10@psu.edu,YYY10@psu.edu)

Message:

Send Message

ORIGINAL MESSAGE

First Name: Ralph  
Middle Init: R  
Last Name: Hosterman  
Email: rrh2@psu.edu  
Phone: 8148650461  
  
Classification: Current Student  
Category: Perkins and University Loan -  
Payment Concerns  
Address Street1: 108 Shields Building  
Street2:  
City: University Park  
State: PA

REPLY MESSAGE

Dear Student:

Thank you for writing to the Office of Student Loans and Scholarships.

The Perkins loan has a fixed 5% interest rate. The interest does not accrue and no payments are due while you are enrolled (at least half time). Payments (and interest) begin 9 months after you graduate. Minimum monthly payments are \$ 40/month.

Visit our website at:  
<http://www.studentloans.psu.edu/>

Check Spelling



# Welcome Borrower



Federal Perkins & University Electronic Promissory Note



## Welcome to the Pennsylvania State University Federal Perkins & University Electronic Promissory Note Signature System.

This site is for Penn State students that have been awarded a Federal Perkins loan or a University loan. This site allows:

- Viewing promissory notes and related documents
- Requesting paper promissory notes and related documents
- Electronically signing promissory notes
- Printing promissory notes and related documents

Questions concerning this process should be directed to <https://www.studentloans.psu.edu/question.cfm>.

Sample Promissory Notes can be viewed [Here](#).

[Click Here](#) to enter.



# Borrower Authentication



Federal Perkins & University Electronic Promissory Note



Please complete the following borrower authentication to enter the Penn State electronic signature web-site:

## Borrower Authentication

Access Account UserID:

Access Account Password:

Social Security Number:

Date Of Birth:

[Access Account Information:](#)



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# Choose Paper / e-Note

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## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

**e-note**

You have the following Loan Promissory Note(s) on this system:

Loan Type	Amount	Academic Year	Status	Printing Options If you have any problems viewing or printing the PDF versions of your Promissory Notes, try downloading the latest version of Adobe Acrobat Reader. 
Short Term Loan (KLANGZ)	Fall: \$ 100.00	2003/04	 Not Signed	
Short Term Loan (UNREZ)	Fall: \$ 400.00	2003/04	 Not Signed	
University Loan	Master Promissory Note		 Not Signed	
Federal Perkins Loan	Master Promissory Note		 Not Signed	



# Choose Paper / e-Note - Continued

Eligibility for the above loan(s) has been based on your Free Application for Federal Student Aid (FAFSA) and/or this year's availability of funds. You will need the following information to sign your Promissory Note(s):

- **Name/Address/Telephone Number** - The address and telephone number should be your permanent home address and telephone number.
- **Driver's License Number**
- **References** - You will need to provide at least two adult references. You will need their names, addresses and telephone numbers. Each adult reference must have a different address than you, your parents, and the other adult reference.

## Signing your (Perkins or University Loan) Promissory Note

You may sign your Promissory Note electronically or you may request a paper Promissory Note. We highly recommend the electronic method.

The **advantages** of signing an electronic Promissory Note include:

- You can sign the note immediately.
- You will receive immediate confirmation that the Promissory Note and other required documents have been successfully completed.
- The student system is updated within one workday of your electronic signature.
- You can print a paper copy for your records when the note is successfully completed.
- You can request a free paper copy of the electronic Promissory Note any time.
- You can change your mind about signing electronically any time before you submit your electronic Promissory Note to us.

The **disadvantages** of signing the paper Promissory Note include:

- Upon receipt of the paper request, 10-14 days are required for completion. This includes mailing time to you, your time to complete the documents, mailing time back to our office, time for our office to review the documents, and time to post the information into the system.
- If the documents are not completed properly, they will be returned to you for correction.

I agree to electronically sign my Promissory Note(s). (Recommended)

I prefer to have a paper Promissory Note mailed to me.



# Hardware / Software Requirements

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## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

e-note

### Hardware/Software Requirements

**Please Note:** The following hardware and software are required to electronically sign your Promissory Note. If you do not have these, you will be unable to complete the electronic signature process.

- One of the following browsers: Internet Explorer version 4.0 or higher, Netscape version 4.0 or higher, or AOL version 5.0 or higher
- Javascript and cookies must be enabled in your web browser settings
- Adobe Acrobat Reader version 4.0 or higher.  This will be necessary to view/print your Note.

I have the required hardware and software as stated above.

Continue

Exit



# Verify Student Personal Information

PENNSYLVANIA STATE UNIVERSITY



## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

e-note

Please verify that the data displayed below is correct.

Personal Information	
First Name:	SEAN
Middle Initial:	P
Last Name:	CYHMWUJ, JUNIOR
Social Security Number:	931-01-9005
Date Of Birth:	03/20/1970

I confirm that the information provided above is correct.

Some or all of the data above is not correct.

Continue

Exit



# Verify Student Address Information

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## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

~~e~~note

Please verify that the data displayed below is correct.

Address Information	
Street 1:	46 CHARDONNAY DRIVE
Street 2:	
City:	FAIRPORT
State or Province:	NY
Zip Code:	18932
Country:	USA
Home Telephone Number:	(716) 223-6203
Drivers License Number:	123456789
Drivers License State:	NY

I confirm that the information provided above is correct.

Some or all of the data above is not correct.

Continue

Exit



# Collect References and Parent Information



## Reference Information

If the Office of Loans and Scholarships does not receive your current address, your parents, and/or two references may be contacted for your accurate address or telephone number. In no instance will references be given specific information concerning your loan, nor will they be asked to make payment arrangements.

Please enter the requested information for an adult reference who will know your whereabouts during the duration of your loan repayment. This reference cannot share the same address as you, your parents, or the second adult reference. Required fields are indicated in **Red**.

### Mandatory References - First Reference:

First Name:	<input type="text" value="Fred"/>
Last Name:	<input type="text" value="Flintstone"/>
Street 1:	<input type="text" value="324 Park Avenue"/>
Street 2:	<input type="text"/>
City:	<input type="text" value="Tyroes"/>
State:	<input type="text" value="PENNSYLVANIA"/>
Zip Code:	<input type="text" value="15808"/> (req. 9902 or 99022-195)
Country:	<input type="text" value="U.S.A."/>
Home Telephone Number:	<input type="text" value="8145551212"/> (req. 9120001212)

### Parent Information (Parent 2) - Not Mandatory:

First Name:	<input type="text" value="Lena"/>
Last Name:	<input type="text" value="Dumery"/>
Street 1:	<input type="text" value="3723 Main Street"/>
Street 2:	<input type="text"/>
City:	<input type="text" value="State College"/>
State:	<input type="text" value="PENNSYLVANIA"/>
Zip Code:	<input type="text" value="16802"/> (req. 9902 or 99022-195)
Country:	<input type="text" value="U.S.A."/>
Home Telephone Number:	<input type="text" value="8145558888"/> (req. 9900001212)
E-mail Address (if applicable):	<input type="text"/>
Employer:	<input type="text" value="Penn State University"/>
<b>Business Address:</b>	
Street 1:	<input type="text" value="374 Shields Building"/>
Street 2:	<input type="text"/>
City:	<input type="text" value="University Park"/>
State:	<input type="text" value="PENNSYLVANIA"/>
Zip Code:	<input type="text" value="16802"/> (req. 9902 or 99022-195)
Country:	<input type="text" value="U.S.A."/>
Business Telephone Number:	<input type="text" value="8148631234"/> (req. 9900001212) Ext. <input type="text"/> (req. 10000)



# Loans Requiring Signature

PENNSTATE  
**Loans & Scholarships**

Federal Perkins & University Electronic Promissory Note



Please select a loan to sign electronically. Each loan will need to be processed separately.

Loan Type	Amount	Academic Year	Status
Short Term Loan (ELNGZ)	Fall: \$ 100.00	2003/04	Not Signed View This Promissory Note
Short Term Loan (UNREZ)	Fall: \$ 400.00	2003/04	Not Signed View This Promissory Note
University Loan	Master Promissory Note		Not Signed View This Promissory Note
Federal Perkins Loan	Master Promissory Note		Not Signed View This Promissory Note
Federal Perkins Loan (NDSL 09)	Fall: \$1,100.00 Spring: \$1,100.00 Summer: \$0.00 Year Amount: \$2,200.00	2002/03	e-Signed

Exit



# Repayment Schedule

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## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

**e-note**

### Federal Perkins Electronic Master Promissory Note

#### Definition of Master Promissory Note

- Your Master Promissory Note authorizes The Pennsylvania State University (hereinafter referred to as the "School"), to disburse multiple loans during the multi-year term of this Note upon your request and upon the School's determination of your loan eligibility.

Subsequent loans may be made under this Note for the same or subsequent periods of enrollment at the School. The school however, may, at its discretion, close this Note at any time and require me to sign a new Note for additional disbursements. I understand that if the School chooses to make subsequent loans under this Note, no such loans will be made after the earliest of the following dates: (i) the date the School receives my written notice that no further loans may be disbursed under this Note; (ii) twelve months after the date of my signature on this Note if no disbursement is made during such twelve-month period, or (iii) ten years after the date of my signature on this Note, or the date the School receives this Note.

#### Sample repayment schedule

- To estimate your payment of your Federal Perkins loan(s), please refer to the following sample repayment schedules. Please note, the information is based on a fixed interest rate of five (5) % and a ten (10) year repayment plan.



# Repayment Schedule

Total Amount Borrowed	Monthly Payment	Interest Paid	Total Repaid
\$3,000.00 or less	\$40.00	\$604.55	\$3,604.55
\$4,000.00	\$42.43	\$1,091.01	\$5,091.01
\$5,000.00	\$53.03	\$1,364.03	\$6,364.03
\$7,000.00	\$73.61	\$1,909.36	\$8,909.36
\$10,000.00	\$106.07	\$2,727.70	\$12,727.70

If any outstanding Federal Perkins Loan(s) were made before October 1, 1992.

Total Amount Borrowed	Monthly Payment	Interest Paid	Total Repaid
\$3,000.00 or less	\$30.00	\$818.35	\$3,604.55
\$4,000.00	\$42.43	\$1,091.01	\$5,091.01
\$5,000.00	\$53.03	\$1,364.03	\$6,364.03
\$7,000.00	\$73.61	\$1,909.36	\$8,909.36
\$10,000.00	\$106.07	\$2,727.70	\$12,727.70
\$20,000.00	\$212.81	\$5,537.11	\$25,537.11
\$40,000.00	\$424.26	\$10,911.52	\$50,911.52

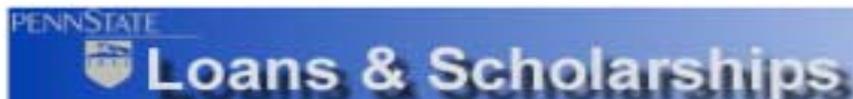
I have read and agreed to the information provided above.

Continue

Exit



# Disclosure Statement



Federal Perkins & University Electronic Promissory Note



THE PENNSYLVANIA STATE UNIVERSITY  
FEDERAL PERKINS LOAN PROGRAM  
FEDERAL PERKINS LOAN

## Disclosure Information Statement

Pursuant to the National (Federal) "Truth In Lending Law", the following Disclosure Statement is given by the Lender (The Pennsylvania State University) to the student borrower as signed on reverse side of this document and is subject to certain conditions specified in the Master Promissory Note (hereinafter called the Note):

The grand total of your Federal Perkins Loan (that amount will be the sum of all loan advances awarded during your student status at this Institution) will be subject to the following terms:

1. The lender is required to report any disbursements made under this Note to any credit bureau organization with which the Secretary has an agreement. Each advance will be reported at the time of disbursement and the disclosed information will include the amount of each loan and information specified under S430 A (a) of the H.E.A. for the Part B Federal Family Education Loan Program. This includes reporting defaulted loan(s) to a credit bureau organization.
2. The FINANCE CHARGE shall consist solely of interest computed on the outstanding (net unpaid) balance of principal at the ANNUAL PERCENTAGE RATE OF FIVE PERCENT (5%). Interest will actually accrue starting nine (9) months after you cease to be at least a half-time student. Possible exceptions to this time designation would be eligible deferral (postponement) reasons, as outlined in your Master Promissory Note and Statement of Rights and Responsibilities.
12. It must be understood that eligibility for this loan(s) has been based on your Free Application for Federal Student Aid (FAFSA) for the current academic year and availability of funds. Signing this Master Promissory Note does not guarantee future funding. Future funding will be based on need (obtained from future FAFSAs) and fund availability. Signing this Master Promissory Note may also affect future eligibility for other forms of student assistance.

I acknowledge that I have read, understood, and agreed to the Disclosure Information Statement of the Federal Perkins Loan promissory note.

Continue

Exit



# Rights & Responsibilities

## PENNSTATE Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

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### THE PENNSYLVANIA STATE UNIVERSITY FEDERAL PERKINS STUDENT LOAN PROGRAM

#### Statement of Rights and Responsibilities

This loan is a serious financial obligation entailing legalities stipulated within the Master Promissory Note. Extreme caution should be exercised in the application and request of this loan and therefore, it is important that you understand your rights as well your responsibilities. When you, the student borrower, sign this statement, it means and implies that you fully and clearly comprehend these rights and responsibilities and as such agree to honor them.

I fully and completely understand that I must, without exception, report any of the following changes and/or information to:

The Pennsylvania State University  
Office of Student Loans and Scholarships  
108 Shields Building  
University Park, PA 16802-1222  
PHONE: 814-865-0461 WEB ADDRESS: <http://www.studentloans.psu.edu>

I understand that all of my federal loans can be reviewed by accessing the National Student Loan Data System at <http://www.nslds.ed.gov>

I acknowledge receipt and understand the Rights and Responsibilities Statement will apply to multiple loans that may be made under my Master Promissory Note.

I acknowledge that I have read, understood, and agreed to the Statement of Rights and Responsibilities section of the Federal Perkins Loan promissory note.

Continue

Exit



# Quiz Question # 1

PENNSYLVANIA STATE UNIVERSITY



## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note



**Please answer the following questions to the best of your ability.**

**QUESTION #1 of 3:** IF I am not enrolled in at least half-time status at The Pennsylvania State University, I need to complete an Exit Interview with the Office of Student Loans and Scholarships.

True

False

Continue

Exit



# Answer & Quiz Question # 2

PENNSTATE



## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

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**Incorrect.**

The U.S. Department of Education and The Pennsylvania State University require any student who receives a loan from a federal or university loan program to attend an Exit Interview Session when graduating, withdrawing or not re-enrolling in at least half-time status with The Pennsylvania State University.

The Exit Interview application provides important information that will assist you with understanding the terms, conditions and repayment terms of your student loan(s) received through The Pennsylvania State University. If an exit interview is not completed, registration and transcript holds will be placed on your academic records

QUESTION #2 of 3: If I cannot make my payments, there are no options:

True

False

Continue

Exit



# Answer & Quiz Question # 3

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Federal Perkins & University Electronic Promissory Note

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### Correct!

Several options are available that may assist you in keeping your loan(s) in good standing.

Upon graduating, withdrawing or not re-enrolling in at least half-time status, your loan(s) will enter a grace period. During the grace period, your loan will not accrue principal and interest. Federal Perkins Student Loans have nine (9) month grace periods and University Long-Term Loans have six (6) month grace periods. Following the grace period, your loan(s) will enter repayment status.

During repayment status, if you are unable to make your scheduled payment, please contact The Office of Student Loans and Scholarships at <https://www.studentloans.psu.edu/question.cfm>. The following options may be available:

- Deferment - Upon application, if you qualify for a deferment, your payments will be deferred for the period of your eligibility. Various deferments are available for most student loans. Please refer to your Master Promissory Note for details.
- Cancellation - Payments on Federal Perkins Student Loan(s) may be cancelled for students who meet eligibility requirements. Please refer to your Master Promissory Note for details.
- Partial Payment/Rehabilitation Agreements - These temporary repayment plans allow you to make payments that are less than your amount due. Upon successful completion of the agreement, your loan(s) will be considered in good standing.

Please note, if your loan(s) become past due and are placed with a collection agency, you may lose eligibility for some or all of the above provisions.

QUESTION #3 of 3: This loan is a financial obligation that must be repaid.

- True  
 False



# Answer to Quiz Question # 3

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## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

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**Correct!**

This loan is a financial obligation that must be repaid.

If your loan(s) fall past due:

- If your loan(s) become delinquent, the delinquency may be reported to the credit bureau. Delinquent ratings remain on your record for approximately seven (7) years. Credit bureau reports are a key source of information used by creditors when approving credit such as mortgages and auto loans. A delinquent rating on your student loan(s) may hamper your efforts in obtaining a loan or a preferred lending rate (usually offered to well qualified borrowers).
- If your account(s) become ninety (90) days or more past due, holds may be placed on your registration and transcripts. The holds may not be removed until the account is brought up-to-date.
- In addition to the previously mentioned actions, if your loan(s) fall past due, you may lose all future deferment/cancellation privileges that were available, late fees may be assessed and your loan(s) may be accelerated (meaning the entire loan amount including interest, late fees and collection costs may be due and payable immediately).
- Collection costs and attorney fees may be assessed to your loan(s). If your loan(s) become delinquent, we place your account(s) with a third party collection agency. For servicing your account(s), the agency charges fees that are passed on to you. These fees can be as high as 50% of your outstanding balance.

You have completed all of the questions. Please press "Continue" to view your promissory note.

Continue

Exit



# Promissory Note

PENNSYLVANIA STATE UNIVERSITY  
**Loans & Scholarships**

Federal Perkins & University Electronic Promissory Note



FEDERAL PERKINS LOAN MASTER PROMISSORY NOTE

OMB No. 1845-0074 Form Approved Expiration Date 08/30/2008

Section A: Borrower Section

1. Name and Permanent Address

Last Name First Name M.I.  
CYHMMUJ, JUNIOR SEAN P

Street  
46 CHARDONNAY DRIVE

City State/Province Zip Code  
FAIRPORT NY 18932

2. Social Security Number

931-01-9005

3. Date of Birth

03/20/1970

4. Area Code/Telephone Number

(716) 223-6203

5. Driver's License Number

NY 123456789

**Warning! Pressing the button below will complete the electronic signature process.  
If you do not wish to continue, press the Exit button.**

I acknowledge that I have read, understood, and agreed to the information contained in the entire electronically signed Federal Perkins Loan promissory note and also acknowledge that the information contained about me in the note is true and correct.

Electronically Sign This Promissory Note

Exit



# Borrower asked to Re-Authenticate

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## Loans & Scholarships

Federal Perkins & University Electronic Promissory Note

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You must Re-Authenticate before your promissory note can be electronically signed.

### Borrower Re-Authentication

Access Account UserID: dvt2

Access Account Password:

[Access Account Information:](#)



# Transaction History



**Congratulations! You have successfully signed your Federal Perkins Loan promissory note! Your confirmation number is:**

2003091016110700000200304146.186.174.21

Transaction History	
You consented to use an electronic process to sign your promissory note(s) on	09/10/2003 16:03:35
You represented that you had the hardware and software to use an electronic process on	09/10/2003 16:03:37
You confirmed that the Personal Data supplied on the promissory note was correct on	09/10/2003 16:03:39
You confirmed that the Address Data supplied on the promissory note was correct on	09/10/2003 16:03:43
You acknowledged that you read, understood, and agreed to the loan indebtedness information on	09/10/2003 16:04:06
You acknowledged that you read, understood, and agreed to the Disclosure Statement on	09/10/2003 16:07:43
You acknowledged that you read, understood, and agreed to the Statement of Rights and Responsibilities on	09/10/2003 16:07:48
You completed the quiz on	09/10/2003 16:07:58
You acknowledged that you read, understood, and agreed to the information contained in the Promissory Note on	09/10/2003 16:08:01
You successfully authenticated your electronic signature on	09/10/2003 16:11:07

You still have Promissory Note(s) that require a signature. You will need to repeat this process for each unsigned Note.

Click **"Continue"** to view your list of Promissory Note(s) and to print your electronically signed Note(s).

Continue



# Options to Print / e-Mail Note

PENNSYLVANIA STATE UNIVERSITY  
**Loans & Scholarships**

Federal Perkins & University Electronic Promissory Note  
**e-note**

You have the following Loan Promissory Note(s) on this system:

Loan Type	Amount	Academic Year	Status	Printing Options
Short Term Loan (KLANGZ)	Fall: \$ 100.00	2003/04	Not Signed	If you have any problems viewing or printing the PDF versions of your Promissory Notes, try downloading the latest version of Adobe Acrobat Reader. PDF
Short Term Loan (UNREZ)	Fall: \$ 400.00	2003/04	Not Signed	
University Loan	Master Promissory Note		Not Signed	
Federal Perkins Loan	Master Promissory Note		e-Signed	<a href="#">View/Print This Promissory Note</a> <a href="#">Email Promissory Note To Your PSU e-mail account</a>
Federal Perkins Loan (NDSL 09)	Fall: \$1,100.00 Spring: \$1,100.00 Summer: \$0.00 Year Amount: \$2,200.00	2002/03	e-Signed	<a href="#">View/Print This Promissory Note</a> <a href="#">Email Promissory Note To Your PSU e-mail account</a>



# e-Sign Web Application

<http://www.studentloans.psu.edu/pdf/enote.pdf>



# Technical Assistance

We appreciate your feedback and comments. We can be reached at:

**Gail McLarnon**

**202-3219-704**

**202-502-7873 (fax)**

**[gail.mclarnon@ed.gov](mailto:gail.mclarnon@ed.gov)**

**Sharon Suber-David**

**803-535-5426**

**[sdavis@claflin.edu](mailto:sdavis@claflin.edu)**

**Ralph Hosterman**

**814-865-0461**

**814-865-6535 (fax)**

**[RRH2@PSU.EDU](mailto:RRH2@PSU.EDU)**