

## **Guidelines for Paper Master Promissory Notes June 2005**

The following document presents a summary of acceptance guidelines for master promissory notes (MPNs) received by the Department of Education (the Department). We hope this information will help make MPN processing a more efficient practice by allowing you to prevent errors before mailing MPNs to the Department and to minimize the number of rejected MPNs to correct.

All paper MPNs are processed in Montgomery, AL. There are two separate mailing addresses, depending on how you choose to send the MPNs. You will see that the overnight mail address is new; you should update your school's system accordingly. Please use the correct address to ensure a timely receipt of the manifests by the processing center.

### **Overnight, Express or Certified Mail**

Department of Education  
201 TechnaCenter Drive  
Montgomery, AL 36117\*

### **Regular Mail:**

Department of Education  
P.O. Box 5692  
Montgomery, AL 36104\*

\*Note the difference in the zip codes. This is not an error; the post office in Montgomery uses a different zip code for the P.O. Box.

### **What should be done to reduce the number of processing errors?**

- Data from MPN must match the same data in the borrower record (SSN, the borrower's date of birth, and the first two characters of the borrower's first name) or the MPN will not link to an award. Please make sure the MPN information matches the data submitted on the award.
  - In cases where any of this data is legally altered on the MPN, but the altered data does not match the borrower record, the MPN will not link. You can prevent errors by ensuring that altered data on the MPN is researched and verified against the award data in the system prior to submitting the MPN for processing.
- The processing center uses a double data entry and verification process to minimize data entry errors. The double data entry process allows us to validate the data from the MPN twice before the data is released for linking to an award. As a result, we have reduced the miskey error rate to .08% of all MPNs keyed.
- Hand-written data on MPNs also increases error rates. To ensure that hand-written MPNs are processed correctly, please make certain that hand-written data on the MPN is legible.
- All pre-printed legal text and borrower-entered information should be readable by the processing team and should not be obstructed by a school stamp or date stamp. The use of highlighters on any critical information on the MPN impedes the scanning process and should be avoided.
- When using the downloadable version of an MPN, please ensure that the legal text is printed on the reverse of the MPN.

If a paper MPN cannot be processed due to invalid alteration or other error, it will be returned to you to correct or to obtain a new MPN. The shipping manifest is annotated to reflect the reason it

was returned to you (for example, no signature or missing shipping manifest). You will receive any returned notes before receiving the original shipping manifest.

If you have any questions regarding the MPN process, please contact the COD School Relations Center at 800/848-0978 or e-mail [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com). Thank you for your ongoing partnership in the Direct Loan Program.

### Direct Subsidized and Direct Unsubsidized MPN Review/Acceptance Guidelines

<b>Section A: BORROWER INFORMATION</b>			
<b>Form Label</b>	<b>Valid Values</b>	<b>Alterations?</b>	<b>Required?</b>
1. Driver's License State and No.	May be left blank. If either license number or state is present, both must be on the MPN	Yes, with initials	No
2. Social Security No.	Student borrower's social security number	Yes, with initials	Yes
3. E-mail Address	Student borrower's current e-mail address; may be blank	Yes	No
4. Name and Address (street, city, state, zip code)	Must have first and last name; middle initial is optional. Student borrower's permanent OR local street address; may be blank. Student borrower's permanent OR local city, state, and zip code; must have city, state and zip code. If foreign country, zip code must be blank	Yes, with initials	Yes
		Yes	No
		Yes	Yes
5. Date of Birth	Student borrower's date of birth, MM/DD/YYYY format	Yes, with initials	Yes
6. Area Code/Telephone No.	Student borrower's permanent 10-digit telephone number	Yes	No
7. References	2 references – name, address, phone number, relationship to the borrower	Yes	No
16/17. Borrower's Signature and Today's 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. Signature must be in blue or black ink. Disabled borrowers may show their symbol, including "X", for a signature. However, we request that the school official provide a statement on school letterhead indicating the symbol is the signature of the borrower.	Yes

		Date may be altered or blank.	
<b>Section B: SCHOOL INFORMATION</b>			
Form Label	Valid Values	Alterations?	Required?
8. 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, Zip code	Yes, with school official's initials	Yes
9. School Code/Branch	Direct Loan School Code	Yes	Yes
10. Identification No.	Loan ID of one of the loans associated with this MPN. Must be a valid xx-character field.	Yes, with school official's initials (only last 2 digits may be modified)	Yes

Additional Reasons for MPN Rejections:

MPN text or signature is altered.

Legal text is missing.

Signed date on MPN is *after* the expiration date of the form.

Signed MPN is a photocopy (no original signature) or is marked "copy" or "non-negotiable."

### Direct PLUS MPN Review/Acceptance Guidelines

<b>Section A: PARENT INFORMATION</b>			
Form Label	Valid Values	Alterations?	Required?
1. Driver's License State and No.	May be left blank. If either license number or state is present, both must be on the MPN	Yes, with initials	No
2. Social Security No.	Borrower's social security number	Yes, with initials	Yes
3. Date of Birth	Borrower's date of birth, MM/DD/YYYY format	Yes, with initials	Yes
4. E-mail Address	Borrower's current e-mail address; may be blank	Yes	No
5. Name and Address (street, city, state, zip code)	Borrower's first and last name; middle initial is optional.	Yes, with initials	Yes
	Borrower's permanent OR local street address; may be blank	Yes	No
	Borrower's permanent OR local city, state, and zip code Must have city, state and zip code. If foreign country, zip code must be blank.	Yes	Yes
6. Home Area Code/Telephone No.	Student borrower's permanent 10-digit telephone number	Yes	No

7. U.S. Citizenship Status (check one)	Citizenship status Alien Registration Number	Yes, with initials	Yes If “Permanent Resident/Other Eligible Non-Citizen” is selected, the Alien Registration No. must be present. If “Neither” is selected, the MPN will be rejected.
8. Employer’s Name and Address	Borrower’s employer name and street address, including city, state, and zip code	Yes	No
9. Employer’s Area Code/Telephone No.	Borrower’s employer 10-digit telephone number	Yes	No
10. Endorser checkbox		No	No
11. References	2 references – name, address, phone number, relationship to the borrower	Yes	No
24/25. Borrower’s Signature and Today’s Date	Signature should match the name in item #5, 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. Signature must be in blue or black ink Disabled borrowers may show their symbol, including “X”, for a signature. However, we request that the school official provide a statement on school letterhead indicating the symbol is the signature of the borrower. Date may be altered or blank.	Yes
<b>Section: SCHOOL INFORMATION</b>			
<b>Form Label</b>	<b>Valid Values</b>	<b>Alterations?</b>	<b>Required?</b>
12. 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, Zip code	Yes, with school official’s initials	Yes

13. School Code/Branch	Direct Loan School Code	Yes	Yes
14. Identification No.	Loan ID of one of the loans associated with this MPN. Must be a valid xx-character field	Yes, with school official's initials (only last 2 digits may be modified)	Yes
<b>Section C: STUDENT INFORMATION</b>			
<b>Form Label</b>	<b>Valid Values</b>	<b>Alterations?</b>	<b>Required?</b>
15. Student's Name (last, first, middle initial)	Student's last and first name and middle initial; middle initial is optional.	Yes, with initials	Yes
16. Social Security No.	Student's current social security number	Yes, with initials	Yes
17. Date of Birth	Student's date of birth; MM/DD/YYYY format	Yes, with initials	Yes

Additional Reasons for MPN Rejections:

MPN text or signature is altered.

Legal text is missing.

Signed date on MPN is *after* the expiration date of the form.

Signed MPN is a photocopy (no original signature) or is marked "copy" or "non-negotiable."