
Custom System Requirements

Processing Direct Loan Data^{3/4} Direct Loan Processing Cycles

Direct Loan processing relies on Electronic Data Exchange (EDE). Schools exchange loan information with the Loan Origination Center (LOC) routinely. Schools should develop data production and transmission schedules around the various Direct Loan processing cycles. Batch processing of Direct Loan data occurs by data type. The major processing cycles are:

- Full Origination Records
- Change Records
- Promissory Notes
- Request and Receipt of Cash
- Disbursement Records.

The Direct Loan program affords schools maximum flexibility in the timing and content of their transmissions. However, certain rules apply. The LOC processes school data from your Title IV WAN mailbox, daily, in the following order:

1. Full Origination Records
2. Change Records
3. Requested Receipt of Cash
4. Disbursement Records

Please note that as of 1999–2000, schools no longer transmit electronic promissory note manifests to the LOC. However, they continue to send batches of promissory notes with paper shipping manifests.

Generally, the LOC retrieves data from your Title IV WAN mailbox at approximately 8 p.m. (EST). Depending on required turnaround, the LOC will return processed data to your mailbox at approximately 8 a.m. (EST).

1. Schools are not required to submit all batch types to the LOC at once. However, proper processing order must be considered when developing a transmission schedule. On acceptance of full origination records, the LOC establishes the loan ID and student loan information for individual records on its database. At this time, the LOC will send acknowledgment records accepting or rejecting your submission. If an origination record is rejected by the LOC, no student loan origination record will be stored on the LOC's database.

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2. With the exception of promissory notes, if a school sends any record for a loan ID, such as change, disbursement, or loan detail records without first transmitting acceptable full origination records, the LOC will not process or retain the submitted records.
 3. However, the LOC will retrieve and maintain a promissory note and return the promissory note acknowledgment with a pending note status. When the loan origination record has been accepted, the LOC will return an acknowledgment for the pending promissory note.
 4. Schools should not submit \$0 Adjustments to Loan Amount Approved on records with outstanding disbursement activity. This is discussed in detail in Section 4.6.1.

What Is a Booked Loan?

The goal of all Direct Loan processing is to book loans with the LOC. A “booked” loan implies there is a binding obligation between the borrower and the U.S. Department of Education to repay. A loan is considered “booked” when the LOC has accepted the full origination record, the promissory note, and the first actual disbursement record for a particular Loan ID. Subsequent disbursement records are additionally booked as they are accepted by the LOC.

Each promissory note acknowledgment (DIPA00OP) and disbursement acknowledgment (DIOD00OP) returns the Total Net Amount booked by the LOC and a booked status code. Total net amount booked is made up of disbursements with booked status.

What Is a Booked Disbursement?

A booked disbursement is any disbursement associated with a booked loan. The disbursement book date is the date the individual disbursement books at the LOC and is determined by either the disbursement acknowledgment date or the promissory note acknowledgment date.

- If the disbursement is the component that books the loan. The disbursement booked date is the disbursement acknowledgment date.
- If the promissory note is the component that books the loan and is received **after** the disbursement, then the disbursement booked date is the promissory note acknowledgment date.
- If a subsequent disbursement is received **after** the loan books, then the disbursement booked date is the disbursement acknowledgment date for that subsequent disbursement.

The disbursement booked date indicates the month the disbursement appears on the Direct Loan School Account Statement, DLSAS.

Full Origination Records

The Direct Loan Program requires schools to store loan data and submit loan records to the LOC. Participating Direct Loan schools can establish a Direct Subsidized Loan and a Direct Unsubsidized Loan based on the student's eligibility. Participating institutions may include a Direct PLUS Application for signature and Promissory Note (one document) in award packages for the parents or guardians of eligible students. Once the PLUS loan origination records are transmitted to the LOC, a credit check is performed on the parent or guardian borrower.

Schools will create one loan record and loan ID for each new loan. For example, if a borrower has one Direct Subsidized Loan and one Direct Unsubsidized Loan, then the school will maintain two loan IDs. The full origination record (DESF00IN/DEPF00IN) is created from borrower demographic data and anticipated disbursement data.

Submitting Full Origination Records

The school transmits a full origination record to the LOC for every loan it originates whether the institution chooses to print the loan's promissory note or have the LOC print it.

If the school requests that the LOC print promissory notes, the request is transmitted in the full origination record. If the school prints the promissory note, the loan origination record can be transmitted before or after the student signs the note.

Subsidized and unsubsidized full origination records are transmitted under the message class name DESF00IN. PLUS full origination records are transmitted under the message class name DEPF00IN. There are two message classes because of the difference in turnaround time. Subsidized and unsubsidized acknowledgments are returned within three days of the LOC receiving the records. PLUS acknowledgments are returned within five days of the LOC receiving the records.

Receiving Full Origination Acknowledgments

The LOC edits the Loan Origination record to ensure it passes the editing requirements. The LOC then returns either a rejection or acceptance for each record. The acknowledgment file (DISF00OP/DIPF00OP) is transmitted to the institution indicating the status of each record (Field A) and up to five reject reasons, if any (Field #5), for each record.

When an origination record is accepted by the LOC, a disclosure must be generated by the LOC or the school and sent to the borrower. The LOC generates all disclosures unless a school requests to print disclosure for all their borrowers upon receipt of the acknowledged accepted origination record. The specifications for the disclosure and further information regarding the disclosure process will be in the next release of the Technical Reference Manual.

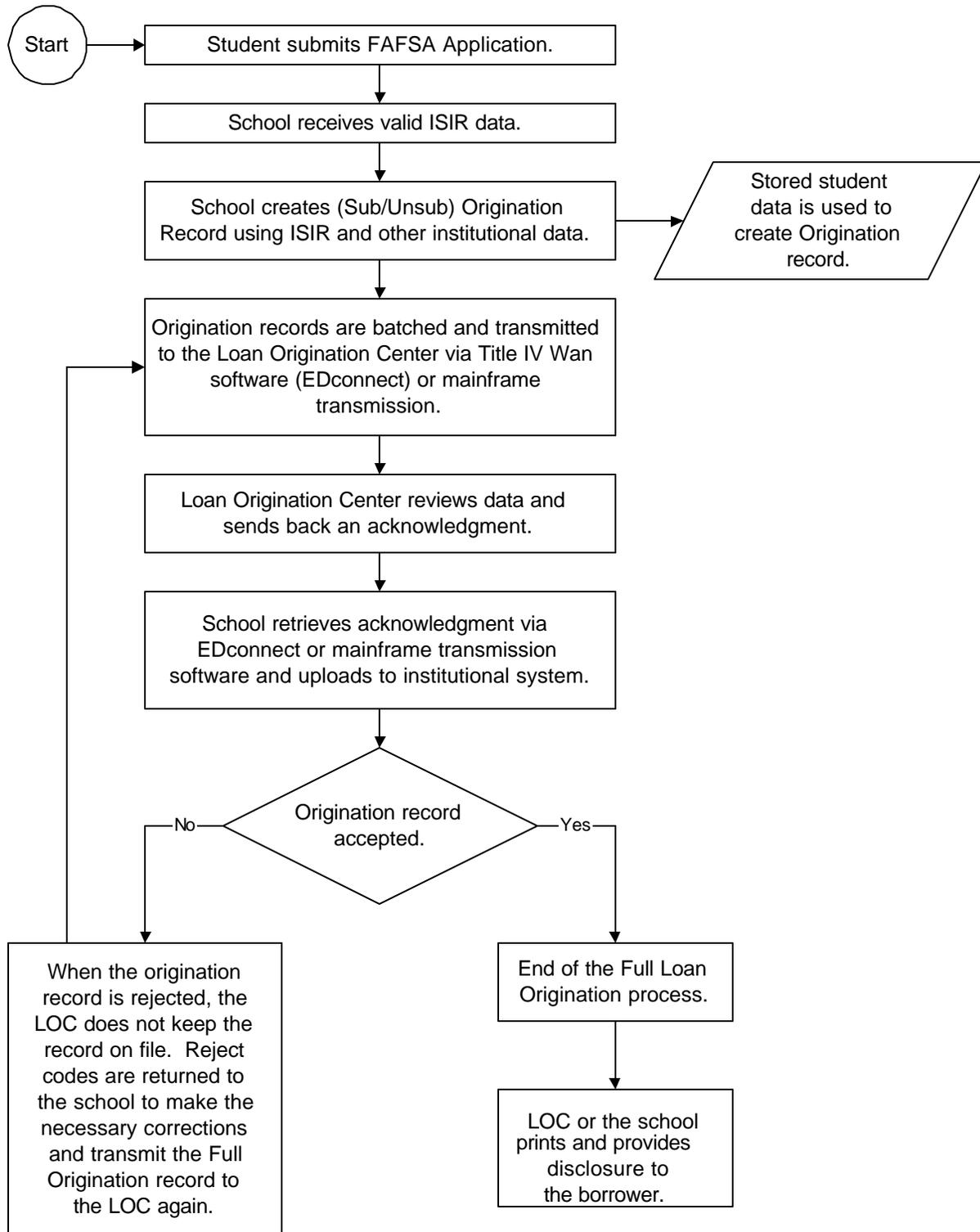
Receiving Loan Origination Acknowledgments from the LOC

The LOC returns one acknowledgment record for each Full Loan Origination Record it receives. Batch integrity is maintained; the school receives acknowledgment records for all transmitted records in the batch.

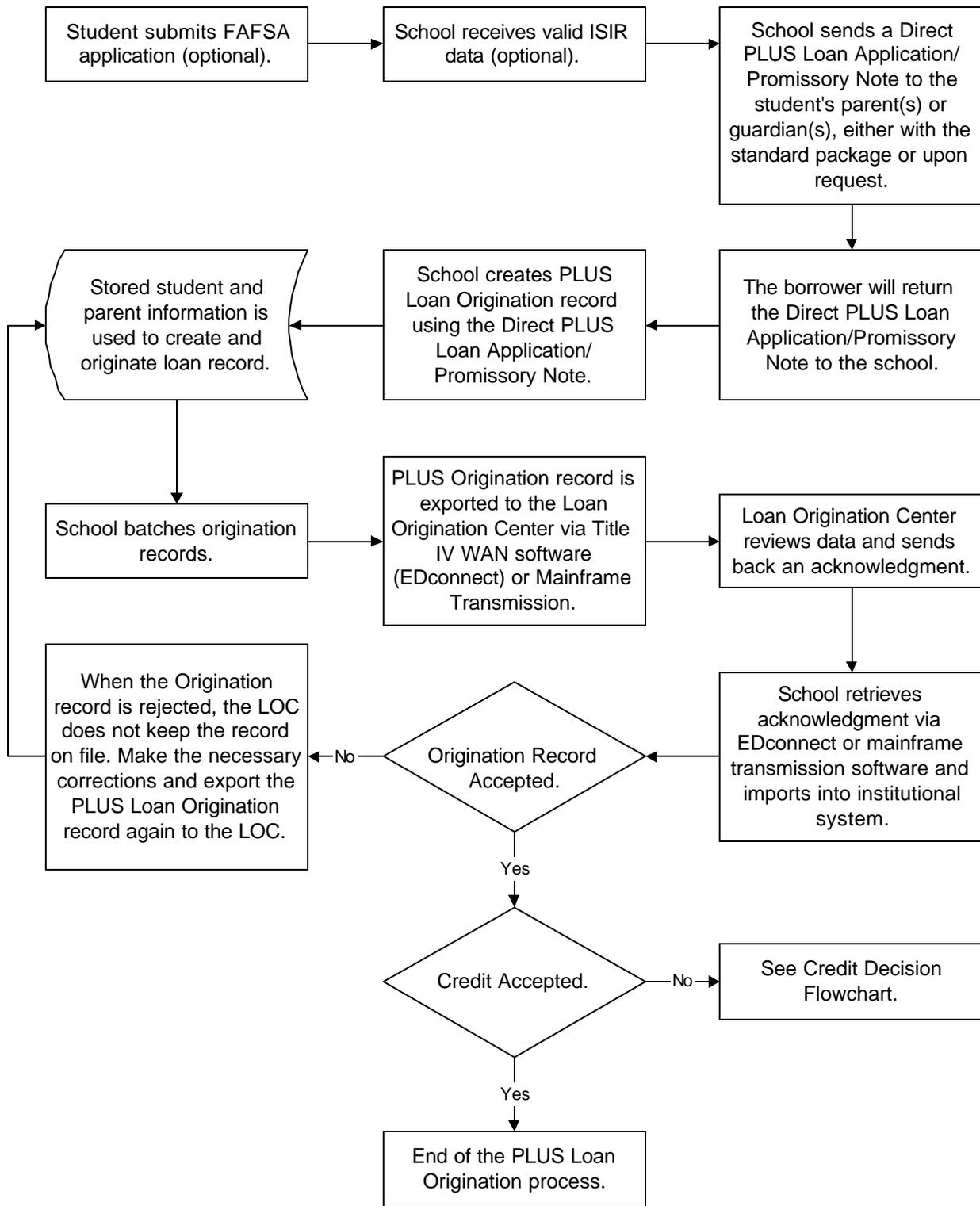
These records are received in message class of DISF00OP for subsidized and unsubsidized loan records and DIPF00OP for PLUS records. These records indicate whether the record has been rejected or accepted. For PLUS records, the Full Loan Origination Acknowledgment Record also indicates whether the credit check has been accepted or denied. For PLUS records where the credit decision has been overridden (modified), a separate record is created and transmitted to the school indicating the reason for the credit decision. The PLUS Credit Decision Record is received in message class DIPC00OP. The PLUS Credit Decision records can be transmitted to the institution at any time after the initial decision has been received.

After the Full Loan Origination record has been accepted by the LOC, it should not be sent to the LOC again. If changes need to be sent to update information on the record, a change record must be sent to the LOC. When a Full Loan Origination record is rejected by the LOC, it is not kept on file. The record errors need to be corrected and the Full Loan Origination Record transmitted to the LOC with the message class DESF00IN.

Loan Origination Process (Sub/Unsub)



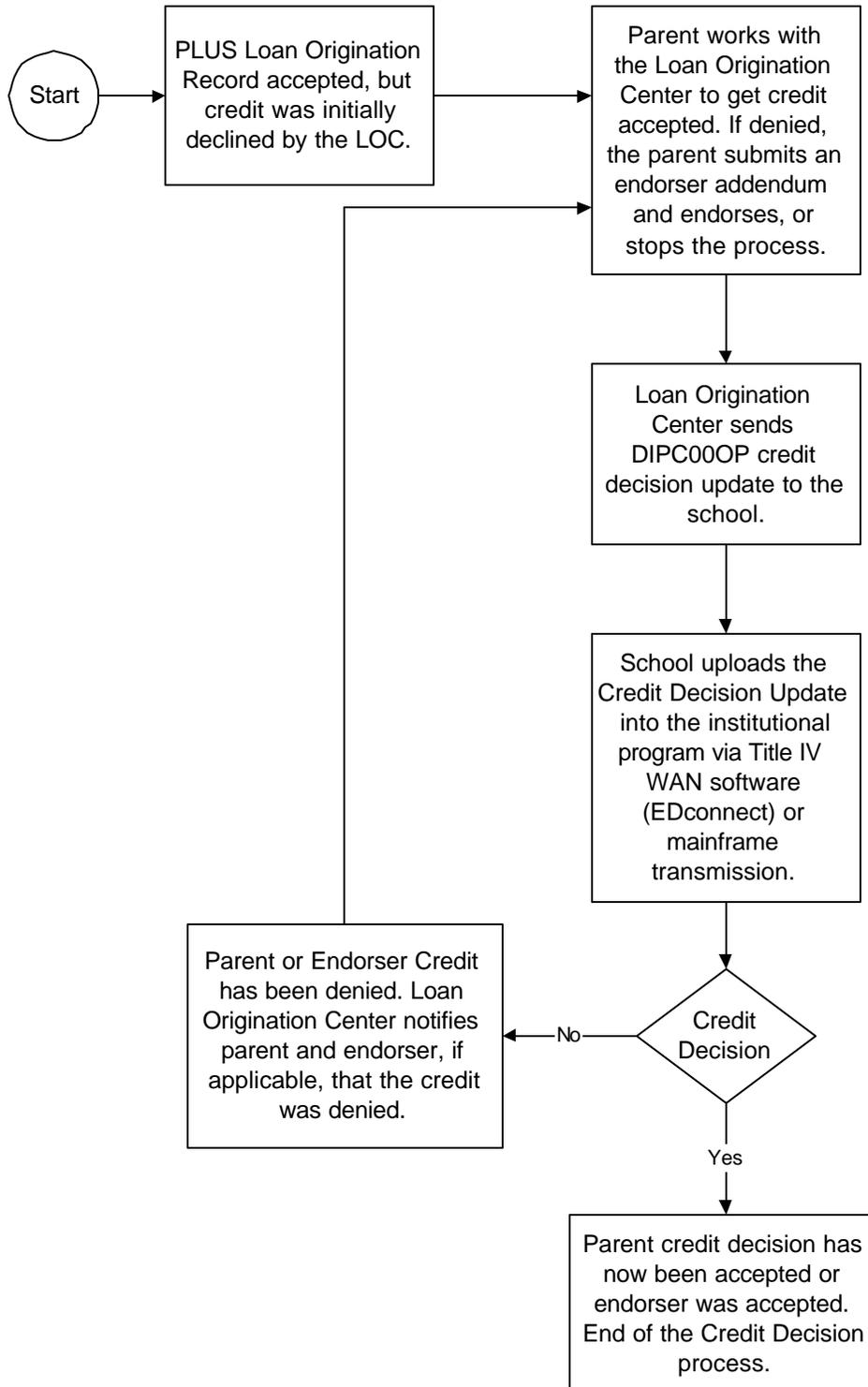
Loan Origination Process (PLUS)



Processing PLUS Credit Decisions Update (Override)

If the credit is originally denied on a PLUS Loan Origination record and the borrower requests a subsequent credit check or an override, or submits an endorser addendum, the Loan Origination Center returns a DIPC00OP if the credit was originally denied or credit was in a pending status. The Credit Decision indicates the results of PLUS loan credit checks on the parent borrower or endorser. For approved applicants, the institution can proceed in disbursing funds to the student's account. The LOC sends further information and instructions directly to those applicants not approved for a PLUS loan on the basis of credit checks. The LOC has the option to override the credit decision after an initial denial. The PLUS credit checks can be updated at any time on the basis of the borrower submitting supporting documentation to the LOC or credit reporting agency. Therefore, schools processing PLUS loans should expect to receive updated credit decisions in this acknowledgment file at any time from the LOC.

PLUS Credit Decision Update (Override) Process



Loan Origination Change Record

Submitting Change Records

After the full loan origination record has been accepted by the LOC, modifications to the loan record are transmitted to the LOC via a change record (DESC00IN). Loan Origination Change records only apply to origination data. Loan Origination Change records are not used to change actual disbursement data (see Disbursement Records.) A list of the fields that can be changed and change field numbers are provided in the Record Layouts section of this guide (Export Change Table Values for Field Transmit Numbers). Loan Origination Change records are submitted to the LOC by Loan ID. Each record must contain the Loan ID, a sequence number, the change field number and the new value the field is to contain. The process is similar to electronic corrections in the Electronic Data Exchange (EDE).

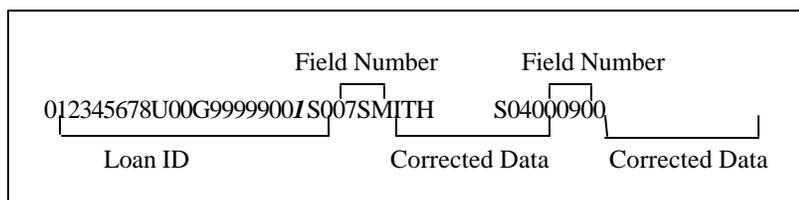
The change field number consists of three positions for the field number and a prefix to indicate whether the field is on the Loan Origination Database (prefix is S), or the PLUS Loan Database (prefix is P). For example, “P004” indicates a change to the student’s last name on the PLUS Loan Database; “S007” indicates a change to the borrower’s last name on the Loan Origination Database.

Corrected values must be left justified within the 28-byte change value field. Numeric fields are left justified and blank filled up to the maximum number of positions for that field.

Example:

Two changes are submitted to a loan record whose ID is 012345678U00G999999001: a change in the borrower’s last name to SMITH, and a change in the 1st disbursement anticipated gross amount to \$900. The following would be the contents of the change record excluding the create time, batch number, and User ID fields at the end of the record:

Each change record is limited to 10 data element changes. For records with more than 10 changes, you should submit another change record for the Loan ID and increment the sequence number. For example, to submit 13 change fields for one Loan ID:



Loan ID:999999999S99G99999001 Sequence Number: 1 Contains first 10 changes.

Loan ID:999999999S99G99999001 Sequence Number: 2 Contains next 3 changes.

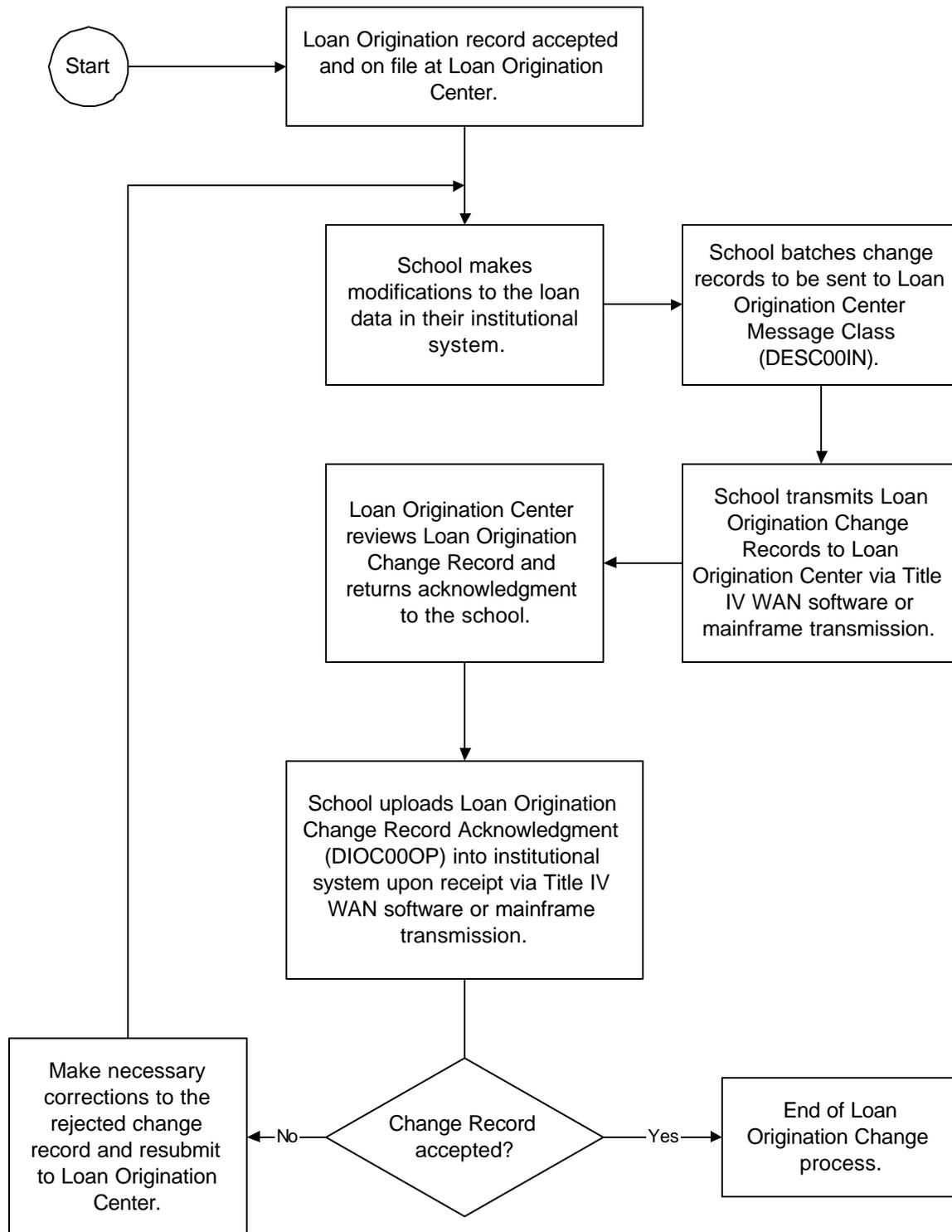
Important: All changes should be submitted in *field number order*, i.e., the order the change fields appear on the Change Field Number Table in this guide. Multiple change records for one Loan ID must appear in the export file together in sequence number order.

Receiving Loan Origination Change Acknowledgments

The LOC edits the change records with the same requirements as full origination data elements. The LOC returns an acknowledgment file (DIOC00OP) containing codes accepting or rejecting the change (Error Values 1–10). The school should resolve rejected fields and resubmit another change record batch to the LOC. Refer to the Record Layouts section for a list of the reject codes.

If the change was accepted no reject codes are returned (blank). Only the fields that are in error need to be corrected and resubmitted to the LOC. The fields in error will be returned in error fields 01–10 in the DIOC00OP file.

Loan Origination Change Record Process Flowchart



Printing the Direct Subsidized and Unsubsidized Loan Disclosure

New for 1999-2000. A disclosure **statement** will be printed for each accepted Federal Direct Subsidized Loan or Federal Direct Unsubsidized Loan by the LOC. The disclosure **statement** is printed upon acceptance of a loan origination record or a change record, for an increased or decreased loan amount approved, when **the loan has not yet booked at the LOC.**~~no actual disbursements have yet been accepted by the LOC.~~ A school may request authorization from the **Direct Loan Task Force** Department to print their own disclosure **statement**s.

Options for Printing Disclosures

The disclosure **statement** will be printed and sent to the student upon acceptance by the LOC of a loan origination record for a Direct Subsidized or Direct Unsubsidized Loan. **The disclosure statement is mailed to the student's permanent address.** To increase or decrease the Loan Amount Approved, a subsequent disclosure **statement** will be printed and sent to a student when a change record is accepted, and **the loan has not yet booked at** ~~no actual disbursement records have been accepted by~~ the LOC. The LOC prints **and mails** a disclosure **statement to ALL borrowers at a school** ~~for each accepted subsidized or unsubsidized loan origination,~~ unless the school has been authorized by the Department to print **and/or provide** ~~their own~~ disclosure **statements to its borrowers.** **For 1999-2000, the Department encourages schools to allow the LOC to print these statements.**~~If a school prints disclosures, the school must print ALL disclosures, and the LOC does not print any disclosures for the school.~~

The U.S. Department of Education provides copies of a standard, approved disclosure **statement** to participating schools who desire to seek approval to print disclosure **statement**s. A copy of the Federal Direct Subsidized and Unsubsidized Loan Disclosure Statement can be found in Appendix-Disclosure. If authorized, a school may create their own form as long as it is identical in ~~format and~~ wording to the one provided by the Department. ~~The form must be approved by the U.S. Department of Education Direct Loan Task Force. (See Sources of Assistance in the Introduction Section.)~~

If a school is authorized to print the disclosure, we recommend the use of Courier, 10 point, 10 pitch. ~~Other settings may cause delays in the processing of the school's master notes.~~

If your school has been authorized, use the following specifications to develop a disclosure printing system.

Direct Loan Disclosure Print Specifications

The following are the specifications for printing the variable data on the disclosure.

Note: Fields listed below correspond to numbered data elements on the preprinted disclosure.

Borrower Information		
Form Label/Position	Field	Print Instructions
1. Name and Address Line 1	Student Borrower's Last Name, First Name, Middle Initial	From left to right, print the Student Borrower's Last Name, First Name, and Middle Initial. Print a comma and space following Last Name, and a space after the First Name. Left justify within the print field.
1. Name and Address Line 2	Student Borrower's Permanent Address OR Student Borrower's Local Address	From left to right, print the Student Borrower's Street Address.
1. Name and Address Line 3	Student Borrower's Permanent City, State, and Zip Code OR Student Borrower's Local City, State, and Zip Code	From left to right, print the Student Borrower's City, Mailing State, and ZIP Code. Separate each field with a space and follow city with a comma. Left justify within the print field.
2. Identification Number(s) Line 1 a	Loan ID	Print Loan ID of S and/or U type Loan record in 999999999-X-00-X99999-9-99 format.
3. Area Code/Telephone Number	Student Borrower's Permanent Telephone Number	Print in (999) 999-9999 format.

Direct Loan Disclosure Print Specifications, continued

School Information		
Form Label/Position	Field	Print Instructions
4. School Name	School Name	Print the Institution Name associated with the School Code on the record. Left Justify.
5. Area Code/Telephone Number	School's Telephone Number	Print (999) 999-9999 format.
6. School Address	School Address	From left to right, print the School's Street Address, City, State, and ZIP Code associated with the School code above. Separate each field with a space and follow address and city with a comma. Left justify within each field.
7. School Code/Branch	Direct Loan School Code	Print the DL School code on the Loan Record.

Loan Information		
Form Label/Position	Field	Print Instructions
8. Loan Period	Loan Period Start Date & Loan Period End Date	Print Loan Period Start and End Dates separated by two spaces in MM/DD/YYYY format.
9. Date of this Disclosure Statement	Date Disclosure Statement is printed.	Print date in MM/DD/YYYY format.

Direct Loan Disclosure Print Specifications, continued

Chart of Anticipated Disbursements Direct Subsidized Loan		
Form Label/Position	Field	Print Instructions
10. Direct Subsidized Loan/ Line 1, Col 1	1 st Anticipated Disbursement Date	Print 1 st Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 1, Col 2	1 st Anticipated Gross Disbursement Amount	Print 1 st Anticipated Gross Amt in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 1, Col 3	1 st Disbursement Loan Fee Rate	Print the Loan Fee Rate in 99.99 format. Right Justify.
Direct Subsidized Loan/ Line 1, Col 4	1 st Anticipated Disbursement Loan Fee Amount	Print 1 st Anticipated Disbursement Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 1, Col 5	1 st Anticipated Net Disbursement Amount	Print 1 st Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 2, Col 1	2 nd Anticipated Disbursement Date	Print 2 nd Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 2, Col 2	2 nd Anticipated Gross Disbursement Amount	Print 2 nd Anticipated Gross Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 2, Col 3	2 nd Disbursement Loan Fee Rate	If 2 nd Anticipated Disbursement Date is <= Loan Period End Date, print the Loan Fee Rate in 99.99 format. Right Justify. Otherwise, leave blank

Direct Loan Disclosure Print Specifications, continued

Chart of Anticipated Disbursements Direct Subsidized Loan, (continued)		
Form Label/Position	Field	Print Instructions
Direct Subsidized Loan/ Line 2, Col 4	2nd Anticipated Disbursement Loan Fee Amount	Print 2nd Anticipated Disbursement Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 2, Col 5	2nd Anticipated Net Disbursement Amount	Print 2nd Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 3, Col 1	3rd Anticipated Disbursement Date	Print 3rd Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 3, Col 2	3 rd Anticipated Gross Disbursement Amount	Print 3 rd Anticipated Gross Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 3, Col 3	3 rd Disbursement Loan Fee Rate	If 3 rd Anticipated Disbursement Date is <= Loan Period End Date, print the Loan Fee Rate in 99.99 format. Right Justify. Otherwise, leave blank.
Direct Subsidized Loan/ Line 3, Col 4	3 rd Anticipated Disbursement Loan Fee Amount	Print 3 rd Anticipated Disbursement Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.

Direct Loan Disclosure Print Specifications, continued

Chart of Anticipated Disbursements Direct Subsidized Loan, (continued)		
Form Label/Position	Field	Print Instructions
Direct Subsidized Loan/ Line 3, Col 5	3 rd Anticipated Net Disbursement Amount	Print 3 rd Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 4, Col 1	4 th Anticipated Disbursement Date	Print 4 th Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 4, Col 2	4 th Anticipated Gross Disbursement Amount	Print 4 th Anticipated Gross Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 4, Col 3	4 th Disbursement Loan Fee Rate	If 4 th Anticipated Disbursement is <= Loan Period End Date, print the Loan Fee Rate in 99.99 format. Right Justify. Otherwise, leave blank.
Direct Subsidized Loan/ Line 4, Col 4	4 th Anticipated Disbursement Loan Fee Amount	Print 4 th Anticipated Disbursement Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 4, Col 5	4 th Anticipated Net Disbursement Amount	Print 4 th Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.

Direct Loan Disclosure Print Specifications, continued

Chart of Anticipated Disbursements Direct Subsidized Loan, (continued)		
Form Label/Position	Field	Print Instructions
Direct Subsidized Loan/ Line 5, Col 2	Total (Gross) Loan Amount Approved	Print Total Anticipated Gross Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 5, Col 3	Disbursement Loan Fee Rate	Print the Loan Fee Rate in 99.99 format. Right Justify. Otherwise, leave blank.
Direct Subsidized Loan/ Line 5, Col 4	Total Anticipated Loan Fee Amount	Print Total Anticipated Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Subsidized Loan/ Line 5, Col 5	Total Anticipated Net Disbursement Amount	Print Total Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type S record.
Direct Unsubsidized Loan/ Line 1, Col 1	1st Anticipated Disbursement Date	Print 1st Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 1, Col 2	1st Anticipated Gross Disbursement Amount	Print 1st Anticipated Gross Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 1, Col 3	1st Disbursement Loan Fee Rate	Print the Loan Fee Rate in 99.99 format. Right Justify.
Direct Unsubsidized Loan/ Line 1, Col 4	1st Anticipated Disbursement Loan Fee Amount	Print 1st Anticipated Disbursement Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 1, Col 5	1st Anticipated Net Disbursement Amount	Print 1st Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.

Direct Loan Disclosure Print Specifications, continued

Chart of Anticipated Disbursements Direct Unsubsidized Loan		
Form Label/Position	Field	Print Instructions
Direct Unsubsidized Loan/ Line 2, Col 1	2nd Anticipated Disbursement Date	Print 2nd Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 2, Col 2	2nd Anticipated Gross Disbursement Amount	Print 2nd Anticipated Gross Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 2, Col 3	2nd Disbursement Loan Fee Rate	If 2nd Anticipated Disbursement Date is <= Loan Period End Date, print the Loan Fee Rate in 99.99 format. Right Justify. Otherwise, leave blank.
Direct Unsubsidized Loan/ Line 2, Col 4	2nd Anticipated Disbursement Loan Fee Amount	Print 2nd Anticipated Disbursement Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 2, Col 5	2nd Anticipated Net Disbursement Amount	Print 2nd Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 3, Col 1	3rd Anticipated Disbursement Date	Print 3rd Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 3, Col 2	3rd Anticipated Gross Disbursement Amount	Print 3rd Anticipated Gross Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 3, Col 3	3rd Disbursement Loan Fee Rate	If 3rd Anticipated Disbursement Date is <= Loan Period End Date, print the Loan Fee Rate in 99.99 format. Right Justify. Otherwise, leave blank.

Direct Loan Disclosure Print Specifications, continued

Chart of Anticipated Disbursements Direct Unsubsidized Loan, (continued)		
Form Label/Position	Field	Print Instructions
Direct Unsubsidized Loan/ Line 3, Col 4	3rd Anticipated Disbursement Loan Fee Amount	Print 3rd Anticipated Disbursement Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 3, Col 5	3rd Anticipated Net Disbursement Amount	Print 3rd Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.

Direct Loan Disclosure Print Specifications, continued

Chart of Anticipated Disbursements Direct Unsubsidized Loan, (continued)		
Form Label/Position	Field	Print Instructions
Direct Unsubsidized Loan/ Line 5, Col 2	Total (Gross) Loan Amount Approved	Print Total Anticipated Gross Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 5, Col 3	Disbursement Loan Fee Rate	Print the Loan Fee Rate in 99.99 format. Right Justify. Otherwise, leave blank.
Direct Unsubsidized Loan/ Line 5, Col 4	Total Anticipated Loan Fee Amount	Print Total Anticipated Loan Fee Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.
Direct Unsubsidized Loan/ Line 5, Col 5	Total Anticipated Net Disbursement Amount	Print Total Anticipated Net Disbursement Amount in \$99999 format. Right Justify. Retrieve data from the Loan Type U record.

Printing the Master Promissory Note

New for 1999–2000. Starting in 1999–2000, the Master Promissory Note will be **the only approved promissory note used** to process **ALL** Direct Subsidized and Unsubsidized Loans for all schools **and replaces the current promissory note.** **The Master Promissory Note concept will not be adopted for use in the PLUS program at this time.** ~~A Master Promissory Note supports up to two loans, one subsidized and one unsubsidized. However, a~~

A single loan ID prints on the master note. The loan ID printed on the note is one of the loans supported by the Master Promissory Note **and becomes the Master Promissory Note Identification Number.** **This identification number is used by the LOC to link ~~one~~ subsidized and ~~one~~ unsubsidized loans back to the Master Promissory Note.**

As in the past, the school prints a Master Promissory Note based on the completed loan origination record. **However, no dollar amount is** ~~The statutory annual combined maximum loan amount is to be~~ printed on the Master Promissory Note by the school or the LOC **and only one note is used for both subsidized and unsubsidized loans.** ~~The statutory annual combined maximum loan amount is the combined subsidized and unsubsidized loan eligibility for a borrower for the first loan period under the Master Promissory Note. This amount takes into account the student's college grade level, dependency status, and if applicable, any additional unsubsidized eligibility for HEAL or for a dependent student.~~

A Master Promissory Note must be printed by the school or the LOC and signed by the student borrower before disbursement of a Federal Direct Subsidized Loan or Federal Direct Unsubsidized Loan. The Master Promissory Note is a legal document requiring the borrower to repay the funds borrowed under the Direct Loan Program.

Options for Processing Master Promissory Notes

Preprint available borrower and school information on the master note and provide the document to the borrower for review, completion, and signature or send a request to the LOC for the printing of the master note. **Note: No dollar amount prints on the Master Promissory Note.**

Consistent with previous years, the borrower is provided the opportunity to request a loan amount on the Master Promissory Note that is less than the eligibility calculated by the school. Because no loan amount appears on the Master Promissory Note for the student to adjust, a new item (item #8) is included on the note. This item allows a student to enter a specific dollar amount. The hand entered amount (if any) is the borrower's requested amount for both the subsidized and unsubsidized loans for the first loan period under the master note.

The U.S. Department of Education provides copies of a standard, approved Master Promissory Note to participating schools. A copy of the Master Promissory Note can be found in Appendix-Promissory Notes. However, the school may create their own form as long as it is identical in format and wording to the one provided by the Department. The form must be approved by the U.S. Department of Education **Direct Loan Task Force. To receive the 1999-2000 Master Promissory Note Testing Procedures packet, contact the LOC at (800) 848-0978 and ask to be transferred to the Promissory Note Testing Manager.** ~~Direct Loan Task Force. (See Sources of Assistance in the Introduction Section.)~~

When printing the Master Promissory Note, we recommend the use of Courier, 10 point, ~~10~~ 12 pitch. Other settings may cause delays in the processing of the school's master notes.

A minimum of two copies must be printed, ~~one~~ one as the borrower copy and one as the LOC copy. Additional copies can be printed, if desired, as school copies.

When mailing the Master Promissory Note, we recommend the use of a number 10 business window envelope.

Use the following specifications to develop your own printing system. The specifications are similar to those used to develop the EDEExpress Direct Loan Software.