Chapter 4: Starting the Loan Process: the MPN & the School’s Role

STUDENT APPLIES FOR AID & COMPLETES THE MPN
- Required borrower information on MPN, Multi-year use of the MPN,
- Circumstances where a new MPN is required,
- Borrower confirmation for subsequent loans

SCHOOL CERTIFIES/ORIGINATES LOAN
- Certifying eligibility, Number of disbursements to the borrower,
- Exceptions to the multiple disbursement requirement,
- Timing of disbursements to the borrower, Timing the delivery of funds from an FFEL lender,
- Submission of Origination Record and drawdown of funds (Direct Loans),
- Lender/guarantor approval (FFEL only)

SAMPLE DOCUMENTS
- Direct Loan and Stafford MPN,
- School Certification (FFEL)

Chapter 5: Loan Counseling

ENTRANCE COUNSELING
- Required elements of entrance counseling, Recommended counseling information,
- Other useful information for entrance counseling

EXIT COUNSELING
- Required elements of exit counseling, Further recommendations for exit counseling,
- Information to be provided by borrower, Responsibilities if a student misses exit counseling

Chapter 6: Payment to the Borrower

THE DISBURSEMENT PROCESS
- Checking eligibility at the time of disbursement,
- Notification of loan disbursement

CREDIT TO THE STUDENT’S ACCOUNT AND CREDIT BALANCES

LATE DISBURSEMENTS

TIME FRAMES TO DISBURSE LOAN FUNDS OR RETURN THEM
- Time frames for disbursing FFEL funds received from lender,
- Verification extension, Time frame for returning undisbursed FFEL loan funds,
- Proration of loan fees for returned FFEL funds

Chapter 7: Following up: After the Loan Is Made

CHANGES IN LOAN AMOUNT AND OVERAWARDS

WITHDRAWAL OR LOSS OF ELIGIBILITY

EXCHANGING INFORMATION ON BORROWERS
- Providing borrower information at separation,
- Completing the Student Status Confirmation Report,
- Exchanging information about delinquency and default