

Electronic Signatures in the SFA Loan Programs

Electronic P-Notes

Presented by
Jeff Baker
&
Kay Jacks



Electronic Signatures

What Are the Laws That Affect e-Transactions?

Government Paperwork Elimination Act
(**GPEA**)

&

Electronic Signatures in Global and
National Commerce Act
(**E-SIGN**)



GPEA

- To promote e-commerce by the Federal Government
- Electronic records have legal effect, validity, and enforceability
- Agencies to allow electronic transactions and maintenance of electronic records, when practicable



E-Sign Legislation

- To promote e-commerce in the private sector
- Legal equivalence between paper and electronic documents for binding transactions
- Applies to private sector transactions regulated by Federal and State Government to specify standards to ensure accuracy, integrity, and accessibility of records
- Requires consent and protection of consumer [student] in electronic context



E-Sign

- A contract **does not** lose enforceability solely because it was signed electronically

Implications and Standards

Other Implications:

■ FFEL Program P-Note

- Lender Choice
- Standards
- PIN Options

■ Perkins Program P-Note

- School Choice
- Standards
- PIN Options
- Note



Implications and Standards

Other Implications:

- All Three Loan Programs
 - Disclosures
 - Due Diligence
 - Bill Presentment and Payment
 - Others

- Other Title IV Transactions
 - Application
 - Verification
 - Authorizations
 - Others



What Have We Done? What Needs to be Done?

- Discussions with financial aid community
 - Electronic Access Conferences
 - Direct Loan FAA Focus Groups
 - FFEL Community
- Advanced Notice of Proposed Rulemaking
- Notice of Proposed Rulemaking on Record Retention – **Cancelled**
- Development of Standards on Electronic Signatures for Title IV Loans
 - Released on April 30
 - See IFAP or SFA-CIO Site



Standards on Electronic Signatures for Title IV Loans

- Developed in Cooperation with FFEL Lenders/GA's and Schools
- Provides "Safe Harbor" for FFEL and Perkins Lenders
- ED's Standards for Direct Loans



Standards on Electronic Signatures for Title IV Loans

Summary of Standards:

- Definitions
- Borrower Consent
- Disclosures
- Knowledge-Based Authentication (PIN)
- Intent to Sign an Electronic Record
- Required Display of Terms and Conditions



Standards on Electronic Signatures for Title IV Loans

■ Section 4: Format of Electronically-Signed Records

- 4.1: Printing and Viewing Electronically-Signed Records
- 4.2: Self-Contained Records

■ Section 5: Integrity of Electronic Records

- 5.1: Authoritative Copies
- 5.2: Associating Electronic Records
- 5.3: Tracking Changes and Updates to Electronic Records

■ Section 6: Managing and Maintaining Electronic Records

- 6.1: Hybrid Transactions

■ Section 7: Accessing Electronic Records

- 7.1: Access Rights and Restrictions
- 7.2: Providing Access
- 7.3: Timeframe for Providing Access

■ Section 8: Holder Certifications

- PIN



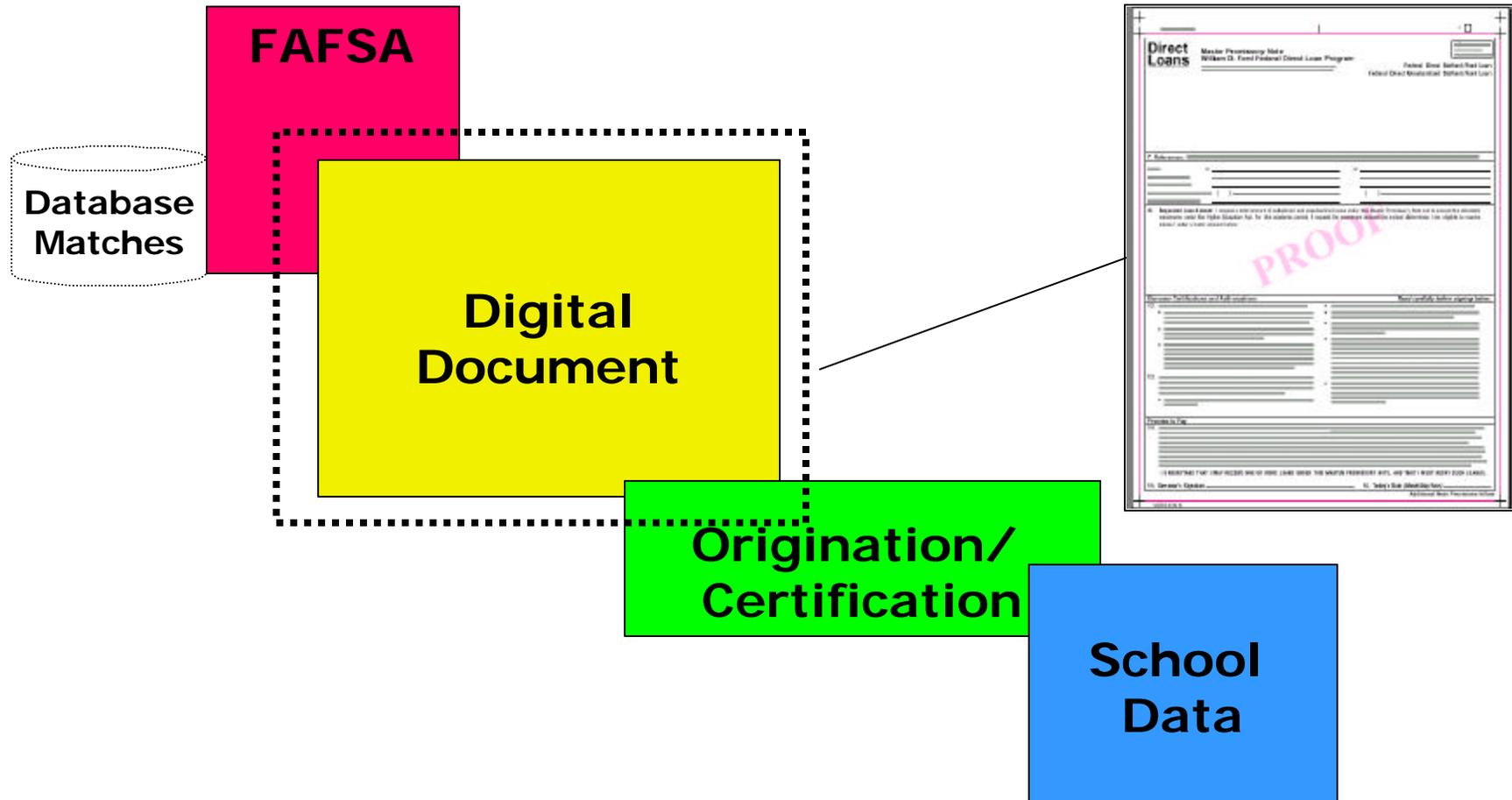
Standards on Electronic Signatures for Title IV Loans

Continued- Summary of Standards:

- Format of Electronic Records
- Printing/Viewing Electronic Records
- Integrity of Electronic Records
- Managing and Maintaining Electronic Records
- Accessing Electronic Records
- Holder Certifications



E-MPN Enforceability



Creating An Enforceable eMPN

Apply for Federal Aid



Identification & Application Process

- 1 Student completes a FAFSA.
- 2 Student is instructed on how to obtain an identification credential (PIN).
- 3 Student data is verified by an authentication authority.
- 4 An identification credential (PIN) is issued to the student.
- 5 SFA sends notice to the school (ISIR) and the student (SAR)
- 6 School resolves any exceptions to data matches.
- 7 The school determines student to be eligible and certifies/originates the loan (type, amount, date of disbursement, etc.)

Originate a Student Loan



Digital Document

- ** Events below are date/time stamped and stored by the lender.
- 1 Student enters an eNote website and reads notices.
 - 2 Student clicks statement that s/he has read consumer consent disclosure & agrees to an eNote process.
 - 3 Student enters identification credential (PIN).
 - 4 An authentication authority verifies identity.
 - 5 Student clicks acknowledgement of certifications, authorizations, disclosures, and rights.
 - 6 Student adds/modifies information on the eNote (references, driver's license number, e-mail address, etc.)
 - 7 Student reviews completed eNote and clicks agreement.
 - 8 Student signs eNote.
 - 9 Student prints or saves eNote.

Disburse a Student Loan



School/Student Affirmation & Disbursement

- 1 School sends student notification of loan amount, type and right to cancel to student
- 2 Student accepts loan according to school procedures
- 4 School verifies student enrollment
- 5 School confirms eligibility criteria
- 6 Lender disburses loan to school to distribute to student
- 7 School credits student's account and forwards balance to student
- 8 School maintains records on enrollment, grades, charges, etc.



How To Obtain SFA PIN

- Sent to Every Paper FAFSA Filer
- Can Be Requested at Time of Electronic FAFSA on the WEB or Renewal FAFSA on the WEB filing
- Pre-Application Request
 - ED PIN Registration Web Site
 - Parent or Student (High School Seniors)



Use of SFA PIN

- Sign FAFSA on the Web or Renewal FAFSA on the Web
- Sign Corrections on the Web
- Sign Title IV Loan e-P Note
- Access NSLDS
- Access Direct Loan Servicing

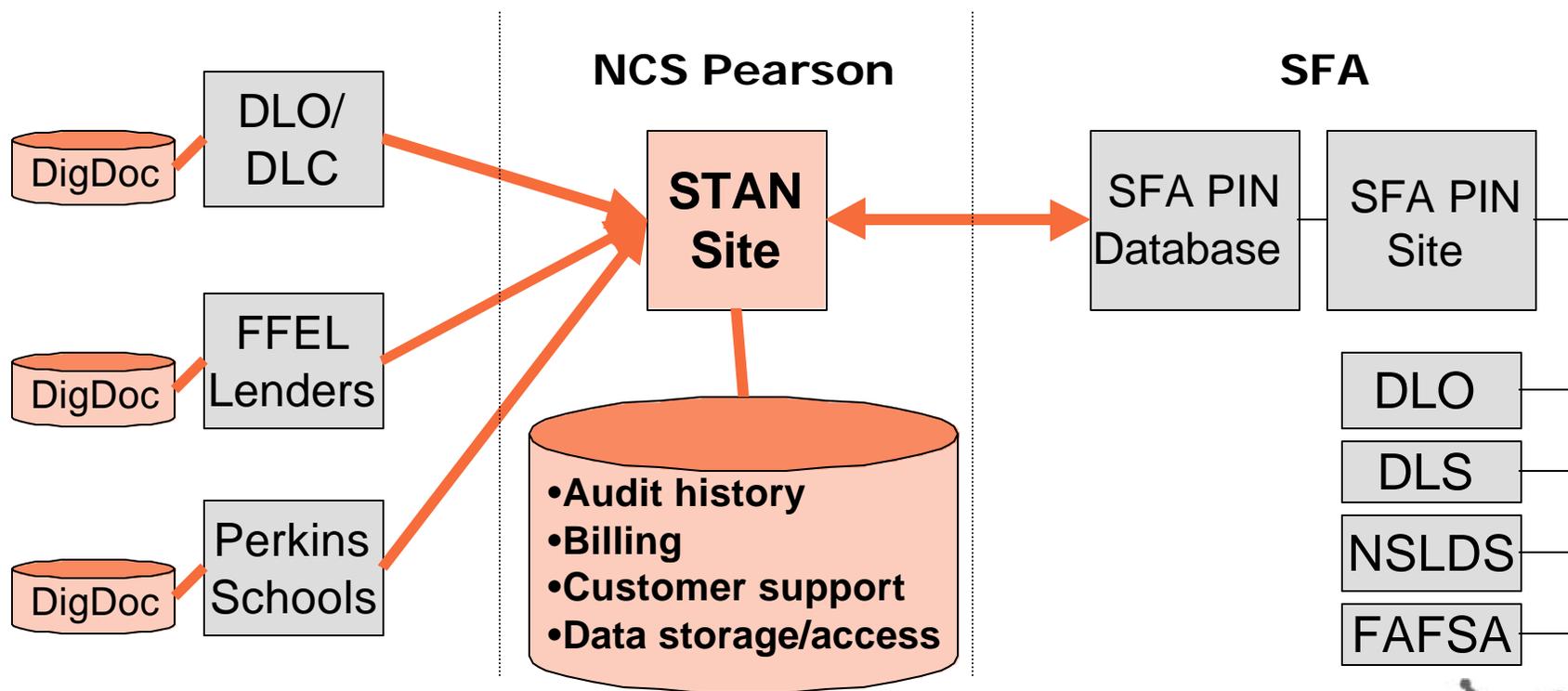


Student Authentication Service (STAN)

- Allows borrowers to sign e-Promissory Notes electronically using SFA PIN
- **Eliminates need for borrower to print out signature page and mail it in**
- Can be integrated seamlessly into any electronic student loan website
- Contact stan@ncs.com to start a service agreement, or get more information about STAN



STAN Authentication Services Model



Student Authentication Network

Enter the information below to confirm your identity.

Since your PIN can be used to retrieve personal information about you and to sign documents, including a promissory note, you must not share or disclose the PIN to others. By using your PIN, you agree that it has not been compromised -- no one besides you knows it. If you think your PIN has been compromised, you should change it at the [Department of Education PIN Registration Web site](#).

What is your Social Security Number? Please enter this number without the dashes. For example, 123456789.

What are the first two (2) letters of your last name?

What is your date of birth? Please enter this date in "mm/dd/yyyy" format, including the '/' (slashes). For example, 08/17/1975.

What is your PIN?

Submit

Reset



Security

Using an E-Signature: The Process



Direct Loans MASTER PROMISSORY NOTE

WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

[ENTRANCE COUNSELING](#) [FAQS](#) [SITE ASSISTANCE](#) [CONTACT US](#)

About the MPN

What You Need

What to Expect

Complete New MPN

Retrieve MPN



[PRIVACY POLICY](#) [ADDITIONAL RESOURCES](#)



This web site is for completing a Direct Loan Program electronic Master Promissory Note (MPN). If you do not want to complete the MPN electronically, you may complete it using the paper process. If you would like to complete a paper MPN, please contact your school's financial aid office.

You will be required to use your U.S. Department of Education issued PIN to complete an electronic MPN. For additional information or to ask general PIN questions, you can visit the official [PIN site](#) or access the [PIN customer service](#) web page.

[Complete New MPN](#)

**William D. Ford Federal Direct Loan Program (DL)
Student Financial Assistance (SFA)
U.S. Department Of Education (ED)**

[About the MPN](#) · [What You Need](#) · [What to Expect](#) · [Complete New MPN](#) · [Retrieve MPN](#)
[FAQs](#) · [Site Assistance](#) · [Contact Us](#) · [Privacy Policy](#) · [Additional Resources](#)



WHAT YOU NEED

About the MPN

What You Need

What to Expect

Complete New MPN

Retrieve MPN

MPN Home



Site Requirements

Browser Type and Version

To view the electronic Master Promissory Note web site effectively, you will need one of the following supported browsers from Microsoft or Netscape. If you do not have one of these, please download one. The information below will help you to do that.

To identify your browser version, use the **Help** menu item on your browser and select **About browser name**.

Microsoft Internet Explorer

Version 5.0 and Higher

The electronic Master Promissory Note web site has been tested with versions up to and including 5.5. If you have an earlier version, your view of the site may be significantly impaired. It is recommended that you use one of the versions specified above.

Please be aware that **Internet Explorer version 5.0 and subsequent versions** have a feature that allows you to save your login and password for any form that you submit using the browser. For security reasons, we recommend that you do NOT save your login/password using this feature.

To download a Microsoft browser, use this link: <http://www.microsoft.com/windows/ie/default.htm>

Netscape Navigator

Version 4.0 (release 4.75 through 4.77)

The electronic Master Promissory Note web site has been tested with versions up to and including 4.77. If you have an earlier version, your interaction with the site may be significantly impaired. It is recommended that you use one of the versions specified above.

Netscape release 6.0 is not supported by this site and will not be allowed by the PIN site.

To download a Netscape browser, use this link: <http://www.netscape.com/download>

Adobe Acrobat Reader

You need Adobe Acrobat Reader version 4.0 or higher to complete an electronic Master Promissory Note. You may download [Adobe Acrobat Reader version 4.0](#) or [Adobe Acrobat Reader version 5.0](#). Due to technical difficulties, if you use an assistive device, you will not be able to complete an electronic MPN until July 30, 2001. We apologize for the inconvenience.

WHAT TO EXPECT

About the MPN

An electronic Master Promissory Note (MPN) can be completed in 10 steps. Read the information below to understand how the electronic MPN process works. We estimate that it will take 60 minutes to complete the electronic MPN process. Make sure you allow enough time to complete the entire process in a single session. If you exit this web site before submitting your signed MPN in Step 9 and return later, you'll have to start over beginning with Step 1.

What You Need

We recommend [printing](#) this page in order to help you get the required information together before starting the electronic MPN process. **You may cancel this process at any time before submitting your electronic MPN in STEP 9.**

What to Expect

Remember, by signing an MPN you are agreeing to pay back any Direct Subsidized and Unsubsidized loans that you receive for your education.

Complete New MPN

STEP 1 >

PIN REGISTRATION - You will first be transferred to the U.S. Department of Education's PIN site to confirm your identity. If you do not have a PIN, please visit the U.S. Department of Education's [PIN site](#) to find out how to obtain one, or visit your school's financial aid office to complete a paper MPN.

Retrieve MPN

STEP 2 >

DISCLOSURE AND CONSENT - When you return to the electronic MPN web site, you will be asked to read information about using an electronic MPN and to tell us whether or not you agree to use an electronic MPN.

MPN Home

STEP 3 >

PROVIDE NAME AND SCHOOL - You will be asked to provide your full legal name and school information. You will be able to review and modify this information if necessary before it is added to your electronic MPN.

STEP 4 >

READ BORROWER'S RIGHTS AND RESPONSIBILITIES - You will be asked to read a statement of Borrower's Rights and Responsibilities that provides important information about the loan(s) you may receive under your MPN. Before you can continue with the electronic MPN process, you must confirm that you have read the Borrower's Rights and Responsibilities statement.

STEP 5 >

COMPLETE MPN - During this step, you will be asked to provide the remaining information necessary to complete your MPN. This will include your permanent address, driver's license number and state, email address (if you have one) and telephone number. **You will also be asked to provide the names, addresses and telephone numbers of two references who have known you for at least three years.** One should be a parent or legal guardian. Depending on your school, some of this information will already be filled in.

STEP 6 >

REVIEW DRAFT MPN - You will be asked to review a draft version of the MPN that will include the information you provided in Step 5. Before you can continue with the electronic MPN process, you must confirm that you have read the draft MPN.

STEP 7 >

SIGN YOUR MPN - You will be asked to review the Promise to Pay section of the MPN and then electronically sign the MPN by typing in your full name. You will still have the opportunity at this point to modify the information you provided or to cancel the electronic MPN.

STEP 8 >

REVIEW SIGNED MPN - You will be shown an Adobe PDF version of the completed MPN that includes your electronic signature. Before you can continue with the electronic MPN process, you



COMPLETE NEW MPN

About the MPN

Below you will find a quick outline of the steps involved in the electronic Master Promissory Note (MPN) process. If you haven't read the "[What to Expect](#)" section of this site, we recommend that you do so now. In addition, make sure that you have the [hardware and software](#) necessary to complete an electronic MPN.

What You Need

An electronic MPN can be completed in 10 steps. Read the information below to understand how the electronic MPN process works. We estimate that it will take 60 minutes to complete the electronic MPN process. Make sure you allow enough time to complete the entire process in a single session. If you exit this web site before submitting your signed MPN in Step 9 and return later, you'll have to start over beginning with Step 1.

What to Expect

- Step 1** PIN Registration
- Step 2** Disclosure and Consent
- Step 3** Provide Name and School
- Step 4** Read Borrower's Rights and Responsibilities
- Step 5** Complete MPN
- Step 6** Review Draft MPN
- Step 7** Sign Your MPN
- Step 8** Review Signed MPN
- Step 9** Confirm Acceptance of MPN Terms and Submit MPN
- Step 10** Success! Now Print Your MPN

Complete New MPN

Retrieve MPN

MPN Home

You need certain [hardware and software](#) (including Adobe Acrobat Reader version 4.0 or higher) to use an electronic MPN. You may download [Adobe Acrobat Reader version 4.0](#) or [Adobe Acrobat Reader version 5.0](#). Due to technical difficulties, if you use an assistive device, you will not be able to complete an electronic MPN until July 30, 2001. We apologize for the inconvenience.

You may [test if you have Adobe Acrobat Reader](#) on your computer before you continue.

Remember, by signing an MPN you are agreeing to pay back any Direct Subsidized and Direct Unsubsidized loans that you receive for your education.

[Proceed to PIN Site Registration](#)





Student Authentication Network

Enter the information below to confirm your identity.

Since your PIN can be used to retrieve personal information about you and to sign documents, including a promissory note, you must not share or disclose the PIN to others. By using your PIN, you agree that it has not been compromised -- no one besides you knows it. If you think your PIN has been compromised, you should change it at the [Department of Education PIN Registration Web site](#).

What is your Social Security Number? Please enter this number without the dashes. For example, 123456789.

141111111

What are the first two (2) letters of your last name?

BO

What is your date of birth? Please enter this date in "mm/dd/yyyy" format, including the '/' (slashes). For example, 08/17/1975.

10/11/1972

What is your PIN?

Submit Reset

 Security



DISCLOSURE AND CONSENT

Welcome Back! You are about to complete and sign an electronic Master Promissory Note (MPN) for one or more student loans that you will have to repay. The law requires that we provide certain information to you and obtain your consent (agreement) to use an electronic MPN.

Information about using an electronic MPN:

- **You need certain hardware and software** (including Adobe Acrobat Reader version 4.0 or higher) to use an electronic MPN. If you have a visual impairment and use an assistive device, you will need Adobe Acrobat Reader version 5.0.
- You may choose to use a paper version of the MPN. If you want to use a paper version, contact your school's financial aid office.
- You may change your mind about using an electronic MPN at any time up until you submit your electronic MPN to us. If you change your mind, you may use a paper version of the MPN. To do this, contact your school's financial aid office.
- Your agreement to use an electronic MPN applies only to completing and obtaining copies of your electronic MPN. If we do other electronic business with you in the future, you will need to agree separately to do that business with us.
- You can obtain a paper copy of the electronic MPN that you submit to us by printing it from your computer or you may ask us to send you a copy at no cost. We will give you information about these options after you submit your electronic MPN to us.

Before you can continue, you must agree to use an electronic MPN by checking the statement below. To cancel this electronic MPN and exit the site, click "Exit."

I agree to use an electronic MPN and have the required hardware and software.
(Your response will be recorded and be made part of your completed MPN.)

[Continue](#)

[Exit](#)



[STEP 1](#) > [STEP 2](#) > **[STEP 3](#)** > [STEP 4](#) > [STEP 5](#) > [STEP 6](#) > [STEP 7](#) > [STEP 8](#) > [STEP 9](#) > [STEP 10](#)

PROVIDE NAME AND SCHOOL (REVIEW)

[RELATED LINKS](#)

Please review the name and school information that you provided. If correct, click "Continue." If you find an error, click the "Modify Name or School Information" button to re-enter your name and school information.

[Privacy Act and Other Important Notices](#)

| Borrower Information | |
|----------------------|-----------------|
| First Name: | JAMES |
| Middle Initial: | P |
| Last Name: | BOND |
| SSN: | 141111111 |
| DOB: | 10/11/1972 |
| School Location: | ILLINOIS |
| School : | Devry Institute |

[Modify Name or School Information](#) [Continue](#) [Exit](#)



[FAQS](#) [SITE ASSISTANCE](#) [CONTACT US](#) [ADDITIONAL RESOURCES](#) [EXIT](#)

[STEP 1 >](#) [STEP 2 >](#) [STEP 3 >](#) **[STEP 4 >](#)** [STEP 5 >](#) [STEP 6 >](#) [STEP 7 >](#) [STEP 8 >](#) [STEP 9 >](#) [STEP 10](#)

READ BORROWER'S RIGHTS AND RESPONSIBILITIES

[RELATED LINKS](#) 

When you continue to the next page, the Borrower's Rights and Responsibilities statement will appear. It provides important information about the loan (s) that you may receive under your Master Promissory Note (MPN).

[Privacy Act and Other Important Notices](#)

Before you can proceed to Step 5, you must confirm that you have read, understand, and agree to the statement of Borrower's Rights and Responsibilities. To move to the next page and begin reading the Borrower's Rights and Responsibilities statement, click "Continue." To cancel this electronic MPN and exit the site, click "Exit."

[Continue](#)

[Exit](#)



READ BORROWER'S RIGHTS AND RESPONSIBILITIES (CONT.)

[RELATED LINKS](#)



William D. Ford Federal Direct Loan Program
Federal Direct Stafford/Ford Loans and
Federal Direct Unsubsidized Stafford/Ford Loans
Borrower's Rights and Responsibilities

[Privacy Act
and Other
Important
Notices](#)

Important Notice: Please retain this statement because it applies to present and subsequent loans received under the Master Promissory Note. You may contact the Direct Loan Servicing Center at any time for another copy of this statement.

The William D. Ford Federal Direct Loan (Direct Loan) Program includes the following loans:

- Federal Direct Stafford/Ford Loans ([Direct Subsidized Loans](#)),
- Federal Direct Unsubsidized Stafford/Ford Loans ([Direct Unsubsidized Loans](#)),
- Federal Direct PLUS Loans (Direct PLUS Loans), and
- Federal Direct Consolidation Loans (Direct Consolidation Loans).

The Direct Loan Program is authorized by Title IV, Part D of the Higher Education Act of 1965, as amended.

1. Governing Law - Loans disbursed under this Master Promissory Note ("Note") are subject to the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.) and applicable U. S. Department of Education (ED) regulations (collectively referred to as the "Act").

NOTE: Any amendment to the Act governs the terms of any loans disbursed on or after the effective date of such amendment.

2. Use of this Note - I may receive multiple loans under this Note over a maximum ten-year period. Whether I may receive loans under this Note for only one academic period, or for multiple academic periods, depends on the school I am attending. I may receive loans under this Note, even if I change my school (provided the school is authorized to certify subsequent loans under this Note). I must sign a new Note if I do not wish to receive multiple loans from ED under this Note.

I have read, understand, and agree to this statement of Borrower's Rights and Responsibilities.

(Your response will be recorded and be made part of your completed MPN.)

[Continue](#) [Exit](#)

COMPLETE MPN

RELATED LINKS

Please enter the remainder of your personal information and provide the requested information for **two** references with different U.S. addresses who have known you for at least 3 years. The first reference should be a parent or legal guardian. Depending on your school, some of the information may already be filled in.

[Privacy Act and Other Important Notices](#)

When finished, review the information that you just entered. If it is correct, click "Continue." To cancel this electronic MPN and exit the site, click "Exit."

[Rights and Responsibilities](#)

| Borrower Information | |
|---|---------------------------------|
| First Name: | JAMES |
| Middle Initial: | P |
| Last Name: | BOND |
| SSN: | 140111111 |
| DOB: | 10/11/1972 |
| School Location: | ILLINOIS |
| School: | Devy Institute |
| Permanent Street Address: | 123 Main Street |
| Address 2: | |
| City: | Chicago |
| State: | Illinois |
| Zip: | 78945 |
| Permanent Telephone: | 444 555 1234 |
| Email: | james.bond@email.com (optional) |
| Driver's License State: | Illinois |
| License Number: | 145236 |
| References | |
| Reference 1 | Reference 2 |
| First Name: | James |
| Middle Initial: | |
| Last Name: | Bond |
| Permanent Street Address: | 123 Main Street |
| Address 2: | |
| City: | Chicago |
| State: | Illinois |
| Zip: | 78945 |
| Permanent Telephone: | 444 555 1234 |
| Relationship to Borrower: | Brother |
| First Name: | Charles |
| Middle Initial: | |
| Last Name: | Foyal |
| Permanent Street Address: | 145 First Avenue |
| Address 2: | apt 3456 |
| City: | New York |
| State: | New York |
| Zip: | 02445 |
| Permanent Telephone: | 708 456 0234 |
| Relationship to Borrower: | Landl |
| <input type="button" value="Continue"/> <input type="button" value="Exit"/> | |

REVIEW DRAFT MPN

RELATED LINKS

Please review the complete contents of your Draft Master Promissory Note (MPN).

[Privacy Act and Other Important Notices](#)

[Rights and Responsibilities](#)

1. Verify the accuracy of the information that you have entered.
2. If you need to change your name or school information, click "Modify Name or School Information."
3. If you need to change your address or reference information, click "Modify Address or References."
4. Read **ALL** Sections of the MPN including the: **Borrower Certifications and Authorizations, Promise to Pay, Disclosure of Loan Terms, and Important Notices**. You will be asked to confirm that you have read this information in its entirety before continuing.
5. When you have completed items 1-4 above, confirm that you have read, understand, and agree to all of the information on the MPN, then click "Continue." To cancel this MPN and exit the site, click "Exit."

Section A: Borrower Information

1. Driver's License State and Number

IL, K45236

3. E-mail address

james.bond@email.com

4. Name and Address (street, city, state, zip code)

BOND, JAMES P
123 MAIN STREET
CHICAGO, IL 78965

2. Social Security No.

141111111

5. Date of Birth

10/11/1972

6. Area Code/Telephone No.

(444)555-1263

7. References:

| | | |
|-----------------------------------|-------------------|---------------------------|
| Name | 1. BOND, KAREN | 2. ROYAL, CHARLES |
| Permanent Address | 123 MAIN STREET | 345 FIRST AVENUE APT 3456 |
| City, State, Zip Code | CHICAGO, IL 78965 | NEW YORK, NY 52145 |
| Area Code/Telephone Number | (444)555-1263 | (789)456-1234 |
| Relationship to Borrower | MOTHER | UNCLE |

I have reviewed the information about me on this Master Promissory Note and acknowledge that it is true and correct. I have read, understand, and agree to the Borrower Certifications and Authorizations, the Promise to Pay, and the Disclosure of Loan Terms.

(Your response will be recorded and be made part of your completed MPN.)

Modify Name or School Information

Modify Address or References

Continue

Exit



SIGN YOUR MPN

RELATED LINKS

Please read the Promise to Pay statement below, then sign your Master Promissory Note (MPN) by entering your full name. Your typed name will serve as your signature for this electronic MPN. If you do not want to sign this MPN, click "Exit" to cancel this electronic MPN and exit the site.

[Privacy Act and Other Important Notices](#)

If you need to modify your name or school information, click "Modify Name or School Information." If you need to modify your address or reference information, click "Modify Address or References."

[Rights and Responsibilities](#)

[You will notice that the Promise to Pay statement refers to information "on the reverse side." This is because we are required to present you with the Promise to Pay statement exactly as it appears on the paper MPN.]

Promise to Pay

I promise to pay to the U.S. Department of Education all sums disbursed (hereafter "loan" or "loans") under the terms of this Master Promissory Note (hereafter "Note"), plus interest and other charges and fees that may become due as provided in this Note. **I understand that multiple loans may be made to me under this Note.** I understand that by accepting any disbursements issued at any time under this Note, I accept the obligation to repay the loans. I understand I may cancel or reduce the amount of any loan by refusing to accept or by returning all or a portion of any disbursement that is issued. I may pay interest that accrues on my Federal Direct Unsubsidized Stafford/Ford Loans during in-school, grace, and deferment periods, or may allow it to accumulate and be added to the principal balance of such loans. If I fail to make any payment on any loan made under this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Note and the [Borrower's Rights and Responsibilities](#) statement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note, including the [Certifications and Authorizations](#) printed above, the Notice on the reverse side, and the accompanying Borrower's Rights and Responsibilities statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE, AND THAT I MUST REPAY SUCH LOAN(S).

First: M.I.: Last:

(The time and date of your signature will be recorded and be made part of your completed MPN.)



REVIEW SIGNED MPN

RELATED LINKS

Please review the complete contents of the Adobe PDF version of your signed Master Promissory Note (MPN).

1. Read these directions, then open the Adobe PDF version of your signed MPN by clicking "Continue" below.
2. Review all the information that you have entered once again.
3. Review all sections of the MPN once again.
4. Find the 3-character Confirmation Code located at the end of your signed MPN. It will look like this: "Your MPN Confirmation Code is ***."
5. **Write down your Confirmation Code.** You will need to enter the code after you finish reviewing your signed MPN.
6. Close the Adobe PDF version of your signed MPN.

[Privacy Act and Other Important Notices](#)

[Rights & Responsibilities](#)

[Certifications & Authorizations](#)

[Loan Terms](#)

After you close the Adobe PDF version of your signed MPN, you will confirm that you have reviewed your MPN and will enter your Confirmation Code. To cancel your electronic MPN and exit this site, click "Exit."

If you need to change your name or school information, click "Modify Name or School Information." If you need to change your address or reference information, click "Modify Address or References."

| | | | |
|---|--|--------------------------|----------------------|
| Modify Name or School Information | Modify Address or References | Continue | Exit |
|---|--|--------------------------|----------------------|



[STEP 1](#) > [STEP 2](#) > [STEP 3](#) > [STEP 4](#) > [STEP 5](#) > [STEP 6](#) > [STEP 7](#) > **[STEP 8](#)** > [STEP 9](#) > [STEP 10](#)

REVIEW SIGNED MPN (CONT.)

[RELATED LINKS](#) 

Please read the statement below and enter the Confirmation Code from your signed MPN. When done, click the "Continue" button to proceed to Step 9. To cancel your electronic MPN and exit this site, click "Exit."

If you need to correct your name or school information click "Modify Name or School information." If you need to correct your address or reference information, click "Modify Address or References."

[Review Signed MPN \[PDF | 142KB\]](#)
(This document will take approximately 30 sec. to load over a 56Kbps connection.)

- [Privacy Act and Other Important Notices](#)
- [Rights & Responsibilities](#)
- [Certifications & Authorizations](#)
- [Loan Terms](#)

I have reviewed the information about me on this Master Promissory Note and acknowledge that it is true and correct. I have read, understand, and agree to the Borrower Certifications and Authorizations, the Promise to Pay, and the Disclosure of Loan Terms. My MPN Confirmation Code

is:

(Your response will be recorded and be made part of your completed MPN.)

| | | | |
|---|--|--------------------------|----------------------|
| Modify Name or School Information | Modify Address or References | Continue | Exit |
|---|--|--------------------------|----------------------|

Direct Loans

Master Promissory Note

William D. Ford Federal

Direct Loan Program

OMB No. 1845-0007
Form Approved

Section A: To Be Completed By The Borrower

1. Driver's License State and Number

IL K45236

3. e-Mail Address

james_bond@ms11.com

4. Name and Address (street, city, state, zip code)

BOND, JAMES D
123 MAIN STREET

CHICAGO, IL 78965

7. References: You must list two persons with different U.S. addresses

Name 1. KAREN BOND

Permanent Address 123 MAIN STREET

City, State, Zip Code CHICAGO, IL 78965

Area Code/Telephone Number (444) 555-1263

Relationship to Borrower MOTHER

8. Requested Loan Amount: I request a total amount of \$1000 for my education. My school will notify me of my (s) and of my school. Additional information about my right to cancel or reduce my loan or will be provided to me.

Section B: To Be Completed By The School

9. School Name and Address

Derry Institute
234 GROVER RD

SPRINGFIELD, IL 34382

Borrower Certifications and Authorizations

12. I declare under penalty of perjury that the following is true and correct:

- I certify that the information I have provided on this Master Note and as updated by me from time to time is true, complete and to the best of my knowledge and belief and is made in good faith.
- I certify that I will immediately repay any loan proceeds that are attributed to educational expenses for attendance on at least a half basis at the school that certified my loan eligibility.
- I certify that I do not now owe a refund on a Federal Pell Grant, Educational Opportunity Grant, or a State Student Incentive Grant and that I am not now in default on any loan received under Perkins Loan Program (including NDSL loans), the Federal Program (Direct Loans), or the Federal Family Education Loan (FFELP) or, I have made satisfactory repayment arrangements.

13. For all Direct Subsidized and Direct Unsubsidized Loans (see the additional Note provisions and the Borrower's Rights and Responsibilities statement) I receive under this Master Promissory Note, and for loans as described below, I make the following authorizations:

- I authorize my school to certify my eligibility for loans under this Promissory Note.

Promise to Pay

14. I promise to pay to the U.S. Department of Education all sums due on interest and other charges and fees that may become due as provided by accepting any disbursements issued at any time under the loan by refusing to accept or by returning all or a portion of any Direct Loans during in-school, grace, and deferment periods, or on any loan made under this Note when due. I will also pay under this Note before reading it, including the writing on the reverse of this Promissory Note. My signature certifies I have read, and understand, the terms and conditions of this Note, and I understand that I MAY RECEIVE ONE OR MORE LOANS UNDER THIS NOTE.

15. Borrower's Signature James D Bond
(Electronic Signature)

Master Promissory Note (continued)

DISCLOSURE OF LOAN TERMS

This Note applies to both Federal Direct Stafford/Ford Loans (Direct Subsidized Loans) and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans) described in the Interest section below. I agree that each loan is separately enforceable based on a true and correct copy of this Note. Loans disbursed under this note are subject to the annual and aggregate loan limits specified in the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, et seq., and applicable U.S. Department of Education (ED) regulations (collectively referred to as the "Act").

Under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued (unless I reduce or cancel any disbursements as provided below).

At or before the time of the first disbursement for each loan, a disclosure statement will be issued to me identifying the amount of the loan and additional terms of the loan. Important additional information is also disclosed in the Borrower's Rights and Responsibilities statement accompanying this Note. The Borrower's Rights and Responsibilities statement and any disclosure statement I receive in connection with any loan under this Note are hereby incorporated into this Note.

I may request additional loan funds for my educational costs (up to the annual and aggregate loan limits) from my school. If my school determines that I am eligible for any additional or adjusted loan amount my school may certify such amount.

My eligibility for Direct Subsidized Loans and Direct Unsubsidized Loans may change based on changes in my financial circumstances. My school will notify me of any changes in my eligibility. I will be notified of changes or additions to my Direct Subsidized Loans and Direct Unsubsidized Loans in a separate disclosure statement.

LOAN CANCELLATION

I may pay back all or a portion of a disbursement within time frames set by the Act and identified in the Borrower's Rights and Responsibilities statement or other disclosure statement I receive at or before disbursement. In such case, the loan fee will be reduced or eliminated in proportion to the amount of the disbursement returned. I will not incur interest charges if I return the full loan amount as provided in the Act.

INTEREST

Unless ED notifies me in writing of a lower rate(s), the rate(s) of interest for my loans are those specified in the Act. The rate is provided in the Borrower's Rights and Responsibilities statement accompanying this Note or in another disclosure that is issued to me.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement until the loan is paid in full. I agree to pay all interest charges on my Direct Subsidized Loans. I agree to pay all interest charges on my Direct Unsubsidized Loans. If I fail to make required payments of interest before the beginning or resumption of principal repayment, or during a period of deferment or forbearance, I agree that ED may capitalize such interest as provided under the Act. There is no federal interest subsidy on unsubsidized loans, so the total amount of interest I am required to repay on unsubsidized loans will be higher than on subsidized loans.

LOAN FEE

A loan fee is charged for each Direct Subsidized Loan and Direct Unsubsidized Loan required by the Act. I will pay such a disclosure statement, which proportionately from each disbursement. I understand the loan fee may be a credit (permitted by the Act).

LATE CHARGES AND COLLECTION

ED may collect from me: (i) a late installment payment (if I fail to make installment payment within 30 days) and (ii) any other charges and fees the Act for the collection of my loan fees. I shall pay reasonable costs plus court costs and attorney fees.

REPAYMENT

I am obligated to repay the full amount under this Note and accrued interest and Unsubsidized Loans have a rate of 6 months. I will repay the principal and interest during repayment the day immediately following the grace period. Payments submitted by (exclusive of refunds) will be applied to collection costs that are due, then to interest that has not been capitalized, and finally to principal. I understand that the School's certification determines whether my loan is subsidized and/or unsubsidized.

The Direct Loan Servicing Center a repayment schedule that identifies and due dates. Direct Loan repayment covered in the Borrower's Rights and Responsibilities statement.

If I am unable to make my schedule may allow me to reduce my payments for making payments, or to long payments as long as I intend to pay them temporarily delay or reduce my payments.

I agree that ED may adjust payment grant me a forbearance to annual periods even though I am making payments.

I may prepay all or any part of the loans at any time without penalty. If loans I am prepaying, ED will defer payment in accordance with the Act in full of each loan under this Note. I am notified of such loan payoff the original Note.

Notice: Applicable to Loans For

This Master Promissory Note will apply to loans during the multi-year my request and upon the school's eligibility.

Subsequent loans may be made in quiet periods of enrollment only at schools, or other schools, as design the U.S. Department of Education. Loans will be made under this Note following dates: If the date ED has that no further loans may be disbursed.

Direct Loans

William D. Ford Federal Direct Loan Program

Master Promissory Note

William D. Ford Federal Direct Loan Program

OMB No. 1845-0007
Form Approved
Exp. Date 08/31/2002

Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is 5451 of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct Subsidized Loan and/or Direct Unsubsidized Loan made under the William D. Ford Federal Direct Loan (Direct Loan) Program. The principal purposes for collecting this information are to process your Direct Subsidized Loan and/or Direct Unsubsidized Loan, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, *Federal Register*, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, *Federal Register*, Vol. 59, p. 85532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance programs, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

Financial Privacy Act Notice.

Under the Right to Financial Privacy Act of 1976 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

Paperwork Reduction Notice.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0007. The time required to complete this information collection is estimated to average 1.0 hours (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving the form, please write to:** U.S. Department of Education, Washington, DC 20202-4851. **If you have any comments or concerns regarding the status of your individual submission of this form, write directly to:**

School Relations
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, Alabama 36103-5692

Transaction History

Below is a summary of the actions that you completed during the electronic Master Promissory Note (MPN) process:

| | |
|---|---------------------------|
| Your identity was confirmed by the PIN web site on | 07/11/2001 at 09:53:22 CT |
| You agreed to use an electronic MPN on | 07/11/2001 at 11:09:01 ET |
| You confirmed that you read, understood, and agreed to the statement of Borrower's Rights and Responsibilities on | 07/11/2001 at 11:14:28 ET |
| You reviewed your draft MPN and confirmed that you read, understood, and agreed to the Borrower Certifications and Authorizations, Promise to Pay, Disclosure of Loan Terms, and Important Notices on | 07/11/2001 at 11:20:43 ET |
| You signed your MPN on | 07/11/2001 at 11:21:11 ET |
| You reviewed your signed MPN and entered your Confirmation Code on | To be completed |
| You confirmed your acceptance of the terms and conditions of this MPN and submitted it to us on | To be completed |
| Your MPN Confirmation Code is: | ABO |



CONFIRM ACCEPTANCE OF MPN TERMS AND SUBMIT MPN



You are about to submit a signed Direct Loan electronic Master Promissory Note (MPN) to the U.S. Department of Education. By signing this MPN, you:

1. Acknowledged that you read, understood, and agreed to the terms and conditions of the MPN, including the Borrower Certifications and Authorizations and the Borrower's Rights and Responsibilities statement.
2. Agreed to repay the loan(s) to the U.S. Department of Education according to the terms and conditions of the MPN.

If you would like to review your signed MPN again, click below on "Review Signed MPN." If you need to modify your name or school information, click "Modify Name or School Information." If you need to modify your address or reference information, click "Modify Address or References."

To confirm that you accept the terms and conditions of this MPN and submit it to the U.S. Department of Education, click "Submit Note." To cancel this electronic MPN, click "Exit."

[Review Signed MPN \[PDF | 142KB\]](#)

(This document will take approximately 30 sec. to load over a 56Kbps connection.)

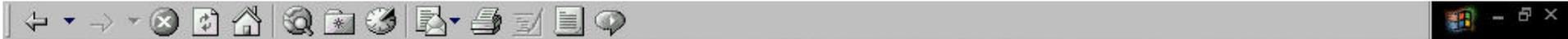
[Privacy Act and Other Important Notices](#)

[Rights & Responsibilities](#)

[Certifications & Authorizations](#)

[Loan Terms](#)

| | | | |
|---|--|-----------------------------|----------------------|
| Modify Name or School Information | Modify Address or References | Submit Note | Exit |
|---|--|-----------------------------|----------------------|



[STEP 1](#) > [STEP 2](#) > [STEP 3](#) > [STEP 4](#) > [STEP 5](#) > [STEP 6](#) > [STEP 7](#) > [STEP 8](#) > [STEP 9](#) > **[STEP 10](#)**

SUCCESS! NOW PRINT YOUR MPN

[RELATED LINKS](#)

Thank you! We will notify your school that you have signed your Master Promissory Note (MPN). Before you leave this site, please do the following:

[Privacy Act and Other Important Notices](#)

1. **[Clear your web browser](#)** to remove your personal information from this computer. This is especially important if this computer does not belong to you or if you share it with others.
2. **[Print and/or Save a copy of your MPN for your records](#)**. You may also return at a later date to retrieve and print your MPN by using the "Retrieve MPN" link from the [MPN home page](#). We have provided you with a link to your MPN below.

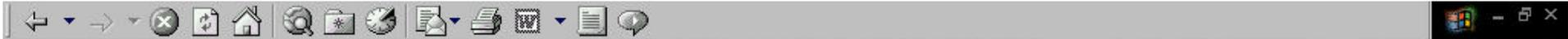
[Master Promissory Note \[PDF | 142KB\]](#)
(This document will take approximately 30 sec. to load over a 56Kbps connection.)

Please contact your school's financial aid office if you have additional questions about the MPN process.

To request a printed copy of your MPN(s), please [click here](#).

Thank you for your interest in the Direct Loan Program and good luck with your education.

Done



RETRIEVE MPN

About the MPN

If you have previously completed an electronic Master Promissory Note (MPN) using this site, you may retrieve a copy of your document at any time. To do this, click on "Proceed to PIN Site Registration."

What You Need

Note: In order to view the Adobe Portable Document Format (PDF) files, you must have installed version 4.0 or higher of the [Adobe Acrobat Reader](#) (free). Installation instructions can be found on the Adobe site.

What to Expect

[Proceed to PIN Site Registration](#)

Complete New MPN

Retrieve MPN

MPN Home



**William D. Ford Federal Direct Loan Program (DL)
Student Financial Assistance (SFA)
U.S. Department Of Education (ED)**

[About the MPN](#) · [What You Need](#) · [What to Expect](#) · [Complete New MPN](#) · [Retrieve MPN](#)
[FAQs](#) · [Site Assistance](#) · [Contact Us](#) · [Privacy Policy](#) · [Additional Resources](#)



REVIEW, SAVE, OR PRINT MPN

Welcome Back! Your Master Promissory Notes (MPNs) are listed below. Click on the appropriate document link to open the PDF document in a new window. When you have finished, click the "Done" button to return to the MPN home page.

| School Name | School Code | Electronic MPN Signed Date | Request for Mailing |
|--------------------|-------------|----------------------------|--------------------------|
| BROOKSTONE COLLEGE | G97814 | 06/28/2001 | <input type="checkbox"/> |
| Devry Institute | G90139 | 07/11/2001 | <input type="checkbox"/> |

Done

To request printed copy for selected MPN(s), click [here](#) to enter your address.

Questions

