



FEDERAL DIRECT STUDENT LOANS - ONLINE INSTRUCTIONS

1. If accepting a Federal Direct Student Loan in Gateway, you must complete Steps 1 & 2 below. Please allow 20-30 minutes to complete. You must complete the counseling in a single session. You cannot save a partially completed counseling session.
2. A loan must be repaid.
3. Information on the back of this page is important information that schools must provide in conjunction with Entrance Counseling.
4. Go to <https://studentloans.gov>, log in with your student FSA ID and password. You will be asked to read and accept a disclaimer to continue.

Step 1: ENTRANCE COUNSELING

- Review and update account settings, if prompted.
- Click on Complete Loan Counseling
- Click Start for Entrance Counseling
- Select HPU as the school to notify
- For Student Type, select appropriate answer for undergraduate or graduate student.
- Complete the five sections as prompted. Amounts of grants, scholarship and loans, can be found in your Gateway (Go to View/Accept Financial Aid > Menu > Awards).
- Complete all steps, until you receive the message that you have successfully completed the Entrance Counseling.
- **Proceed to Step 2 on this page.**

Step 2: MASTER PROMISSORY NOTE

- Under the “Next Steps” box, click on “**Complete Loan Agreement - Master Promissory Note (MPN)**”.
- Students pursuing an undergraduate or graduate degree, choose “**MPN for Subsidized/Unsubsidized**”.
- Click “**Start**”.
- Complete all four steps in the process until you receive the message that you have successfully completed the MPN.
- **DISCLOSURE AND CONSENT** – Read this section carefully.
- **NAME AND SCHOOL** – Provide your full legal name and the name of the school (Howard Payne University).
- **COMPLETE THE MPN** – During this step, you will be asked to provide the remaining information necessary to complete your MPN. This will include your permanent address, your driver’s license and state, e-mail address, 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.
- **REVIEW DRAFT MPN** – You will be asked to review a draft version of the MPN that will include the information you provided and important information about the loan(s) you may receive under your MPN. Before you continue, you must confirm that you have read the draft MPN, which includes the Borrower’s Rights and Responsibilities.
- **SIGN YOUR MPN** – You will be asked to review the “Promise to Pay” section of the MPN and electronically sign the MPN by typing your full name. You will still have the opportunity at this point to modify the information you provided or to cancel the electronic MPN process.
- **REVIEW YOUR SIGNED MPN** – You will be shown a completed MPN that includes your electronic signature. Before you can continue, you must confirm that you have read the completed Master Promissory Note (MPN).
- **CONFIRM ACCEPTANCE OF THE MPN TERMS AND SUBMIT THE MPN** – You will be asked to confirm that you agree to the terms and conditions of your Master Promissory Note (MPN), you will also be given a final opportunity to cancel or modify your MPN. If you agree to the terms and conditions for the MPN, you may complete the electronic Master Promissory Note (MPN) process by submitting your MPN to the U.S. Department of Education.
- **YOU MAY PRINT YOUR MASTER PROMISSORY NOTE (MPN) to keep a copy for your records.**

The Master Promissory Note (MPN) is a very important contract between you (the borrower) and the lender. The MPN allows the borrower to receive multiple subsidized and/or unsubsidized Federal Direct Loans over a ten (10) year period. This feature is called a Serial Loan. Each year that the student receives a Serial Loan under the MPN, the student is required to confirm that he or she wishes to receive subsequent loans under the Master Promissory Note (MPN).

If you have questions or experience problems when completing this process, call 1-800-557-7394 or contact the HPU Financial Aid Office at financial-aid@hputx.edu or 325-649-8015.

PLEASE READ THIS PAGE CAREFULLY

INFORMATION PROVIDED BY HPU CONCERNING STUDENT LOAN ENTRANCE COUNSELING

All first-time Federal Stafford Student Loan borrowers at HPU (including transfer students) will be required to complete Entrance Counseling. After completing the online Entrance Counseling, if have any questions regarding your rights and responsibilities and loan terms and conditions, please contact:

HPU Office of Financial Aid
1000 Fisk Street
Brownwood, TX 76801
325-649-8015
Fax: 325-649-8973
financial-aid@hputx.edu

ENROLLMENT STATUS

The following chart shows how enrollment status is defined:	
01-05 credit hours	less than half-time enrollment
06-08 credit hours	half-time enrollment status
09-11 credit hours	three-quarter time enrollment
12+ credit hours	full time enrollment

HPU locks "enrollment status" on the census date, which is usually the eighth class day of the fall and spring semesters.

IT IS IMPORTANT THAT YOU START AND ATTEND ALL CLASSES. The number of hours for which the student is enrolled as of this date will determine the enrollment status for that semester and financial aid will be disbursed accordingly. Courses not required for the student's degree will not be counted in the enrollment status. Previously passed courses will not be counted in the enrollment status. (The only exceptions will be for classes which require enrollment in multiple semesters (e.g. private voice, concert choir, moot court.)

WITHDRAWING FROM HPU

A student who desires to withdraw from HPU must obtain the proper withdrawal forms from the Registrar's Office. These forms can be obtained in person at the office located in Room 209 of the Packer Administration Building on the Howard Payne University campus in Brownwood, Texas or by phone request. Please reference the HPU catalog under the Academic Information for the proper procedures for withdrawing. If the student has participated in the Federal Perkins Loan, the Federal Stafford Loan or the College Access Loan, the student must complete the Exit Interview process before leaving the University.

LOAN REPAYMENT

On average, students at HPU borrowed federal student loans as shown below. Note the maximum interest rate and payment amount for the debt level, based on a 10-year standard repayment plan.

<u>Loan Type</u>	<u>Average Indebtedness</u>	<u>Interest Rate</u>	<u>Monthly Payment Amount</u>
Direct	\$20,893	6.8%	\$253.00

Below is a chart with loan amounts and approximate monthly payments for the standard repayment option, assuming an interest rate of 6.8%.

AMOUNT BORROWED	MONTHLY PAYMENTS	NUMBER OF PAYMENTS	TOTAL AMOUNT PAID
\$ 3,500	\$ 50.00	89	\$ 4,450.
\$ 5,500	\$ 63.29	120	\$ 7,595.
\$ 7,500	\$ 86.31	120	\$ 10,357.
\$ 9,500	\$109.33	120	\$ 13,119.
\$10,500	\$120.83	120	\$ 14,500.
\$12,500	\$143.85	120	\$ 17,262
\$20,500	\$253.91	120	\$ 28,310
\$30,000	\$345.00	120	\$ 41,429.
\$40,000	\$460.00	120	\$ 55,239

FINANCIAL LITERACY

Financial Literacy is basic personal finance knowledge. Financial Literacy information can help students make good financial decisions that will affect their financial well-being now and in the future. Some financial information that all students need is budgeting, debt management, credit basics, using credit cards responsibly and preventing identity theft. Online resources for students seeking financial literacy basics can be found at www.aie.org and <https://fa.financialavenue.org>. These sites offer a variety of financial literacy tools designed to help students understand the basics of money management.