

The Master Promissory Note:

The Federal Direct Loan Program at Cornell University uses an online Master Promissory Note (MPN).

In order for the Grad PLUS Loan to be disbursed, a Master Promissory Note (MPN) must be signed. **The Grad PLUS MPN will not be available for you to compete online until July 1, 2007.** To complete the MPN, please go to the Department Of Education's Federal Direct Loan web site located at: <http://dlenote.ed.gov>. Your FAFSA PIN is required. If you do not have a valid PIN, please go to the Department of Education PIN site at <http://www.pin.ed.gov> to request one.

Please note that the Grad PLUS loan on the MPN website is referred to as the Parent PLUS loan.

If you wish to cancel or reduce the amount of your federal direct loan, you must notify our office in writing.

WILLIAM D. FORD DIRECT PLUS LOAN TERMS AND REPAYMENT INFORMATION

TERMS:

This is a credit-based loan. The borrower data will be put through a credit check process by the Direct Loan Servicer. The borrower will be notified of the credit decision.

RATE:

The interest rate is 7.9% fixed and interest will begin to accrue once the loan is disbursed.

OPTIONS IF DENIED:

If the borrower does not get approved, they have three options.

- 1) Request a review of the credit check due to inaccurate information on the credit report.
- 2) Obtain an endorser signature. (Please be aware that the endorser must also pass a credit check.)
- 3) You can notify our office, in writing, that you do not wish to pursue the Grad PLUS Loan further.

If you are denied you may consider a private loan through another lender though you may require a co-borrower.

REPAYMENT:

Interest begins to accumulate upon the first disbursement. Repayment begins 60 days after final disbursement for this loan*. You will repay both the principle and the interest that accumulates. You may choose from three repayment options:

- 1) Standard Repayment – fixed monthly payments of at least \$50 for not more than 10 years.
- 2) Extended Repayment – fixed monthly payments of at least \$50, the number of years of repayment will vary depending upon the total loan amount due but may not exceed 30 years.
- 3) Graduated Repayment – monthly payments graduate to a higher level twice over the years of repayment, the number of years of repayment varies depending upon the total loan amount due but may not exceed 30 years.

*A student enrolled at least half-time is eligible for in-school deferment (**YOU MUST REQUEST AN IN SCHOOL DEFERMENT BY CONTACTING THE DIRECT LOAN SERVICING CENTER**).

FOR MORE INFORMATION ABOUT REPAYMENT:

Call the Direct Loan Servicing Center at (800) 848-0979.

PLEASE RETAIN THIS DOCUMENT FOR YOUR RECORDS AND REFERENCE