

Five Steps to a Direct Loan

The process to receive a Direct Loan involves more than just requesting money and receiving the funds. **Follow the five steps necessary to receive a Direct Loan.**

STEP 1



[Complete the Free Application for Federal Student Aid \(FAFSA\)](#)

You will need your:

- FSA ID (Request it at fsaid.ed.gov)
- Tax return
- Parents' tax return (if a dependent student)

STEP 2



Review Your Student Aid Report (SAR)

- Locate and evaluate the Expected Family Contribution (EFC)
- **Verify the accuracy of your financial information**
- Report any errors or updates to the Department of Education

STEP 3



Review and Accept Your Award Letter

- **Review financial aid package offered by the school**
- Accept scholarships, grants, and work study
- Calculate how much in student loans you need to borrow

STEP 4



Complete Your Master Promissory Note (MPN)

- If you are receiving a Direct loan for the **first time, you must sign an MPN.** Your school may give you a copy of the MPN **or offer you the option to sign it online at studentaid.gov**
- Exhaust all federal loan options before applying for private loans
- Evaluate private loan terms if you need additional funds

STEP 5



Participate in Direct Loan Entrance Counseling

- Understand your rights and responsibilities
- Complete counseling online at studentaid.gov