

# Guide to **Applying for Federal Direct Loans**

Please follow these instructions carefully. Failure to complete all steps may result in delays in processing your loan request.

**Eligibility Requirement:** You must be enrolled at least **half-time (6 credits or more)** to qualify for a Direct Loan.

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## ***Steps to Secure a Federal Direct Loan***

### **1. Complete the FAFSA**

- The **Free Application for Federal Student Aid (FAFSA)** is required for federal assistance.
- Apply online at <https://studentaid.gov/> starting **October 1** for the upcoming academic year.
- You will need an **FSA ID** to file your FAFSA. If you don't have one, create an FSA ID at <https://studentaid.gov/>:
- **School Code: 004765** (CUNY Graduate Center).
- A new FAFSA must be filed for each academic year.

### **2. Undergraduates Only: Complete the Direct Loan Application in CUNYfirst**

1. Log in to **CUNYfirst**.
2. Navigate to: **Campus Solutions > Self Service > Student Center > Finances**.
3. Click **Direct Loan Processing Form**.
4. Select your **College** and the appropriate **aid year** to begin the application.

### **3. Complete Entrance Counseling (For First-Time Borrowers)**

If you are a first-time borrower or haven't borrowed in over five years, complete entrance counseling at <https://studentaid.gov/>:

1. Go to **Complete Aid Process > Complete Entrance Counseling**.
2. Review all loan information carefully.
3. Complete the quiz (you must pass to proceed).
4. **Graduate PLUS borrowers** must also complete entrance counseling.

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## 4. Sign the Master Promissory Note (MPN)

- If you have a **Master Promissory Note (MPN)** on file with the federal government, you do not need to complete a new one for each loan.
- **MPNs expire after 10 years.** If your MPN has expired, you will need to sign a new one.
- **To Sign the MPN Online:** Visit: <https://studentaid.gov/h/complete-aid-process> and follow the steps to sign your MPN with your **FSA ID**. **Signing online reduces the time needed for loan funds to be disbursed**
  - There is a **separate MPN for the Graduate PLUS Loan**, which can be signed at: <https://studentaid.gov/mpn/>

If you do not sign your MPN online, a **paper MPN** will be mailed to you. Complete the reference section, sign and date the MPN, and return it for loan processing.

Once the MPN is completed, you will receive **Disclosure Notices** indicating:

- Approved **gross loan amounts**
- Fees and **net loan amounts**
- **Anticipated disbursement dates**

All loans are disbursed in at least **two payments**. You will receive a Disclosure Notice each time you borrow a new loan.

### *Loan Disbursement*

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- You will receive a **Disclosure Notice** with loan amounts, fees, and anticipated disbursement dates.
- Loans are disbursed in at least **two payments**.
- Students will receive an email notification when their loan is disbursed.

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## *Refunds*

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- If the loan creates a **credit balance**, a refund will be issued.
- Refunds can be **direct deposited** (recommended) or mailed to your CUNYfirst mailing address.
- **Sign up for direct deposit** via CUNYfirst.
- For more information, visit: <https://slu.cuny.edu/tuition-and-financial-aid/tuition-fees/refunds/>

## *Federal Direct Loan Limits*

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### **Dependent Undergraduate Students**

- **First Year:** \$5,500 total (\$3,500 subsidized)
- **Second Year:** \$6,500 total (\$4,500 subsidized)
- **Third Year and Above:** \$7,500 total (\$5,500 subsidized)
- **Aggregate Limit:** \$31,000 total (\$23,000 subsidized)

### **Independent Undergraduate Students**

- **First Year:** \$9,500 total (\$3,500 subsidized)
- **Second Year:** \$10,500 total (\$4,500 subsidized)
- **Third Year and Above:** \$12,500 total (\$5,500 subsidized)
- **Aggregate Limit:** \$57,500 total (\$23,000 subsidized)

### **Graduate and Professional Students (Unsubsidized Only)**

- **Annual Limit:** \$20,500
- **Aggregate Limit:** \$138,500 (includes undergraduate loans)

## *Additional Resources*

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- **Interest Rates:** <https://studentaid.gov/understand-aid/types/loans/interest-rates>
- For more details on federal loan programs, visit: <https://studentaid.gov/>