

# ***FREQUENTLY ASKED QUESTIONS ABOUT THE MPN***

## ***What is the Master Promissory Note (MPN)?***

The MPN is replacing the current PLUS Loan Application/Promissory Note. This is a Master Promissory Note under which you may receive multiple Federal PLUS Loans for the same dependent student over a maximum ten-year period. It is a legally binding document that sets the terms of your PLUS loans. By signing the MPN, you are promising to repay your loan even if your dependent student is dissatisfied with his or her education, does not complete it, or cannot find work in his or her area of study. Borrow only the amount you can afford to repay, even if you are eligible to borrow more.

## ***Is the MPN my loan application?***

No. Unlike the previous PLUS Loan Application/Promissory Note, the MPN is simply the promissory note.

## ***The counselor in the financial aid office told me I will only have to sign the MPN once. How do I get loans for the rest of my child's education?***

If your dependent student continues to attend a participating school located in the United States, you may receive multiple loans for this dependent student under the same MPN. The financial aid office will advise you each year if you are eligible for additional funds and how to apply.

You can write to your lender to stop loans from being made under your current MPN. You will need to sign a new MPN if you want to change your lender. If your child transfers to another school, you may have to complete another MPN. Check with the financial aid office at the new school to be sure.

## ***How long is the MPN valid for?***

The MPN is valid for ten years from the time you first sign it.

## ***Why do I need to provide my e-mail address?***

That question is optional, but by providing your e-mail address you are helping the lender communicate with you more efficiently.

## ***Has anything else changed with the introduction of the MPN?***

Not really. You can still determine the loan amount you want to borrow, decide if you want to make interest payments while your child is in school, and choose your lender. If anything, the form is much simpler to understand and complete. The language is clearer and many of the questions that may have delayed the processing of your application in the past have been simplified or are included in the Borrower Authorizations section.

One thing to be careful of is borrowing more than you need. Because you won't be completing a new note each year, you may lose track of how much you are borrowing from year to year. Keep records of all of your loans, and when deciding how much to borrow, be sure to only borrow what you need to meet your child's education costs.



**ABC! Always Borrow Conservatively®**