**Entrance Counseling**

A promissory note is a legally binding contract between the borrower of a Direct Loan, and the lender - the U.S. Department of Education. It contains the terms and conditions of the loan and explains how and when it should be repaid. Before you receive your loan funds, you must sign a promissory note. In past years, borrowers completed a separate promissory note for each new loan borrowed. Now, in most cases, a borrower will sign only one promissory note that is used for all of the borrower’s Direct Loans. This new note is called a Master Promissory Note (MPN).

When you sign the MPN, you are confirming your understanding that your school may make multiple loans for you for the duration of your education (up to ten years) without having you sign another promissory note. You are also agreeing to repay your lender, the U.S. Department of Education, all loans made to you under the terms of the MPN. Therefore, it is very important that you completely read and understand all of the information on the MPN before you sign it.

Although your signature on the MPN allows your school to make multiple loans to you under a single promissory note, your school must have a process for confirming whether or not you want these loans. The confirmation process helps to ensure your control over borrowing multiple loans made under an MPN. Your school will inform you of the confirmation process it uses. In addition, you have the right to sign a separate MPN for each loan you borrow. You also have the right to "close" an MPN so that it cannot be used for additional loans. To do this you must send written notification to your school or to the Direct Loan Servicing Center.