



Federal Loan Tip Sheet

Q: How do I select a lender?

A: USD has completed an analysis of different lenders' benefits and services to create lists of lenders for you to consider based upon the type of loan you are borrowing. (Please refer to the Financial Aid web site.) In addition, you may complete your own lender review of participating lenders to select your lender. The choice is yours.

Q: I borrowed in a prior year. How do I know who my lender is?

A: To find out who you have previously borrowed from, visit www.nsls.ed.gov.

Q: Is it best to stay with one lender?

A: Yes, by borrowing from a single lender you will simplify your loan repayment experience. You would be dealing with only one lender for one monthly payment or deferment/forbearance requests.

Q: What if my original lender is no longer providing loans?

A: You must select a new lender and complete a new Master Promissory Note. When you enter repayment your options are:

- Maintain separate accounts to manage your loans (and have separate monthly payments)
- Combine loans (request that one of your lenders purchase the other loan/s to have them together for one monthly payment)
- Consolidate (take a new loan to pay off all prior loans to have one monthly payment)

Q: What if I borrowed previously from the Direct Lending program?

A: USD does not participate in the Direct Loan program. At USD you will borrow from the Federal Family Education Loan Program (FFEL), so you will have two lenders (one for your Direct loan and one for your FFEL loan). An available option is to consolidate all federal education loans into one when you have completed your borrowing. Or you may keep them separate and have two loans to manage (i.e. two monthly payments).

Q: Should I apply with more than one lender for a loan?

A: No, you should apply with only one lender. The school may only certify a request with one lender.

Q: I was denied a Parent PLUS based on my credit review. Now what?

A: If you have been denied a Parent PLUS loan your options are:

- Submit a request for a "second review" with your lender.
- If still denied after the second review, your dependent student could be eligible to borrow additional funds under the Federal Unsubsidized Stafford Loan program. Submit your denial letter from the lender to the Office of Financial Aid. A revised award letter will be sent.
- You have an alternative to use an endorser/co-borrower. Ask your lender about this option.
- Or you may reapply with a different lender.

Q: I was denied a Graduate PLUS based on my credit review. Now what?

A: If you have been denied a Graduate PLUS loan your options are:

- Submit a request for a "second review" with your lender.
- You have an alternative to use an endorser/co-borrower. Ask your lender about this option.
- Or you may reapply with a different lender.

Q: How do I know how much to apply for?

A: Refer to your USD Financial Aid Award for your maximum loan eligibility. Apply for the full amount needed for the entire academic year (funds are disbursed equally per semester).

Q: Why should I apply for the full year?

A: If enrolled in both fall and spring semesters, the amount requested is split equally between semesters. If enrolled in one semester only, the entire amount is disbursed in that one term.

Q: Why should I electronically sign my Master Promissory Note (MPN)?

A: It is a faster, more efficient process. However you have the option to print and sign your MPN and return it by regular mail.

Q: I don't want to borrow as much as the amount on my USD Financial Aid Award. What should I do?

A: For Stafford Loans indicate the lower amount on the Loan Request Form.
For PLUS Loans notify your lender of your requested amount when you apply.

Q: I want to apply for a PLUS, but I don't want to submit a FAFSA. What is the process?

A: The same process is followed by all Parent PLUS borrowers. In addition, your dependent for whom you are borrowing must complete the Federal Parent PLUS – Non FAFSA Filer Loan Request Form (available on the USD Office of Financial Aid website).