



2019-2020 Federal Direct Subsidized and Unsubsidized Loans Information and Instructions

The Federal Direct Subsidized and Unsubsidized Loan Program provides long-term, low-interest loans for students, borrowed directly from the U.S. Department of Treasury. A completed and submitted FAFSA is required to receive a Federal Direct Subsidized/Unsubsidized Loan.

Information needed to begin:

- Federal Student Aid (FSA) Username and Password. To create the new FSA Username and Password, go to: <https://fsaid.ed.gov>;
- Your Social Security number, driver's license number and date of birth;
- Two personal references with their full names, addresses and telephone numbers. Each reference provided must have a U.S. address that is not the same as the student's address. The two references may not reside at the same address.

Step 1: Accept the Federal Direct Subsidized/Unsubsidized Loan

The student must review their Financial Aid Award on the MySanDiego portal and accept all or a portion of their Direct Subsidized/Unsubsidized Loan. The accepted amount is equally disbursed per Fall and Spring semesters. **Federal regulations require the total amount of the Federal Direct Subsidized Loan eligibility be accepted before any Federal Direct Unsubsidized Loan.**


Step 2: Complete the Federal Entrance Loan Counseling – First Time USD Borrowers Only

- **If this is the first time you are applying for a Federal Direct Subsidized/Unsubsidized Loan at USD, you are required to complete the Entrance Loan Counseling online at <https://Studentloans.gov>.**
- Students in Undergraduate Programs are required to complete the Undergraduate Entrance Loan Counseling
- Students in Graduate Programs are required to complete the Graduate Entrance Loan Counseling.
- If you are a continuing USD student with a Federal Direct loan in 2018-2019, you have already completed this process and do not need to complete it again.
- On the main screen, sign in by clicking on the green “Log In” box and provide your FSA Username and Password. Then click “Complete Loan Counseling”, click “Start” beside “Entrance Counseling”. Continue until complete. Check completed documents in “View My Documents” on My Home Page.

Step 3: Complete a New Electronic Loan Agreement (Master Promissory Note) – New Borrowers Only

- **A completed Loan Agreement (Master Promissory Note) is required in order for the funds to be released to the school.** This process may take an estimated 30 minutes. Allow time to complete the entire process in a single session.
- Go to <https://Studentloans.gov> to complete a new Electronic Loan Agreement (Master Promissory Note).
- Click on “Complete Loan Agreement (Master Promissory Note)”. Click on “Start” beside “MPN for Subsidized/Unsubsidized Loans” to complete the following steps:
 - Enter Personal Information, state and school,
 - Provide Two Personal References,
 - Review Terms and Conditions of the Loan,
 - Review Personal Data Entered and Sign the MPN electronically.

Print a copy of the MPN for your records. Check completed documents in “View My Documents” on My Home Page.

 **Flags on your MySanDiego portal:** Even if all requirements have been completed, the red flags on the MySanDiego portal for the Federal Direct Subsidized and/or Unsubsidized Loan records for the 2019-2020 academic year **will not** be updated until **mid-July 2019**. This includes Entrance Loan Counseling and Loan Agreements (Master Promissory Note).