

## **The Master Promissory Note (MPN)**

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The Master Promissory Note (MPN) is a form used by all schools and borrowers to simplify and streamline the loan application process for students. All schools participating in the Federal Stafford Loan programs are required to use the Master Promissory Note.

### **What Are The Benefits of The MPN?**

The Master Promissory Note provides many benefits including:

- A single promissory note may cover your borrowing needs for your entire academic program.
- The loan application process is simplified.
- For second and subsequent loans, the turnaround time for disbursement of your funds is faster because a new promissory note is not required each year.
- Your instructions for deferment, repayment and capitalization of interest will be consistent for all loans covered by the MPN.

### **What Is A Serial Loan MPN?**

The serial loan feature of the Master Promissory Note allows you to use one note for multiple years. If you stay with the same lender and use the multi-year (serial) feature, you will only have to sign the MPN once. By accepting a Stafford Loan via the BPCCLoan Acceptance Form, each year's loan will be processed and added to your serial MPN.

### **How Do I Get the MPN?**

When you accept all or part of the loan offered for the academic year, BPCCL will send your loan request to your lender. You may access your lender's website and download an MPN, or you may electronically sign the MPN on-line. If you do not electronically sign the MPN, your lender will mail you the MPN form for completion. You will sign and return the serial MPN for the initial loan but a new promissory note will not be required for subsequent loans.

### **How Long Is The MPN Valid?**

Under the serial loan process, the MPN is valid for ten years from the date you sign the note. You can use the MPN for any subsequent loan within the ten-year time frame, as long as the lender issues the first disbursement of a loan covered by the MPN within twelve months of the date you sign the note and the first disbursement of any subsequent loan is made within the ten-year time frame.

## **What About Repayment?**

When you complete the borrower certification portion of the MPN, you may indicate your preference for deferment of loan principal and capitalization of interest on Unsubsidized Loans. The serial MPN ensures that the repayment provisions for all loans included in the MPN are aligned.

## **May I Begin Repayment Early?**

You may make a payment to your lender of principal and/or interest at any time, even if you indicated on the MPN that you wished to defer interest payments until you are out of school.

## **What If I Decide to Transfer Schools?**

You may borrow subsequent loans regardless of a change in school or guarantor, provided that your new school is eligible to participate in the serial (multi-year) MPN process. However, if you decide to borrow from a different lender, you must complete a new MPN. If you transfer to a school not authorized to use the serial feature, you must complete and sign a new MPN for each academic year.