

ICR Number 1845-0007 – Direct Loan Program Promissory Notes
60D Comment Response Table

Comment #	Commenter Name	Comment	FSA Response	Change to ICR or Form
1.	Anonymous	<p>Somewhere in the body of the form, you should mention something about opting out of TPD discharge if disabled while signing this. If someone signs this while totally and permanently disabled, and then receives a loan or multiple loans, they should be considered as opting out of TPD discharge. TPD discharge should only apply to those who become disabled AFTER they borrowed. More often that not, the department has discharged loans issued to people who became disabled before or while they were borrowing.</p> <p>If you don't say something about this, then you are essentially writing blank checks with zero accountability. Schools (particularly distance education institutions) enroll the disabled all the time, but the department typically doesn't perform the disability match until many months or years later.</p>	<p>The law and regulations governing the Direct Loan Program provide no authority for making the suggested change.</p>	No
2.	Ascendium Education Solutions	<p>The "Note" on page 14 of the DL PLUS promissory note, under INCOME DRIVEN REPAYMENT (IDR) PLANS says the ICR plan is "described below" and it's not. It's only cursorily mentioned on page 15 under "ADDITIONAL REPAYMENT INFORMATION/Additional IDR plans available to some borrowers." This section talks only about ICR being available for grad borrowers if they are already repaying DL loans under the plan. This creates a disconnect for parent borrowers looking into repayment options. A solution could be to add a sentence to the referenced section to better connect to the section above. It could be inserted as the second sentence and would read "ICR is also available for a parent borrower who consolidates a Direct PLUS Loan into a Direct Consolidation Loan" See below:</p>	<p>We thank the commenter for pointing out this error. The reference to the ICR Plan "described below" is language from the current version of the form that we intended to remove. We will revise the "Note" to read as follows:</p> <p>Note: Parent Direct PLUS Loan borrowers may not repay their Direct PLUS Loans under an IDR plan. However, if a parent Direct PLUS Loan borrower consolidates a Direct PLUS Loan into a Direct Consolidation Loan, the Direct Consolidation Loan may then be repaid under the Income-Contingent Repayment Plan (see "Additional IDR plans available to some borrowers" below). See Item 20 in this section for information on loan consolidation."</p> <p>We do not believe it is necessary or appropriate to add</p>	Yes (form)

ICR Number 1845-0007 – Direct Loan Program Promissory Notes
60D Comment Response Table

Comment #	Commenter Name	Comment	FSA Response	Change to ICR or Form
		<p>ADDITIONAL REPAYMENT INFORMATION</p> <p>Additional IDR plans available to some borrowers</p> <p>If you are a graduate or professional student Direct PLUS Loan borrower, two additional IDR plans, the Pay As You Earn Repayment Plan (PAYE Plan) and the Income-Contingent Repayment Plan (ICR Plan), may be available if you are currently repaying Direct Loans under one of those plans. ICR is also available for a parent borrower who consolidates a Direct PLUS Loan into a Direct Consolidation Loan. Your loan servicer can tell you whether you qualify for one of these plans and provide more information about the plans. You can also find detailed information about all of the Direct Loan repayment plans at Repayment Plans Federal Student Aid.</p>	<p>another reference to consolidation in the “Additional IDR plans available to some borrowers” section. The PLUS MPN is a promissory note for Direct PLUS Loans (not Direct Consolidation Loans) and this section is specifically directed at graduate or professional student Direct PLUS Loan borrowers who may qualify for additional IDR plans for repayment of their Direct PLUS Loans. We believe that the earlier “Note” (modified as shown above) is sufficient to inform parent PLUS borrowers that they can gain access to ICR through consolidation. If a parent PLUS borrower chooses to consolidate, the Direct Consolidation Loan Application and Promissory Note explains that the ICR plan is available for consolidation loans that repaid parent PLUS loan.</p>	
3.	Alice Bunjer	<p>Please take away the origination fees. It causes the student a lot of confusion that they aren't really getting the full amount of loan that they are applying for. You are already "making money" on the higher interest rates. We out to be helping our students get through college, not discouraging them by adding an extra fee!</p> <p>Also, if a student is "need-based", why can't they have the full loan be a subsidized loan? Once, again, you are "kicking the student in the face" with fees and interest that doesn't help them to achieve their goal of completing college.</p>	<p>The Higher Education Act of 1965, as amended (the HEA) requires an origination fee to be charged. We do not have the authority to eliminate the fee.</p> <p>We note that the MPNs include the following language related to the origination fee:</p> <p>“This means that the actual disbursement amount you receive will be less than the disbursement amount you must repay. However, you are required to pay the full amount of the loan, including the amount that was taken for the loan fee.”</p> <p>This should make it clear to borrowers that the loan amount they receive will be less than the amount they borrowed and must repay.</p> <p>Financial need for Direct Subsidized Loans is determined in accordance with the HEA. Further, the HEA places limits on</p>	No

ICR Number 1845-0007 – Direct Loan Program Promissory Notes
60D Comment Response Table

Comment #	Commenter Name	Comment	FSA Response	Change to ICR or Form
			the maximum Direct Subsidized Loan amount that a student with financial need may receive. We do not have the authority under the law to give a student with financial need their total Direct Loan eligibility in subsidized funds only.	
4.	NASFAA	<p>While we understand that "Master Promissory Note" is the established legal term for the document governing federal student loans, it is not a universally recognized or easily understood term among borrowers, many of whom are assuming a debt obligation for the first time in their lives. Many students and families are unfamiliar with the concept of a "promissory note," which can lead to confusion and misinterpretation of their loan obligations.</p> <p>To enhance clarity and accessibility, we suggest that the Department of Education consider adopting the term "Direct Loan Promissory Note/Agreement to Repay" in place of "Master Promissory Note" for the document. The department already uses "agreement to repay" in the context of TEACH Grant paperwork, demonstrating a precedent for this terminology. Adding this extra wording would further align the language used in student loan documents with more common and comprehensible terms. This change would also help the department improve a borrower's understanding and engagement in the student loan process, ultimately fostering more informed financial decisions.</p>	<p>We appreciate the concern about students and families who may not be familiar with the concept of a promissory note. However, we believe that language in various places throughout the MPN makes it clear that the MPN is a promise to repay all loans made under the MPN. The great majority of borrowers complete and submit the MPN online at StudentAid.gov. Language on the StudentAid.gov MPN landing page prominently states that the MPN is "a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s)."</p> <p>Further, the law and regulations do not support changing the name of the document to "Direct Loan Promissory Note/Agreement to Repay." The term "Master Promissory Note" is established in the law and the Direct Loan Program regulations and has a special meaning that differentiates it from a regular promissory note. While it is true that the words "agreement to pay" are used in the context of the TEACH Grant Program, the term "Agreement to Serve or Repay" is established in the TEACH Grant regulations.</p>	No
5.	NASFAA	We would also suggest using the term "loan origination fees" instead of "loan fees" in the MPN language. The term "origination fee" is commonly used on institutions' financial aid offers and financial aid websites, making it more familiar	The term "loan fee" mirrors the regulatory language in 34 CFR 685.202(c) and the statutory language in HEA section 455(c), though the same section of the statute also uses the term "origination fee." The disclosure statements that the	Yes (form)

ICR Number 1845-0007 – Direct Loan Program Promissory Notes
60D Comment Response Table

Comment #	Commenter Name	Comment	FSA Response	Change to ICR or Form
		<p>to borrowers. Using consistent and widely recognized terms helps ensure that borrowers fully understand the fees associated with their loans, reducing confusion and promoting transparency. Aligning the MPN language with the terminology used in other financial aid communications can further improve the overall effectiveness of the document. Including a link that further explains how the origination fee works could also effectively reduce confusion and supply additional information to borrowers.</p>	<p>Department sends to borrowers notifying them of anticipated loan disbursements use the term “loan fee.” However, we agree that it would be helpful to inform borrowers that this fee may also be called an “origination fee.” We will revise the text in the MPN accordingly.</p> <p>With regard to the suggestion to include a link that further explains how the origination fee works, we believe this is adequately covered by the current MPN text and the disclosure statements (see above) that are sent to borrowers. The disclosure statements show the gross loan amount, the amount of the loan fee that is subtracted from that amount, and the resulting net loan amount that will be disbursed to the borrower.</p>	
6.	NASFAA	<p>We are pleased to see that the department has consolidated the “Terms and Conditions” and “Borrowers’ Rights and Responsibilities” sections into one comprehensive section. This update greatly enhances clarity and understanding by presenting critical information in a more streamlined and accessible format, reducing the likelihood of confusion or misinterpretation. Additionally, eliminating duplicative text makes the document more efficient and user-friendly, decreasing the likelihood that borrowers will overlook important information.</p>	<p>We appreciate the support for this change.</p>	No
7.	NASFAA	<p>Related, the department’s decision to provide instructions on a question-by-question basis as the borrower completes the document should reduce the risk of misinterpretation, ensuring greater accuracy and comprehension. We applaud this change.</p>	<p>We appreciate the support for this change.</p>	No

ICR Number 1845-0007 – Direct Loan Program Promissory Notes
60D Comment Response Table

Comment #	Commenter Name	Comment	FSA Response	Change to ICR or Form
8.	Alicia Watson	I had received this forgiveness before COVID and as soon as the reinstatement of loans began I received letters that I must pay? Why did the forgiveness not continue as I already was qualified to receive it? I have no idea who to contact as to how to get this resolved.	This comment does not appear to be relevant to the information collection.	No
9.	The Hope Center at Temple University	We believe the term MPN is unfamiliar to students and can create confusion or fear among first-generation students or those without significant college information. Since the HEA does not require the use of the term MPN, we recommend ED switch to a student-friendly term that is more closely aligned with common consumer loan applications. This could be termed "Student Loan Agreement," "Agreement to Repay," or "Student Loan Application."	Both the HEA and the Direct Loan Program regulations specifically refer to the use of a "master promissory note" for the purpose of receiving a Direct Loan, and the term "MPN" has been in use since the master promissory note was first introduced more than 20 years ago. By signing an MPN the borrower certifies that they have read and understood the terms of the MPN, and language in various places throughout the document makes it clear that the MPN is a promise to repay all loans made under the MPN. The great majority of borrowers complete and submit the MPN online at StudentAid.gov. Language on the StudentAid.gov MPN landing page prominently states that the MPN is "a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s)."	No
10.	The Hope Center at Temple University	Consideration should be given to students experiencing homelessness, who may not have a permanent OR mailing address. <i>(Comment refers to instructions for the borrower to enter both their permanent address and their mailing address, if the two addresses are different.)</i>	We agree that it would be appropriate to acknowledge the fact that not all borrowers have a stable address. Accordingly, we will add the following to the address instructions: "If you do not have a stable permanent address, provide an address where you can reliably receive mail."	Yes (form)
11.	The Hope	It is a common experience for borrowers to think of	The existing instructions for completing the reference section	Yes

ICR Number 1845-0007 – Direct Loan Program Promissory Notes
60D Comment Response Table

Comment #	Commenter Name	Comment	FSA Response	Change to ICR or Form
	Center at Temple University	<p>references in the way they are provided for other private consumer financial products or for job qualifications. This can confuse or dissuade an applicant. This can also be very intimidating if the applicant has undocumented individuals in their immediate family.</p> <p>Therefore, we suggest renaming this to “alternative contacts” and making it explicitly clear up front that these individuals are not use for a credit check. Since most applicants will see this field before they check the instructions at the end, it is important that it be restated here.</p>	<p>(which immediately precede the reference data elements) clearly state that references are used only for the purpose of helping the Department contact the borrower if the Department is otherwise unable to do so. The instructions also note that references are never required to repay the borrower’s loan.</p> <p>In response to this comment we will further clarify the reference instructions by adding language to explain that references are not used to determine the borrower’s eligibility for a loan.</p>	(form)
12.	The Hope Center at Temple University	<p>Three years is a difficult bar to meet for students who have recently moved. This places a disproportionate burden on transfer students.</p> <p><i>(Comment refers to instructions to list references who have known the borrower for at least three years. The commenter made a suggested edit changing “three years” to “two years.”)</i></p>	<p>We do not believe that the great majority of borrowers will find it difficult to identify two individuals who have known them for at least three years, even if the borrowers have recently moved at the time they complete the MPN. It isn’t necessary for the references to be individuals who live in the same area as the borrower.</p>	No