

Master Promissory Note (MPN)

A promissory note is a binding legal document that must be signed by the borrower before loan funds are disbursed by the lender. To simplify the Direct Loan process, the U.S. Department of Education has instituted the use of an electronic master promissory note (MPN) that can be used to make multiple loans over several years.

The electronic MPN (eMPN) is completed and signed, and the borrower is authenticated, on the [student loans website](#). Student and parent borrowers complete the eMPN for both Stafford and PLUS loans at the same site. A borrower who wishes to complete an eMPN must sign it electronically. If a school or borrower does not want an MPN signed electronically, a paper MPN is required.

Required borrower information on MPN

The MPN collects identifying information for the borrower, including name, permanent address, date of birth, Social Security number, driver's license number, and two references with U.S. addresses. Some of this information may be preprinted on the MPN. The borrower must read, sign, and date the MPN.

Multi-year MPN and When a New MPN Is Required

When used as a multi-year document, the MPN enables student and parent borrowers to get additional loans without signing a new MPN.

These circumstances require a borrower to complete a new MPN:

- The borrower transfers to a school that is not eligible to use, or chooses not to use, the multi-year feature of the MPN.
- The borrower only previously borrowed under the FFEL program using a FFEL MPN.

Borrowers may request an annual MPN or that no additional loans be made using their current multi-year MPN. The latter request must be in writing.

In some cases a new MPN has to be executed because the maximum period for use of the MPN has expired. Additional loans may no longer be made under an MPN after the earlier of:

- the date ED or the school receives the borrower's written notification that no further loans be made;
- the end of the 12-month period after the date ED received the MPN if no disbursement is made during that time; or
- ten years after the date ED received the MPN. If a portion of a loan is made on or before the 10-year limit, remaining disbursements of that loan can be made.

Although the Direct Loan Program regulations allow the second and third expiration conditions to be based either on the date the borrower signed the MPN or the date ED receives the MPN, the COD system currently uses the date the MPN is received.