



OTTERBEIN
UNIVERSITY

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Applying for Education Loans

The process for completing the various loan programs is outlined below. Federal Direct Subsidized and Unsubsidized loans and Federal Direct PLUS loans require Entrance Counseling and Master Promissory Note completion before the loans may be disbursed. Federal Direct Plus loan applications are completed online at studentloans.gov and are electronically signed using the Federal Student Aid Identification (FSA ID) and password.

Federal Direct Subsidized and Unsubsidized Loan Process:

Free Application for Federal Student Aid (FAFSA) must be submitted

1. You must take an action to accept/decline/partially accept the loan(s) offered in your Financial Aid Award

Log in through [‘My O-Zone’](#)

Select **‘Banner’** – upper left corner

Click on the **‘Financial Aid’** tab

Click on **Financial Aid Status**, then select the appropriate **Aid Year**

Click on **‘awarded’** link in the sentence ‘You have been awarded financial aid...’

Find the **‘Accept Award Offer’** tab on the far right

Options for Accept Award Offers include:

1. Accept the full award amount by selecting Accept Full Amount of All Awards.
2. Choose Decline or Accept for each fund.
3. Accept a partial amount by selecting Accept and entering an amount in the Act Partial Amount field.

Click **Submit** when finished.

2. Complete Entrance Counseling (First-time Direct loan borrowers only) on studentloans.gov. Log in using your federal FSA ID and password. Entrance Counseling helps you to understand your rights and responsibilities.

3. Complete and sign your Master Promissory Note (MPN) online (First-time Direct loan borrowers only) on studentloans.gov. Log in using your federal FSA ID and password. **The MPN is a legally binding agreement to repay your loan to the U.S. Department of Education and requires that you provide the names, addresses and phone numbers of at least two references.**

All three steps must be completed before we can make the first disbursement of your loan.

- More information on the Direct Loan Program can be found online at studentaid.ed.gov
- Click [Here](#) or use the link below to see our frequently asked loan questions page <http://www.otterbein.edu/public/FutureStudents/FinancialAidAndScholarships/Loans.aspx>

Federal Parent Loan (PLUS) and Grad PLUS borrowers:

Free Application for Federal Student Aid (FAFSA) must be submitted

1. The application for Federal Direct Parent PLUS and Grad Plus loans are located at studentloans.gov. **The earliest to submit an online plus application for the upcoming academic year is the end of April.** Parents can log in with their federal FSA ID and password (not the student's) and Graduate students will use their federal FSA ID and password.
2. Within the loan application, a borrower can request a specific dollar amount or select maximum eligibility (as determined by the school). Please do not select the option stating that 'I do not know the amount I want to borrow.' This response will delay processing of the application. Once you have completed your plus application, a credit check is performed by the U.S. Dept of Education and the Office of Student Financial Services will be notified. If the credit decision status is declined, the parent borrower is notified by email from the U.S. Department of Education. If the parent does not appeal the credit decision or add an endorser, the student will be offered additional unsubsidized loan funds based on their grade level status. If a Grad PLUS borrower has a declined credit decision, they may consider obtaining an endorser, appeal the credit decision, or pursue a private loan.
3. Upon credit approval, the borrower needs to complete the Loan Agreement ([MPN](#)). The U.S. Department of Education notifies the Office of Student Financial Services electronically once this is completed. If the PLUS borrower was originally declined and the result is overturned, the borrower needs to complete PLUS Credit Counseling on studentloans.gov.

Private Student Loans:

1. You may click [Here](#) to see our University website where you can compare various private student loan products using FASTChoice. Not all private student loan lenders are on our FastChoice list, so you may inquire with banks and credit unions if you are interested in choosing them for a loan.
2. Before selecting a lender on FastChoice, be sure to compare interest rates, fees, loan maximums, loan forgiveness etc. If you find a loan product that satisfies what you are looking for, you can submit an online application through FASTChoice. Although not all applications require a cosigner, many lenders ask for a cosigner.
3. Upon credit approval by the lender, the Office of Student Financial Services receives an electronic request to certify the loan. Once the loan has been certified, the funds are applied to the student's account after the lender sends the money electronically to the school. This process may take several days.

Additional Information

- Your loan funds will be transmitted electronically to your Otterbein University billing account.
- If your funds create a credit balance on your billing account, you may choose to request a refund from the Office of Student Accounts. You can check your account balance at any time by logging into 'My O-Zone' or checking your ePay account. To contact the Office of Student Accounts about your account or a refund, you may call 614-823-1150.
- You may cancel your loan disbursement by notifying the Office of Student Financial Services in writing **within fourteen days of receiving notice of disbursement**. Contact the Office of Student Financial Services directly by calling 614-823-1502 or via e-mail at FinancialAid@otterbein.edu.