DEAR STUDENT,

This packet is in response to a request from you for loan assistance during the 2004-2005 award year. Enclosed are a MASTER PROMISSORY NOTE (MPN) and a Northeastern Illinois University (NEIU) STAFFORD LOAN INFORMATION SHEET. Complete both documents and return them to the FINANCIAL AID OFFICE. Loan applications are processed in the order received. To ensure that your loan funds arrive on time, return the MPN and the NEIU Stafford Loan Information Sheet as soon as possible.

Students who are applying for assistance through the Federal Family Education Loan Program (FFELP) use the Master Promissory Note (MPN). Please be advised of the following:

- A new MPN will have to be completed if you change lenders.
- A MPN is no longer valid if:
  - You request that you no longer wish to borrow under the MPN.
  - 10 years have passed since you signed an MPN and disbursements have not been made under that MPN or you write in an amount on the MPN.

Northeastern will require that a new student complete an MPN for their first loan at NEIU. Students borrowing for the first time at NEIU are required to participate in an entrance interview session as part of the loan process. Participation in the entrance interview session can be accomplished online at www.mapping-your-future.org. Additionally, if you have previously borrowed student loan funds, you should continue to borrow from the same lender. If you have never borrowed from the student loan program, select one of the recommended lenders listed in this packet.

Students who are not enrolled for one term AND students who are enrolled in less than six (6) credits are required to complete an exit counseling interview at Mapping Your Future — www.mapping-your-future.org. Until the interview session is submitted, a hold is placed on a student’s record with the University prohibiting future registration and academic transcript request(s).

Please complete the entire NEIU Stafford Loan Information Sheet and MPN. Note on the loan information sheet the amount you wish to borrow, the source of funding (subsidized or unsubsidized), and the loan period. The loan amount you may request is listed on the enclosure and is dependent upon your class level (i.e. freshmen, sophomore, junior, or senior). Should you require additional information or clarification regarding the loan process at Northeastern, please contact the FINANCIAL AID OFFICE. Remember, this source of funding is a loan and must be repaid, so borrow only what you need.

WE WISH YOU A SUCCESSFUL YEAR. SINCERELY,
J. MARSHALL JENNINGS
DIRECTOR OF FINANCIAL AID

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### SAMPLE REPAYMENT CHART

The following chart will help you estimate your monthly payment on your student loan. These payments are based on a standard repayment plan with a repayment period of 10 years. A $50 minimum monthly payment is required on all loans.

You are required to begin repaying your Federal Stafford loan six months after you graduate, leave school or drop below half-time attendance. Your parents are required to begin repaying a PLUS loan 60 days after the loan is fully disbursed. In both cases, borrowers generally have 10 years to repay these loans.

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<th>Loan Amount</th>
<th>Number of Payments</th>
<th>Total Amount of Interest at 3.42%</th>
<th>Monthly Payment</th>
<th>Total Amount of Interest at 4.22%</th>
<th>Monthly Payment</th>
<th>Total Amount of Interest at 8.25%</th>
<th>Monthly Payment</th>
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</table>

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NOTES:

- Payments and interest figures are rounded to the nearest whole dollar and will not reflect your actual payment amount.
- Assumes no payments have been made.
- Current repayment rate for Federal Stafford loans is 3.42%. Current Federal PLUS loan repayment rate is 4.22%.
- Chart does not include capitalization of accrued interest.
- Actual payment calculation is less, but a minimum $50 payment is required. The loan is paid off faster than indicated.
THE LANGUAGE OF LOANS

DEFAULT: Failure to repay your loan according to the terms agreed upon in the promissory note.

DEFERMENT: An authorized period of time during which loan payments may be postponed.

DISBURSEMENT: Loan funds issued by your lender through check (co-payable to you and your school) and electronic funds transfer.

EXIT COUNSELING: Web-based program through Mapping Your Future for students who are EITHER not enrolled or who are enrolled in less than six (6) credit hours.

GRACE PERIOD: A specified period between the time you leave school or drop below half-time study and the time you begin repaying your loan(s).

GUARANTY AGENCY: An organization that issues Federal Family Education loans.

INTEREST: A percentage of your outstanding principal loan amount charged for the use of borrowed money.

ORIGINATION FEE: A fee charged by the federal government to offset administrative costs of the Federal Family Loan Program.

PRINCIPAL: The loan amount you borrow.

PROMISSORY NOTE: A legally binding contract between you and your lender, which contains all the conditions and terms under which you agree to repay your loan(s) with interest.

REPAYMENT OPTIONS

Standard Repayment: Principal and interest payments are due each month throughout the loan repayment term.

Graduated Repayment: Payments are lower at the beginning of repayment and increase at specified periods and in specified amounts over the term of the loan.

Income-Sensitive Repayment: Monthly payments are based on a percentage of the borrower’s monthly gross income.

Extended Repayment: Eligible borrowers receive payment relief through a lengthened repayment term of up to 25 years.

Loan Consolidation: Federal Consolidation loans allow borrowers to consolidate one or more federal education loans into one new loan and significantly lower their monthly payment by extending the payback period. The original loans are paid-in-full, and a new loan for the combined balances is issued with new terms, including a new interest rate that is fixed for the life of the loan.

SELECTING A LENDER

Part of the application process for obtaining a student loan is the selection of a lender. You should select a lender in whom you have confidence and/or from whom you have borrowed student loans previously. If you have not already selected a lender, our office would like to recommend one of the lenders listed below.

The lender name and lender code should be entered in items eight and nine of your Master Promissory Note (see example on previous page). If you choose a lender NOT listed below, please provide the lender’s complete name, address, and lender code. Be sure to verify your chosen lender’s participation in the Federal Family Education Loan Program (FFELP).

BANK ONE
1-800-487-4404
Lender Code: 83310
www.bankone.com

Bank of America
1-800-961-4327
Lender Code: 831846
www.bankofamerica.com

National Education
1-800-345-4325
Lender Code: 830628
www.nationaledu.com

Oxford Bank & Trust
1-800-961-4327
Lender Code: 824697
www.idap.org

Valuable Internet Resources

ADDITIONAL FINANCIAL AID INFORMATION:
www.mapping-your-future.org
This useful website facilitated by the Illinois Student Assistance Commission to submit both Stafford Loan Entrance and Exit Counseling sessions. NEIU requires Exit Counseling for students who have not enrolled for at least one term.

www.studentaidalliance.org
The Alliance is a coalition of 60 organizations representing students, colleges and universities.

www.students.gov
U.S. Department of Education’s website for students.

www.collegeboard.org
Provides information and tools that students and parents need to plan for the transition from high school to college. It is the only place where students can register for the SAT online and practice online.

www.studentclearinghouse.org
Who owns your student loans? Loan calculator provided at this site.

www.cashe.com
CASHE is a free financial aid service offered by Sallie Mae. The database includes thousands of private scholarships, grants, tuition waivers, internships and fellowships.

www.collegezone.com
The Illinois Student Assistance Commission (ISAC) is a one-stop financial aid center for all your college planning needs.

www.finaid.org
The most comprehensive annotated collection of information about student financial aid on the web. Access to financial aid is free for all users.
STAFFORD LOAN INFORMATION SHEET

APPLICATION INFORMATION

SOCIAL SECURITY NUMBER: _______ — _______ — ______________  BIRTH DATE: _____ / _____ / ______

NAME: _______________________________________________________________________________________________________

(Last)                                                       (First)                                                                        (Middle)                               (Former)

ENROLLMENT

Please check each semester that you plan to attend NEIU. Next to each semester checked, list the number of credit hours that you expect to register for during that semester (an average class is 3 credit hours). You must be enrolled for 6 credit hours to qualify for a Stafford Loan.

☐ Fall 2004 — ______________   (Credit Hours)  ☐ Fall Only — ______________   (Credit Hours)

☐ Spring 2005 — ______________   (Credit Hours)  ☐ Spring Only — ______________   (Credit Hours)

NOTE: If your enrollment status changes before Stafford Loan funds are delivered to you or your account, your application will need to be reevaluated and the amount of your loan may be reduced.

DEGREE PLANS

Check the program you will be enrolled in during the 2004-2005 award year (check one only):

☐ First Bachelors  ☐ Masters Degree  ☐ Second Bachelors Degree  ☐ Teacher Certificate Program for Post Baccalaureate (TCP)

Please provide the date you expect to complete the above checked program: ___________________________  (Expected Graduation Date)

LOAN REQUEST

LENDER NAME: _________________________________________________________  LENDER CODE: __________________

(If you have a prior loan, list the same lender)

AMOUNT OF LOAN REQUESTED: $ ______________________  CHECK LOAN TYPE: ☐ SUBSIDIZED  ☐ UNSUBSIDIZED

(See definitions below)

COMPLETED ENTRANCE LOAN COUNSELING SESSION: ☐ YES  ☐ NO

SIGNATURE: ________________________________________________________________________________  DATE: _______________

DIFFERENCES BETWEEN SUBSIDIZED AND UNSUBSIDIZED STAFFORD LOANS:

SUBSIDIZED LOANS: Are based on financial need, as determined by the federal need analysis process; and interest is paid by the federal government while the borrower is in school at least half-time, throughout the six month grace period, and during periods of deferment.

UNSUBSIDIZED LOANS: Are not based on the student’s financial need; and the borrower is responsible for the interest from the date the funds are disbursed.

ELIGIBILITY REQUIREMENTS:

• Be a U.S. Citizen or national, or eligible non-citizen
• Be enrolled on at least a half-time basis in an eligible degree or certificate-granting program
• Maintain satisfactory academic progress, as established by the University
• Comply with Selective Service registration requirements
• Not be in default on any student loan or owe a refund on a grant

PLEASE COMPLETE THIS FORM AND RETURN IT TO THE FINANCIAL AID OFFICE NO LATER THAN MARCH 1, 2005.
ABOUT THE MASTER PROMISSORY NOTE (MPN)

You must complete a Free Application for Federal Student Aid (FAFSA) every year to assess your loan eligibility. The first time you borrow money through the Federal Stafford loan program, you complete an MPN. In future years, you will indicate to Northeastern Illinois University that you want a loan. Then Northeastern Illinois University will reference the MPN from the previous year and certify you for the maximum loan amount possible. You can decline or reduce the loan amount by notifying your lender in writing or by denying or returning all or some of your loan within a specified time. If you are attending a school utilizing the multi-year MPN feature, you can use your MPN for a single education loan or for multiple loans for up to 10 years. Northeastern Illinois University does utilize the MPN multi-loan feature.

When you sign an MPN, you agree to repay your lender all loans made to you under the terms of the MPN and confirm that you understand that multiple loans may be made under this note.

When you complete the Master Promissory Note, pay special attention to the following:
- Be sure to read all the information on the MPN before signing it.
- Keep your copy of the MPN with your financial aid documents.
- USE ONLY BLACK INK and press firmly.
- Do not use correction fluid. Mark through and initial any changes.
- Do not leave any items blank.
- Fill out the reference section completely. Be sure to use complete addresses, ZIP codes, and home phone numbers.
- Sign your full legal name and date the MPN in items #16 and #17.

ITEM 6
Enter driver's license number or mark "N/A"

ITEMS 8 & 9
If blank, enter the lender's name, city, state, ZIP and the lender's code. (Code needed only if you select a lender that does not appear on the "Recommended Lender List").

ITEM 10
Reference Section must be completed.

ITEMS 16 & 17
Student signs and date application.