



Sallie Mae's Response to SUNY at Fredonia's Request for Information

April 2, 2019

 **SallieMae** Let's Make College Happen™



April 2, 2019

Mark Zaffalon
Financial Aid Advisor
SUNY at Fredonia
280 Central Ave
Fredonia NY 14063

Dear Mark:

Thank you for the opportunity to respond to your request for information. On behalf of Sallie Mae®, I am pleased to share with you how the Sallie Mae Smart Option Student Loan® for Undergraduate Students, Sallie Mae Parent Loan, and our new graduate product suite can cover up to 100% of school certified expenses* and provide your students and their families with choice, flexibility, competitive pricing, and opportunities to save money.

- Borrowers will benefit from a choice of repayment options and types of interest rates, no origination or disbursement fees, and an interest rate reduction through auto debit*.
- Our exclusive, Study StarterSM benefit is available to Smart Option Student Loan borrowers and to student beneficiaries of a Sallie Mae Parent Loan for loans that first disburse between July 1, 2018 and December 31, 2019.* With the Study Starter benefit, students can set themselves up for success and less stress with free access to a complete package of four months of Textbook Solutions and Expert Q&A through Chegg® Study, 30 minutes of live online tutoring through Chegg® Tutors, and four months of proofreading and citation help with EasyBib Plus.
- Borrowers will also have access to a wide array of financial literacy resources to help them with their financial wellness, including a quarterly report from Sallie Mae with their FICO® Score, the two key factors impacting the score, and explanations that will help improve their understanding of the score.*

We believe in helping students **borrow responsibly** and encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

Helping students achieve their education goals has been our mission for more than 45 years. We look forward to continuing this commitment with your students in the 2019/20 academic year. Let me know if you have any questions regarding this proposal and how your students and families can benefit from a Sallie Mae private loan.

Respectfully submitted,



Melony Ohalek
Director of Business Development
Sallie Mae
330-398-1580
Melony.Ohalek@SallieMae.com

**Please refer to the disclosures section for additional information.*

Lender Contact Information

Lender Name:

Sallie Mae Bank®

Borrower Contact:

Applicants can contact us toll-free at 877-279-7172 from 8 a.m. to 10 p.m. ET, Monday through Thursday, and 8 a.m. to 9 p.m. ET on Friday. During peak, applicants can call us on Saturdays from 9 a.m. to 6 p.m. ET.

Borrowers with Customer Care inquiries can contact us toll-free at 800-4SALLIE (800-472-5543) from 8 a.m. to 9 p.m. ET, Monday through Thursday, 8 a.m. to 8 p.m. ET on Friday, and Saturdays from 9 a.m. to 6 p.m. ET.

Military borrowers can call us toll-free at 855-534-2668 or be routed to a military customer service representative after calling 800-4SALLIE (800-472-5543). Our military customer service team provides service members with information they may need about managing private student loans, including options for making or deferring student loan payments, while on active military service or during deployment. Military benefits specialists are available 8 a.m. to 9 p.m. ET Monday through Thursday, 8 a.m. to 8 p.m. ET on Friday, and 9 a.m. to 6 p.m. Saturday.

Borrowers in the United States, Puerto Rico, and the U.S. Virgin Islands can call us at 800-472-5543. Callers in other countries outside of the U.S. can reach us at 302-451-0546.

School Contact:

You can contact Sallie Mae's School AssistSM team at 844-8-ASSIST or 302-451-4912 Monday through Friday from 8 a.m. to 8 p.m. ET. The School Assist team is familiar with your school's process and can help you with the following types of information:

- Sallie Mae private loan originations or questions about any Sallie Mae-serviced loan
- Account-level specifics, including three-way calls with the borrower and school on the line
- Private loan certification and disbursement processing
- Enrollment updates and forms processing
- OpenNet® support
- Password resets

Service

1. Is service a high priority to you as a lender?

Yes. Customer service is of the utmost importance at Sallie Mae. For many students, this is their first experience with repayment of a substantial amount of money. We want to ensure that our customers are always informed and have the information they need to make the best decisions over the life of their loan(s). Communicating to our customers is especially vital as they approach repayment.

Customers can access multiple platforms to manage and learn about their loans. Online accounts can be accessed 24/7, wherever the customer is — through a computer, tablet, or mobile device. Our mobile app provides a personalized experience that gives customers quick and easy access to their accounts; including managing and paying their loans, at any time.

Our customers' loan experiences are a top priority and we are proud that recent survey results indicate that **94 percent of our customers would recommend us to a friend or family member**. *Based on a full year 2018 survey.*

Using past survey results as a basis, we've enhanced how we serve your students and families, giving customers the ability to do the following:

- Apply as early as 10 months prior to the beginning of the loan period to support earlier FAFSA filings.
- Save an application in progress and return later to complete it with an access code with no need to create an account.
- Be better prepared for principal and interest repayment with an annual loan summary while the student is in school and a series of communications during their grace period — sent to the borrower and the cosigner.
- Connect to real-time loan information with an intuitive, automated phone system available to customers 24 hours a day, 7 days a week.
- Make payments and access loan information right from their smartphones with our mobile app, available for iPhone and Android devices. Loan payments can also be made directly from Apple Watches®.
- Enroll in auto debit for a designated amount greater than the minimum due so they can pay down loans faster, even if they selected a deferred repayment option.
- Speak with a U.S.-based customer care advisor for student loan inquiries.

2. Do you service you own loans? If not, who services your loans?

Yes. Sallie Mae services Sallie Mae-originated loans.

3. Do you hold or sell loans after origination? If held, for how long? If sold, at what point after origination?

We currently do not sell loans in good standing. We do sell Smart Option Student Loans that are in a defaulted status. These defaulted loans are sold to debt purchasers who undergo a rigorous due diligence process prior to the sale.

4. Do you have a 24/7 service option for both borrowers in school and in repayment? If not, what is the availability to borrowers?

Online loan management

Our online loan management tool (available at [SallieMae.com](https://www.SallieMae.com)) gives borrowers 24/7 secure, online access to their Sallie Mae-serviced loans. This site is fully responsive, so borrowers can access their information on a smart phone, tablet, or laptop. Borrowers can use this tool to

- Make one payment across multiple loans or pay each loan individually
- Save up to 10 bank accounts for future use

- Access up-to-date loan information
- Enroll in or discontinue automatic debit payments
- Make additional payments on accounts already enrolled in automatic debit
- Elect to pay more than minimum amount due for auto debit—and pay down loans faster—with our designated amount feature
- Modify automatic debit bank account information
- View additional loans individually
- Update contact information
- View transactions that have been posted to their account
- Search for transactions on an account
- Link directly to the Media Center to print tax and monthly billing statements and to access Sallie Mae correspondence history for up to 12 months
- Pay more than the current amount due on higher interest rate loans
- View online payment history
- Schedule, view, and delete pending payments
- Pay off their loan
- Schedule future payments for up to 89 days from the current date
- View their FICO® Score and key factors affecting their score, which are updated quarterly

In addition, please refer to the Lender Contact Information section of this response for toll-free numbers for applicants and borrowers.

5. Do you have an assigned customer service representative to each school or region? If so, please provide this contact individual and phone number.

Yes. Your Sallie Mae representative, Melony Ohalek, will serve as your dedicated point of contact. She will work closely with the team of School Assist experts that is familiar with your school's process and available to answer day-to-day questions from members of your financial aid staff. Melony can be reached at 330-398-1580 or by email at Melony.Ohalek@SallieMae.com. School Assist can be reached at 844-8-ASSIST or 302-451-4912.

6. Are you an ELM member?

Yes. We are ELM's largest member and support the ELM loan delivery and disbursement process for AY 2019/20.

7. Do you offer debt management counseling? If so, at what telephone number and/or website can borrowers access this benefit? Website address:

Yes. Long before college, Sallie Mae promotes financial literacy by helping families save through FDIC-Insured banking products, such as high-yield savings accounts and CDs. Deposit products are offered

through Sallie Mae Bank, Member FDIC. We offer information on savings strategies for college to parents on [SallieMae.com](https://www.salliemae.com).

When families are ready to start planning to pay for college, we advise them to follow our “1-2-3 approach”:

1. **Start with money you won't have to pay back.** Supplement your college savings and income by maximizing scholarships, grants, and work-study.
2. **Explore federal student loans.** Apply by completing the Free Application for Federal Student Aid.
3. **Consider a responsible private student loan.** Fill the gap between your available resources and the cost of a college education.

Through our marketing of the Smart Option Student Loan (including a quarterly FICO® Score* for free), we further promote financial literacy by helping students understand the benefits of in-school payments, shorter repayment terms, and building credit histories.

Financial Literacy Tools and Resources

You and your students and their families can access our financial literacy tools on Salliemae.com. To further help students become credit-wise. Smart Option Student Loans offer customers quarterly FICO® Scores for free, as well as explanations of the major factors in their scores.*

Online Resources

The College Planning section on SallieMae.com provides college planning information and guidance to students and families with a full suite of free, innovative, and interactive tools and resources. Tools include Scholarship Search, which features 5 million college scholarships worth up to \$24 billion, the College Planning CalculatorSM, which lets families create a plan to save and pay for college, the Student Loan Payment Estimator,* the Accrued Interest Calculator, and more. All are available on [SallieMae.com/CollegePlanningToolbox](https://www.salliemae.com/CollegePlanningToolbox).

Online financial literacy resources for graduate students. The Graduate School Information section on SallieMae.com provides helpful material for prospective and current students on graduate school-focused topics. The section includes information to help students prepare for graduate school, including how to pay for it, how to determine what the return on investment will be, and how to decide on part-time or full-time attendance. It also offers guidance on finding scholarships and grants, getting financial aid, understanding student loans, and explains the difference between consolidating and refinancing. Learn more at [SallieMae.com/graduatestudentinfo](https://www.salliemae.com/graduatestudentinfo).

**Please refer to the disclosures section for additional information.*

Presentations and Print/PDF Pieces

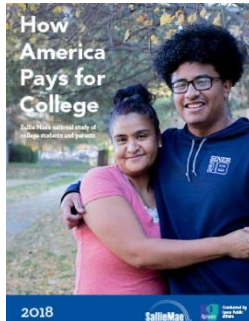
The following materials and presentations can help students and their families make smart financial decisions and provide the basics of college financing options.

- Understanding Credit (Print and [SallieMae.com/FICO](https://www.salliemae.com/FICO))
- 5 Steps to Save, Plan, and Pay for College (Presentation)
- Understanding Gap Financing Options (Presentation)
- Responsible Education Funding and Repayment Strategies (Presentation/Entrance Counseling Session)
- Financial Planning Worksheet - My Monthly Budget (PDF)
- Student Loan & Financial Planning Checklist (Print and PDF)
- Understanding Student Loan Repayment (Print and PDF)

Your Sallie Mae sales representative, Melony Ohalek, can order any of the above pieces or provide more information.

Research

As part of our commitment to financial literacy, we also survey families about their experiences with saving, planning, and paying for college. The results of these national studies, *How America Saves for College* and *How America Pays for College*, provide a useful, insightful snapshot for families, schools, and public policy experts.



SallieMae.com/HowAmericaSavesForCollege
SallieMae.com/HowAmericaPaysForCollege

New this year, *How America Pays for Graduate School*, provides insights into how students make the decision to get a degree, choose a program, and pay for graduate school. View the full report and infographic at SallieMae.com/HowAmericaPaysGrad

**Please refer to the disclosures for additional information.*

Private Loan Products

8. Do you offer alternative loans? If not, who is your lending partner? Is SUNY Fredonia currently set up with your Alternative Loan product to certify before disbursing? If not, is this option available?

Yes. The Sallie Mae Smart Option Student Loan for undergraduate students, Sallie Mae Graduate School Loan, and Sallie Mae Parent Loan must be certified by your school.

We won't generate a certification request until all borrower and cosigner requirements have been met. We will consider loans "ready for disbursement" after receipt and approval of the school certification data.

9. Briefly highlight the alternative loan products that are offered, including tier pricing, interest rates, fees, etc.

Sallie Mae Smart Option Student Loan for undergraduate students, Graduate Student Loan, and Parent Loan

Rather than using tiers, we use a range of interest rates determined through our underwriting model.

Our underwriting model leverages our decades of experience in the student loan industry. It allows us to perform a comprehensive review of your borrower's (and cosigner's, as applicable) credit history to determine the ability and willingness to successfully repay the loan. It also allows for numerous variables to be evaluated for the basis of the credit decision. For example, the ability to pay may be measured by debt levels and available income. The willingness to pay may be measured by demonstrated payment history on other debt obligations.

Please refer to our interest rates for each product described below.

There are no application, guarantee, origination, disbursement, or repayment fees associated with our private loans. Other fees, such as late fees or returned check fees, that may be assessed are disclosed to the consumer in the Loan Disclosures.

Sallie Mae Smart Option Student Loan for undergraduate students

The “option” in the Smart Option Student Loan name means students can choose the type of interest rate and repayment option that works for them. Deciding between a variable or fixed interest rate is a personal choice and it’s important for students to review the benefits and considerations of each. For each new loan, students can also choose from three repayment options. During the application process, students see a comparison of the estimated monthly payments and total of payments for each option, to help them select the best option for their needs.

Pay it back now or later

Interest repayment option	Fixed repayment option	Deferred repayment option
Monthly interest payments while in school and for six months after school	Payments of \$25 a month while in school*	No payments while in school and for six months after school.*
Students can build credit while saving on their total loan cost when compared to our deferred repayment option.*	Students can save on their loan cost when compared to our deferred repayment option. Students can build credit and manage their monthly budget.	Students are encouraged to make payments when possible.

**Please refer to the disclosures for additional information.*

Who can benefit from a Sallie Mae Smart Option Student Loan for undergraduate students

The Smart Option Student Loan’s flexibility makes it an ideal solution for students who:

- Are attending full-time, half-time, and less than half-time, including summer term
- Are taking prerequisite courses
- Are U.S. citizens or U.S. permanent residents
- Are non-U.S. citizen students residing in and attending school in the U.S., including DACA students, applying with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident) and an unexpired government-issued photo ID to verify identity
- Are students enrolled in a study abroad program as long as the registrar’s office considers the student to be currently enrolled. However, if the student is on a “leave of absence” from his or her primary school in order to participate in a foreign study abroad program, eligibility is limited to U.S. citizens and U.S. permanent residents only

The Smart Option Student Loan requires school certification and is available to undergraduate and eligible continuing education students in need of additional funds after grants, scholarships, and federal loans are maximized.

Features and benefits

- Students can cover up to 100% of the school-certified cost of attendance.*

- No origination fee or prepayment penalty*
- **The industry's shortest cosigner release qualification period:*** Borrowers may apply to release their cosigner from the loan after they graduate, make 12 on-time principal and interest payments, and meet certain credit requirements.*
- **Coverage of past due balances:** Students who have graduated, those accepted for enrollment, or those currently enrolled may be eligible to use the Smart Option Student Loan to cover past due balances for up to 365 days from the enrollment period end date to the first disbursement date.*
- **Students can reduce their interest rate by 0.25 percentage points** by enrolling in and making their monthly payments by automatic debit.*
- **The Graduated Repayment Period** lets qualifying students elect to make 12 interest-only payments after their grace period; there is an 18-month enrollment window to apply for this benefit.*
- **Sallie Mae's exclusive benefit, Study StarterSM** the all-in-one study partner: Smart Option Student Loan borrowers can set themselves up for success and less stress with free access to a complete package of 4 months of Textbook Solutions and Expert Q&A through Chegg® Study, 30 minutes of live online tutoring through Chegg® Tutors, and 4 months of proofreading and citation help with EasyBib Plus.*

*Students who choose the Interest Repayment Option will receive an interest rate that is typically 1 percentage point lower than students who choose the Deferred Repayment Option. This will result in savings for the borrower for the life of the loan.**

Chegg® Study includes expert content to help students solve study questions and textbook problems, and is ideal for students taking science, math, business, or engineering classes.

Chegg® Tutors connects students with online tutors in minutes for homework help or exam prep. Tutors are vetted by Chegg, and students can interact with them via video or text chat while sharing work on-screen.

EasyBib Plus helps ensure that students' papers have no unintentional plagiarism, and gives them actionable grammar, spelling, and style feedback to improve their paper before they hand it in!

- **Quarterly FICO® Credit Scores.** This free benefit is available to both borrowers and cosigners and allows them to view their quarterly FICO® Score by logging into their Sallie Mae account online or on the Sallie Mae app. Borrowers and cosigners will also receive access to key factor(s) affecting their score and educational content to help them understand why viewing their FICO® Score is important.*
- **Death and disability loan forgiveness.** If the student dies or becomes permanently and totally disabled, the current balance on the loan will be waived.

**Please refer to the disclosures for additional information.*

Students receive competitive rates with no origination fee

Undergraduate student pricing:*

- Variable rates: LIBOR + 2.00% to LIBOR + 9.88% (APRs: 4.25% to 11.35%)
- Fixed rates: 5.75% to 12.88% (APRs: 5.49% to 11.85%)

**Lowest APRs shown include the auto debit discount. Please refer to the disclosures for additional information.*

A suite of products specialized to meet the needs of graduate students

In 2018, we expanded our suite of graduate loan products, which feature competitive interest rates plus enhanced repayment flexibility as your graduates begin their careers. We now offer Graduate School Loans for SUNY at Fredonia students.

Regardless of the program of study, your students and their families will have access to a loan that offers a choice of two interest rate types and three repayment options, so students can find the right mix of features that work for them. These programs are available to graduate students in need of additional funds after grants, scholarships, and federal loans are maximized. All of our graduate loans require school certification.

Pay it back now or later

Deferred repayment option	Fixed repayment option	Interest repayment option
No payments while in school and in grace*	Payments of \$25 a month while in school and in grace*	Monthly interest payments while in school and in grace

**Please refer to the disclosures for additional information.*

Features

- **No origination fee or prepayment penalty***
- **The industry’s shortest cosigner release qualification period*:** Borrowers may apply to release their cosigner from the loan after they graduate, make 12 on-time principal and interest payments, and meet certain credit requirements.*
- **Coverage of past due balances:** Students who have graduated, those accepted for enrollment, or those currently enrolled may be eligible to use the graduate loans to cover past due balances for up to 365 days from the enrollment period end date to the first disbursement date.*
- **Graduated Repayment Period:** Qualifying students can elect to make 12 monthly interest-only payments after their grace period; there is an 18-month enrollment window to apply for this benefit.*
- **Death and disability loan forgiveness:** If the student dies or becomes permanently and totally disabled, the current balance on the loan will be waived.

*Students who choose to make monthly interest payments while in school will receive an interest rate that is 0.50 percentage points lower than those who choose to defer making payments. This will result in savings for the borrower over the life of the loan. **

Borrower benefits

- **Students can reduce their interest rate by 0.25 percentage points** by enrolling in and making monthly payments by automatic debit.*
- **Quarterly FICO® Scores are available online for free.** Borrowers and cosigners can view their FICO® Score by logging into their Sallie Mae account online or on the Sallie Mae mobile app. They'll also receive access to the key factor(s) affecting their score and educational content to help them understand why knowing their FICO® Score is important.*

**Please refer to the disclosures for additional information.*

Sallie Mae Graduate School Loan

Loan eligibility

The Graduate School Loan's flexibility makes it an ideal solution for students who

- Are attending full-time, half-time, or less than half-time, including summer term
- Are enrolled in a masters, doctoral, or graduate certificate program
- Are U.S. citizens or U.S. permanent residents
- Are non-U.S. citizen students residing in and attending school in the U.S., including DACA students, applying with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident) and an unexpired government-issued photo ID to verify identity

Additional features

- **15-year repayment term*** with no prepayment penalty*
- **Six-month grace period*** with interest capitalization (unpaid interest added to principal amount) at the end of the grace period
- Internship **deferral up to 48 months***
- Students can borrow up to 100% of the school-certified cost of attendance* with no aggregate loan limit

**Please refer to the disclosures for additional information.*

Students receive competitive rates with no origination fee

Graduate student pricing:*

- Variable rates: LIBOR + 2.25% to LIBOR + 7.88% (APRs: 4.50% to 10.11%)
- Fixed rates: 6.25% to 10.50% (APRs: 6.00% to 10.23%)

* Lowest APRs shown include the auto debit discount. **Please refer to the disclosures for additional information.*

Sallie Mae Parent Loan

Parents and other creditworthy individuals have an additional option when it comes to helping their undergraduate or graduate student pay for college. The Sallie Mae Parent Loan lets them give the gift of college with a choice of repayment options and variable or fixed interest rates.

Features

- Competitive interest rates
- No origination fee, no prepayment penalty*
- Choice of repayment options
- Up to 100% of the school-certified cost of attendance*
- 0.25 percentage point interest rate reduction while enrolled in and making monthly payments by auto debit*
- Sallie Mae's exclusive benefit, Study StarterSM, the all-in-one study partner: Student beneficiaries of a Sallie Mae Parent Loan can set themselves up for success and less stress with free access to a complete package of 4 months of Textbook Solutions and Expert Q&A through Chegg Study[®], 30 minutes of live online tutoring through Chegg[®] Tutors, and 4 months of proofreading and citation help with EasyBib[®] Plus.*

- Quarterly FICO® Scores available online for free to both borrowers and cosigners*
- Student death and disability loan forgiveness*
- Interest paid may be tax deductible for borrowers*
- Coverage of an existing balance for an enrollment period within the past 365 days*
- 10-year repayment term*

Eligibility

The Sallie Mae Parent Loan is available to parents, family members, and other creditworthy individuals who are willing to help a student achieve their education goals. The student is not eligible to be a borrower or cosigner. Borrowers, cosigners, and students must be U.S. citizens or U.S. permanent residents.

**Please refer to the disclosures for additional information.*

Parent Loan Pricing*

- Variable rates: LIBOR + 3.50% to LIBOR + 9.88% (APRs: 5.74% to 12.37%)
- Fixed rates: 5.75% to 12.88% (APRs: 5.49% to 12.87%)

**Lowest APRs shown include the auto debit discount. *Please refer to the disclosures for additional information.*

It's important for families to explore their options.

The Sallie Mae Parent Loan and the Sallie Mae Smart Option Student Loan are separate products with different features and available interest rates. Learn more at SallieMae.com/ParentOptions.

10. Do you offer Direct-to Consumer Loans? If so, do you have the capability for these to be a non-option for college students unless directed by a financial aid officer?

We do not offer a non-certified private student loan to SUNY at Fredonia. Our Sallie Mae Smart Option Student Loan for undergraduate students, Graduate School Loan, and Sallie Mae Parent Loan require school certification.

Additional Information

WHAT'S NEW

Sallie Mae is the nation's saving, planning, and paying for college company. Let's Make College HappenSM is more than a tagline; it reflects our commitment to students and families nationwide. We're proud to offer products, services, and resources that promote responsible personal finance.

New borrower resources

Sallie Mae's blog, Within Reach, ([SallieMae.com/blog](https://www.salliemae.com/blog)) features articles and videos designed to help students and their families tackle school and money decisions with confidence. Written by students, educators, and subject experts, the content has a personal point of view, with language that's helpful, empowering, and inspiring. Articles include how-to's, expert tips, and personal stories from those who have been there before, with topics ranging from work-study success stories, how private student loans work, questions to ask on college interviews, everything you need to know about interest rates, ways to win non-traditional scholarships, and more.

Chat services

In 2019 we are expanding our online chat functionality for our customers, increasing the number of representatives available to answer chat questions and expanding the types of questions that we can service through chat. We understand that chat is an important communications tool for our customers and want to connect with them in the ways that they prefer. More than 115,000 customers completed a chat with us in 2018 and we expect that number to increase significantly this year. Customers who completed our online survey about their chat experience reported a 93% satisfaction rate. *Survey results as of February 2019.*



Chat with an expert 

In April 2019 we launched online chat for school customers. This functionality is now available through OpenNet®.

Loan disbursement

Coming soon in 2019, we are scheduled to launch our new disbursement engine. To meet the needs of our school customers, we are adding the option to return a partial amount to be reissued later instead of returning the entire disbursement amount. Your technical sales consultant and account executive will be reaching out in the coming months to share additional information on our disbursement engine.

Disclosures

This proposal is for degree-granting institutions only.

APR means the Annual Percentage Rate.

Benefits described in this disclosure section are not available for all loan types. Please refer to the previous sections for benefit information for each loan product.

Smart Option Student Loan and Graduate School Loan Eligibility: This information is for students attending participating degree-granting schools. Smart Option Student Loan information is for undergraduates only. Borrowers must be U.S. citizens or U.S. permanent residents if the school is located outside of the United States. Non-U.S. citizen borrowers who reside in the U.S. are eligible with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident) and are required to provide an unexpired government-issued photo ID to verify identity. Applications are subject to a requested minimum loan amount of \$1,000. Current credit and other eligibility criteria apply.

Smart Option Student Loan and Graduate School Loan Rate Availability: Interest rates for Fixed and Deferred Repayment Options are higher than interest rates for the Interest Repayment Option. The borrower is charged interest starting at disbursement, while in school, during the separation/ grace period, and until the loan is paid in full. The repayment option that is selected will apply during the in-school and separation/grace periods. When the borrower enters principal and interest repayment, Unpaid Interest will be added to the loan's Current Principal. Variable rates may increase over the life of the loan. Advertised variable rates reflect the starting range of rates and may vary outside of that range over the life of the loan. All Advertised APRs assume a \$10,000 loan. Smart Option Student Loan APRs assume a freshman borrower with no other Sallie Mae loans. Graduate School Loan APRs assume 2 years in school. LIBOR is the 1-month London Interbank Offered Rate rounded up to the nearest one-eighth of one percent.

Parent Loan Eligibility: This information is for borrowers with students attending participating degree-granting schools. The student is not eligible to be a borrower or cosigner. The borrower, cosigner and student must be U.S. citizens or U.S. permanent residents. The school may refund loan funds directly to the student, and if that occurs, borrower and cosigner (if applicable) would still be responsible for repaying that amount. Applications are subject to a requested minimum loan amount of \$1,000. Current credit and other eligibility criteria apply.

Parent Loan Rate Availability: APRs for the Principal and Interest Repayment Option may be higher than APRs for the Interest Repayment Option. Variable rates may increase over the life of the loan. Advertised variable rates reflect the starting range of rates and may vary outside of that range over the life of the loan. APRs assume a \$10,000 loan to a person borrowing for a freshman student. LIBOR is the 1-month London Interbank Offered Rate rounded up to the nearest one-eighth of one percent.

RATES AND OTHER INFORMATION ADVERTISED ARE VALID AS OF MARCH 25, 2019. VARIABLE RATES MAY GO UP OR DOWN DUE TO AN INCREASE OR DECREASE IN THE LOAN'S INDEX. SALLIE MAE ALSO RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES, AND BENEFITS AT ANY TIME WITHOUT NOTICE. APPLICANTS SHOULD CHECK SALLIEMAE.COM FOR THE MOST UP-TO-DATE PRODUCT INFORMATION.

Cost of attendance: Sallie Mae reserves the right to approve a lower loan amount than the school certified amount.

Students and their families should explore federal loans and compare to ensure they understand the terms and features. Smart Option Student Loans, Graduate School Loans, and Parent Loans that have

variable rates can go up over the life of the loan. Federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, income-based repayment and income-contingent repayment plans, and loan forgiveness and deferment benefits, which other student loans are not required to provide. Federal loans generally have origination fees, but are available to students regardless of income.

Graduated Repayment Period: Available for loans used to pay qualified higher education expenses at a degree-granting institution. Graduated Repayment Period (GRP) allows interest-only payments for 12 billing periods after principal and interest repayment begins. At the time of GRP request, the loan must be current (not past due). Customers may request GRP during the six billing periods before and the 12 billing periods immediately after the loan first enters principal and interest repayment. GRP does not extend the loan term. It increases the Total Loan Cost and monthly payments after the GRP will be higher than they would have been without it.

Prior Enrollment Period: No more than 365 days can pass from the loan period end date to the first disbursement of the loan. At the time of request, the student must be enrolled, intending to enroll, or have graduated. The student must have been enrolled during the prior enrollment period for which the loan is requested and must not have withdrawn with no intention of re-enrolling, as verified by the school. For graduate products, prior enrollment period must also be in graduate field of study that is eligible for the loan.

Smart Option Student Loan and Graduate School Loan Residency/Internship/Clerkship/Fellowship Deferment: If at any time during the repayment period the borrower enters an approved internship, clerkship, fellowship, or residency program, the borrower may contact us to request a deferment. To apply for this deferment, the borrower must submit a form completed by the borrower and an official from the approved program to us for consideration. If the borrower receives the deferment, the Current Amount Due the borrower will be required to pay each month during the deferment period will reflect the same repayment option that applied to their loan during the in-school period. Deferment periods are issued in up to 12-month increments. Smart Option Student Loan borrowers can receive a maximum of five 12-month deferment periods (60-month maximum). Graduate School Loan borrowers can receive a maximum of four 12-month deferment periods (48-month maximum). Interest is charged during the deferment period and Unpaid Interest may be added to the Current Principal at the end of each deferment period, which will increase the Total Loan Cost.

Cosigner Release: Only the borrower may apply for cosigner release. Borrowers who meet the age of majority in their state may apply for cosigner release by providing proof of graduation (or completion of certification program), income, and U.S. citizenship or permanent residency (if the borrower's status has changed since the borrower applied). In the last 12 months, the borrower must be current on all Sallie Mae serviced loans (including no hardship forbearances or modified repayment programs) and have paid ahead or made 12 on-time principal and interest payments on each loan requested for release. When the cosigner release application is processed, the borrower must demonstrate the ability to assume full responsibility of the loan(s) individually, and pass a credit review that demonstrates a satisfactory credit history including but not limited to no: open bankruptcy, open foreclosure, student loan(s) in default or 90 day delinquencies in the last 24 months. Requirements are subject to change. Shortest qualification period based on a 2/28/2019 review of national private loan programs offered by Sallie Mae and its publicly-traded competitors.

Death and Disability: If a student dies or becomes permanently and totally disabled, the current balance of the loan will be waived.

Auto Debit: Borrower or cosigner must enroll in auto debit through Sallie Mae. The rate reduction benefit applies only during active repayment for as long as the Current Amount Due or Designated Amount is successfully withdrawn from the authorized bank account each month. This benefit may be suspended during periods of forbearance or deferment, if available for the loan.

Quarterly FICO® Score: Borrowers and cosigners who have an available FICO® Score and a Sallie Mae loan with a current balance greater than \$0, may receive their score quarterly after the first disbursement of their loan. The FICO® Score provided to borrowers and cosigners is the FICO® Score based on TransUnion data, and is the same score that Sallie Mae uses, along with other information, to manage borrower and cosigner accounts. FICO® Scores and associated educational content are provided solely for the borrower's and cosigner's own non-commercial personal review, use and benefit. This benefit may change or end in the future. FICO® is a registered trademark of the Fair Isaac Corporation in the United States and other countries.

Study StarterSM: This promotional benefit is provided at no cost to borrowers with loans that first disburse between July 1, 2018 and December 31, 2019. Borrowers who reside in, attend school in, or borrow for a student attending school in Maine are not eligible for this benefit. No cash value. Terms and Conditions apply. Please visit chegg.com/studystarter/termsandconditions for complete details. This offer expires one year after issuance.

Loans made by Sallie Mae Bank or a Lender partner that are eligible for Study Starter include Sallie Mae Smart Option Student Loan® for Undergraduate Students and Sallie Mae Parent Loan.

No prepayment penalty: Although we do not charge the borrower a penalty or fee if the borrower prepays his/her loan, any prepayment will be applied as provided in the promissory note: First to Unpaid Fees and costs, then to Unpaid Interest, and then to Current Principal.

Parent Loan Tax Advice: This information is not meant to provide tax advice. Consult with a tax advisor for education tax credit and deduction eligibility. For more information, see IRS Publication 970.

Deposit products are offered through Sallie Mae Bank, Member FDIC.

Student Loan Payment Amount Estimator: Sallie Mae does not guarantee the estimator's accuracy or applicability to a person's individual circumstances. The estimated monthly payment assumes a fixed payment amount and fixed interest rate for the life of the loan and does not account for a variable interest rate. The estimate does not account for missed payments, the use of deferment or forbearance, or any required minimum monthly payment amount for a particular loan. For new loans, this estimate does not account for any payments made during the in-school and separation or grace periods, or any interest that accrues or capitalizes during that time. For Sallie Mae loans entering principal and interest repayment, this estimate does not factor in accruing interest or any payments made between now and when the loan enters principal and interest repayment.

How America Saves/Pays/Pays for Graduate School: Source: How America Pays for College 2018, How America Saves for College 2018, How America Pays for Graduate School, from Sallie Mae and Ipsos.

Parent Loan Financial Calculations: The following loan examples are for informational purposes only, and are examples of typical loan terms available through the Sallie Mae Parent Loan.

Fixed Interest Rate

Principal and Interest Repayment Option: This repayment example is based on a typical Parent Loan made to a borrower (on behalf of a freshman student) who chooses a fixed rate and the Principal and Interest Repayment Option for a \$10,000 loan, with two disbursements, and a 9.50% fixed APR. It works out to 4 payments of \$64.95, 115 payments of \$131.25 and one payment of \$94.39, for a Total Loan Cost of \$15,447.94.

Smart Option Student Loan and Graduate School Loan Financial Calculations: The following loan examples use approximated numbers, are for informational purposes only, and are examples of loan terms available through the Sallie Mae Smart Option Student Loan and Graduate School Loan.

Smart Option Student Loan – Undergraduate Student Example

Fixed Interest Rate

Fixed Repayment Option: This repayment example is based on a typical Smart Option Student Loan made to a freshman borrower who chooses a fixed rate and the Fixed Repayment Option for a \$10,000 loan, with two disbursements, and a 8.88% fixed APR. It works out to 51 payments of \$25.00, 119 payments of \$162.06 and one payment of \$120.23, for a Total Loan Cost of \$20,680.37.

Graduate School Loan:

Fixed Interest Rate

Fixed Repayment Option: This repayment example is based on a typical Graduate School Loan made to a first-year graduate borrower who chooses a fixed rate and the Fixed Repayment Option for a \$10,000 loan, with two disbursements, and a 9.11% fixed APR. It works out to 27 payments of \$25.00, 179 payments of \$116.19 and one payment of \$57.89, for a Total Loan Cost of \$21,530.90.

Disclaimer

By submitting this proposal, Sallie Mae agrees only to the terms set forth in this proposal. Sallie Mae reserves the right to revise this proposal at any time. To the extent that items included in this proposal differ from the Request for Proposal, this proposal constitutes a counter-proposal with respect to the terms that differ. All intellectual property resulting from performing any work in connection with this proposal belongs to Sallie Mae. For purposes of this proposal, "Sallie Mae" means SLM Corporation and its subsidiaries, including Sallie Mae Bank.

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Awards Received



"10 Best Online Banks of 2017"



"One of 50 organizations for developing and implementing security initiatives that drive business"



Gold Award for the Make College Happen Challenge



Bronze Award for Bridging the Dream Scholarship Program