

SALLIE MAE® LOAN FEATURES

Both the Smart Option Student Loan® and the Sallie Mae Parent LoanSM offer:

- Competitive interest rates
- No origination fee, no prepayment penalty
- Choice of repayment options
- Interest may be tax deductible for borrowers<sup>1</sup>
- Coverage for up to 100% of the school-certified cost of attendance<sup>2</sup>
- Quarterly FICO® Credit Scores available online for free to both borrowers and cosigners<sup>3</sup>
- Student death and disability loan forgiveness
- Easy online application and credit result that only takes about 15 minutes
- 0.25 percentage point interest rate reduction while enrolled to make scheduled monthly payments by auto debit<sup>4</sup>
- Can be used to cover an existing balance for an enrollment period within the past 365 days<sup>5</sup>

ENCOURAGING RESPONSIBLE BORROWING

Sallie Mae has helped more than 34 million Americans pay for college since 1972. We encourage students and families to supplement their savings by exploring grants, scholarships, and federal and state student loans, and to consider the anticipated monthly payments on their total student loan debt and their expected future earnings before considering a private education loan.

Explore federal loans and compare to ensure you understand the terms and features. Sallie Mae Parent Loans and Smart Option Student Loans that have variable rates can go up after consummation. Federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, Graduated Repayment and Extended 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.

This information is for borrowers and students attending degree-granting institutions only. Applications are subject to a requested minimum loan amount of \$1,000. Current credit and other eligibility criteria apply.

<sup>1</sup> If the student is enrolled at least half-time in a degree program and the primary borrower is the student, can claim the student as a dependent on income tax returns, or the student is the primary borrower's spouse at the time this loan application is submitted, the interest paid on this loan may be deductible on the primary borrower's income tax return. For more information on tax implications, see IRS Publication 970 or consult a tax advisor.

<sup>2</sup> Sallie Mae reserves the right to approve a lower loan amount than the school-certified amount. Some requested amounts may require multiple loans.

<sup>3</sup> Borrowers and cosigners may receive their FICO® Score quarterly after the first disbursement of their loan. FICO® Scores are delivered only to borrowers and cosigners who have an available score, are based on data from TransUnion, and may be different from other credit scores. 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.

<sup>4</sup> Either the borrower or cosigner (not both) 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 is successfully deducted from the designated bank account each month and is suspended during forbearances and certain deferments.

<sup>5</sup> If requesting a loan for a prior enrollment period, less than 365 days can pass from the end of the prior enrollment period to the time of the loan's first disbursement. Students who have graduated must have been enrolled during the prior enrollment period for which the loan is requested. Students who have not graduated must have been enrolled during the prior enrollment period for which the loan is requested and must be currently enrolled or planning to re-enroll.

<sup>6</sup> Only the borrower may apply for cosigner release. Borrower must provide proof of graduation (or successful completion of certification program), income, and citizenship (if it has changed since you applied). Borrower must also be a U.S. citizen or permanent resident; meet the age of majority in their state; be current on all Sallie Mae serviced loans and make 12 consecutive on-time principal and interest payments on each loan requested for release immediately before applying; not have been reported to a consumer reporting agency as 90+ days delinquent in the past 24 months; not be in hardship forbearance or a modified repayment program; have no student loan(s) in default; and pass a credit review that demonstrates a satisfactory credit history and the ability to assume full responsibility of the loan(s) individually when the release request is processed. Requirements are subject to change.

<sup>7</sup> Interest rates for the Fixed and Deferred Repayment Options are higher than interest rates for the Interest Repayment Option. Interest is charged while you are in school and during the six-month separation period. Unpaid interest will be added to the Current Principal when you enter principal and interest repayment. LIBOR is the 1-month London Interbank Offered Rate rounded up to the nearest one-eighth of one percent.

<sup>8</sup> This informational repayment example uses typical loan terms available to a freshman borrower who elects the fixed repayment option and has a \$10,000.00 loan with two disbursements and a 7.44% variable APR. 51 payments of \$25, 119 payments \$143.06, and one payment of \$115.21, for a Total Loan Cost of \$18,414.35.

<sup>9</sup> APRs for the Principal and Interest Repayment Option are higher than APRs for the Interest Repayment Option. LIBOR is the 1-month London Interbank Offered Rate rounded up to the nearest one-eighth of one percent.

<sup>10</sup> Federal student loan information was gathered on December 28, 2015 from <http://studentaid.ed.gov>; check this page for the most up-to-date information about federal student loans. Rates, fees, and availability of federal student loans are subject to change by the Federal Government.

<sup>11</sup> This informational repayment example uses typical loan terms available to a borrower (on behalf of a freshman student) who elects the variable rate and interest repayment option and has a \$10,000 loan with two disbursements, and a 8.24% variable APR: 4 payments of \$34.38, 44 payments of \$68.75, 119 payments of \$123.06 and one payment of \$95.15, for a Total Loan Cost of \$17,901.81. Variable rates may increase after consummation.

<sup>12</sup> Available for loans made to students attending a degree-granting institution. Graduated Repayment Period (GRP) allows interest-only payments for the initial 12-month period of repayment when the loan would normally begin requiring full principal and interest payments (which typically begins six months after graduation) or during the 12-month period after GRP request is granted, whichever is later. At the time of GRP request, the loan must be current and the borrower must have graduated with no interruption in enrollment and not be more than 30 days delinquent on any student loan. The borrower may request GRP only during the two billing periods immediately preceding and the two billing periods immediately after the loan would normally begin requiring full principal and interest payments. GRP does not extend the loan term. If approved for GRP, the Current Amount Due that is required to be paid each month after the GRP will be higher than it otherwise would have been without GRP, and the Total Loan Cost will increase.

WE RESERVE THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES, AND BENEFITS AT ANY TIME WITHOUT NOTICE. CHECK SALLIEMAE.COM FOR THE MOST UP-TO-DATE PRODUCT INFORMATION.

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HELPING YOUR STUDENT PAY FOR COLLEGE

Which College Financing Option Is Right for You?



PARENTS  
AY 2016-17  
(FEBRUARY)

CONGRATULATIONS—  
YOUR STUDENT IS GOING TO COLLEGE!

Now comes the question of how they — and/or you — are going to pay for their education expenses.

You have several options. Above all, we encourage you to borrow responsibly. Explore scholarships, grants, and federal student loans before considering our suite of private education loans.

When you're ready to borrow, start by asking yourself which role you want to take in helping to finance your student's education.

OPTION 1

I want to support my student by sharing the responsibility; I'm willing to cosign a student loan.

OPTION 2

I want to take responsibility for financing my student's education by taking out a parent loan in my name.

Now that you know how you want to help, take a closer look at our financing solutions available to you.

# OPTION 1

I want to support my student by sharing the responsibility; I’m willing to cosign a student loan.

The **Smart Option Student Loan®** allows your student to partner with you in paying for college—while building their credit history. And as a cosigner, your credit may give them a better chance of approval. After graduation a borrower may apply for their cosigner to be released from the loan once they have made 12 consecutive, on-time principal and interest payments and meet certain credit requirements.<sup>6</sup>

Available for both undergraduate and graduate students, the Smart Option Student Loan offers a choice of three repayment options<sup>7</sup>:

INTEREST REPAYMENT	FIXED REPAYMENT	DEFERRED REPAYMENT
Monthly interest payments while in school and for six months after school	Payments of \$25 a month while in school and for six months after school <sup>8</sup>	No required payments while in school and for six months after school

# OPTION 2

I want to take responsibility for financing my student’s education by taking out a parent loan in my name.

The **Sallie Mae Parent Loan<sup>SM</sup>** (available Spring 2016) is an additional option to consider when financing all or part of your student’s education. With the loan in your name, you can give the gift of college to your student—and relieve them of the financial responsibility. Any creditworthy individual can take out a Sallie Mae Parent Loan, including grandparents, aunts, uncles, spouses, and guardians.

The Sallie Mae Parent Loan, which is available to pay for education expenses of both undergraduate and graduate students, offers two repayment options<sup>9</sup>:

INTEREST REPAYMENT	PRINCIPAL AND INTEREST REPAYMENT
Make monthly interest payments while the student is enrolled in school for up to 48 months, followed by principal and interest payments	Make monthly principal and interest payments while the student is enrolled in school and through the life of the loan

## A COMPARISON OF COLLEGE FINANCING OPTIONS

Compare the benefits of a Sallie Mae private education loan with the PLUS Loan for parents, which is a federal loan that parents of dependent undergraduate students can use to help pay for college.

	Sallie Mae Smart Option Student Loan	Sallie Mae Parent Loan	Federal PLUS Loan for Parents <sup>10</sup>
Primary borrower	Student	Parent or other creditworthy non-student individual	Parent
Variable interest rates	LIBOR + 2.00% to LIBOR + 9.88% 2.50% APR to 9.59% APR <sup>7</sup>	LIBOR + 3.50% to LIBOR + 9.88% 4.00% APR to 10.37% APR <sup>9</sup>	N/A
Fixed interest rates	5.75% to 12.88% 5.74% APR to 11.85% APR <sup>7</sup>	5.75% to 12.88% 5.74% APR to 12.87% APR <sup>9</sup>	6.84% for Academic Year 2015-16 loans first disbursed on or after July 1, 2015 <i>AY 2016-17 rates will be announced on or about June 1, 2016.</i>
Origination fee	0%	0%	4.272% for loans first disbursed on or after October 1, 2015 and before October 1, 2016
Repayment options	<ul style="list-style-type: none"><li>• No payments while in school</li><li>• \$25 fixed monthly payments while in school<sup>8</sup></li><li>• Monthly interest payments while in school</li></ul>	<ul style="list-style-type: none"><li>• Monthly interest payments while the student is enrolled in school for up to 48 months, followed by principal and interest payments</li><li>• Monthly principal and interest payments while the student is enrolled in school and through the life of the loan</li></ul>	<ul style="list-style-type: none"><li>• Full principal and interest payments</li><li>• Parents can request to defer payments</li></ul>
Repayment term	5-15 years of principal and interest payments <sup>8</sup>	10 years of principal and interest payments <sup>11</sup>	10-25 years of principal and interest payments
Student enrollment status	Full time, half time, less than half time	Full time, half time, less than half time	Must be at least half time
Citizenship	U.S. citizen or permanent resident borrowers, or international students studying in the U.S. (with a U.S. citizen or permanent resident cosigner and required USCIS documents)	Borrower, cosigner and student must be a U.S. citizen or permanent resident	Visit <a href="http://studentaid.ed.gov">studentaid.ed.gov</a> for citizenship requirements
Cosigner release available	Yes <sup>6</sup>	No	No
Graduated Repayment Period available	Yes <sup>12</sup>	No	Explore repayment options by visiting <a href="http://studentaid.ed.gov">studentaid.ed.gov</a>
Available for prior loan periods	Yes <sup>5</sup>	Yes <sup>5</sup>	No

Visit [SallieMae.com/ParentOptions](http://SallieMae.com/ParentOptions) or call 855-429-9759

