

## Sallie Mae® loan features

Both the Smart Option Student Loan® and the Sallie Mae Parent Loan<sup>SM</sup> offer:

- Competitive interest rates
- No origination fee, no prepayment penalty
- Choice of repayment options
- Interest may be tax deductible<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 borrowers with 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> 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.

<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 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. At the time of the request, the borrower must be enrolled, intending to enroll, or have graduated. The borrower 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.

<sup>6</sup> 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 your status has changed since you 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.

<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 of \$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 rate and fee information for 2016-17 is based on a May 13, 2016 Electronic Announcement and May 31, 2016 Dear Colleague Letter from Federal Student Aid, an office of the U.S. Department of Education. Other federal student loan information was gathered on June 10, 2016 from studentaid.ed.gov. Rates, fees and availability of federal loan products are subject to change by the Federal Government.

<sup>11</sup> The Parent PLUS APR is calculated using a Sallie Mae internal financial model and is provided for comparison purposes only, assumes a \$10,000 loan with two disbursements, 6.31% interest rate, 4.272% Disbursement fee and standard 10-year repayment. The 6.50% PLUS Loan APR assumes the borrower defers payments during a four-year in-school period and six month grace period. The 7.23% APR% PLUS Loan APR assumes the borrower makes payments beginning after full disbursement.

<sup>12</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>13</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.

RATES AND OTHER INFORMATION ADVERTISED ARE VALID AS OF MAY 25, 2016. VARIABLE RATES MAY GO UP OR DOWN DUE TO AN INCREASE OR DECREASE IN THE LOAN'S INDEX. WE ALSO 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?



## 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<sup>®</sup>** 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. A borrower may apply to release their cosigner from the loan after graduating, making 12 on-time principal and interest payments, and meeting 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>** 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>
<b>Primary borrower</b>	Student	Parent or other creditworthy non-student individual	Parent
<b>Variable interest rates</b>	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
<b>Fixed interest rates</b>	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>	6.31% (6.50% or 7.23% APR based on repayment option chosen. <sup>11</sup> ) for Academic Year 2016-17 loans first disbursed on or after July 1, 2016
<b>Origination fee</b>	0%	0%	4.272% for loans first disbursed on or after October 1, 2015 and before October 1, 2016 4.276% for loan first disbursed on or after October 1, 2016 and before October 1, 2017.
<b>Repayment options</b>	<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>
<b>Repayment term</b>	5-15 years of principal and interest payments <sup>8</sup>	10 years of principal and interest payments <sup>12</sup>	10-25 years of principal and interest payments
<b>Student enrollment status</b>	Full time, half time, less than half time	Full time, half time, less than half time	Must be at least half time
<b>Citizenship</b>	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
<b>Cosigner release available</b>	Yes <sup>6</sup>	No	No
<b>Graduated Repayment Period available</b>	Yes <sup>13</sup>	No	Explore repayment options by visiting <a href="http://studentaid.ed.gov">studentaid.ed.gov</a>
<b>Available for prior loan periods</b>	Yes <sup>5</sup>	Yes <sup>5</sup>	No

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