Sallie Mae’s Response to SUNY Buffalo State’s Request for Information

April 16, 2015
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Melissa Miller
Loan Processor
SUNY Buffalo State
1300 Elmwood Avenue
Buffalo, NY 14222

Dear Melissa:

As your students and their families look for affordable education financing, we’d like to share with you how the Smart Option Student Loan® can provide them with choice, flexibility, competitive pricing, and opportunities to save.

Specifically, students will benefit from having a choice of repayment options and interest rate types, pay no origination fee, and can save by signing up for automatic debit and through the Smart Reward® 2% - Cash Back benefit with the Smart Option Student Loan®. Students 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.

Helping students achieve their goal of an education has been our mission for more than 40 years. We look forward to continuing this commitment with your students in the 2015/16 academic year. I will be in touch to discuss this proposal and how your students can benefit from selecting a Sallie Mae private loan.

Respectfully submitted,

Stephanie Stock
Director of Business Development
Sallie Mae
315-212-7552
Stephanie.Stock@SallieMae.com

*Please refer to the disclosures section for additional information.

ENCOURAGING RESPONSIBLE BORROWING
Sallie Mae has helped more than 30 million Americans pay for college since 1972. We encourage students and families to supplement their savings by exploring grants, scholarships, 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.
UNDERGRADUATE STUDENT LOAN PRODUCT

1. Name of loan program/product
   Sallie Mae Smart Option Student Loan®

2. Years in student loan market
   Sallie Mae has been in the student loan business for more than 40 years.

3. Fixed and/or Variable
   With Sallie Mae Smart Option Student Loans, students can choose either a fixed or variable interest rate.

4. Interest rate spread for both fixed and variable (if applicable)

   Competitive Pricing
   Regardless of rate type or repayment option selected, borrowers will pay no origination fee and no repayment fee.

   UNDERGRADUATE PRICING*

<table>
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<td>Smart Option Student Loan - Interest</td>
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<td>Repayment Option</td>
<td>(APR: 5.74% to 11.85%)</td>
<td>(APR: 2.25% to 9.11%)</td>
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<tr>
<td>Smart Option Student Loan - Fixed</td>
<td>6.25% to 12.38%</td>
<td>LIBOR + 2.5% to LIBOR + 9.38%</td>
<td>0%</td>
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<tr>
<td>Repayment Option</td>
<td>(APR: 6.08% to 11.43%)</td>
<td>(APR: 2.75% to 9.09%)</td>
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<td>Smart Option Student Loan - Deferred</td>
<td>6.75% to 12.88%</td>
<td>LIBOR + 3.00% to LIBOR + 9.88%</td>
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<tr>
<td>Repayment Option</td>
<td>(APR: 6.41% to 11.69%)</td>
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Effective March 25, 2015, LIBOR is 0.25%, based on the 1-Month LIBOR rounded up to the nearest one-eighth of one percent.
5. **Eligibility criteria**
   a. **SAP required?**

   No. SAP is not a requirement to obtain a Sallie Mae Smart Option Student Loan. We will process credit-approved loans regardless of the student's SAP status, as long as you certify the loan.

   b. **½ time enrollment required?**

   No. Regardless of enrollment status or program of study, the Smart Option Student Loan is available to a wide range of creditworthy students who can be enrolled full time, half time, or less than half time.

   c. **Must the student be matriculated?**

   No. The Sallie Mae Smart Option Student Loan is available to non-degree seeking students attending SUNY Buffalo State. The student must be eligible and credit-approved, and the loan must be certified by the school's financial aid office.

   d. **Eligible if in certificate program?**

   Yes.

   e. **Past due balances? If so, what are the criteria?**

   Yes. A loan for a prior enrollment period may be made if the following conditions are met:
   - Less than 365 days have passed or will pass from the enrollment period end date to the first disbursement of the loan.
   - At the time of the request, for students who have not yet graduated, the student's current enrollment status is either less than half-time, half-time, full-time (as certified by the post-secondary institution through the school certification process), and the student was enrolled and not withdrawn during the prior enrollment period for which the loan is requested.
   - At the time of the request, for students who have graduated, the student was enrolled during the prior enrollment period for which the loan is requested.

6. **Minimum loan amount**

   Students can borrow a minimum of $1,000 (as certified by the school), per loan.

   *Please refer to the disclosure section for additional information.

7. **Describe any and all fees associated with your loan product if applicable**

   There are no application, guarantee, origination, disbursement, or repayment fees associated with the Sallie Mae Smart Option Student Loan. Other fees, such as late fees, that may be assessed are disclosed to the consumer in the Loan Disclosures.
Late fees: A late fee of 5 percent of the amount of the past due payment is assessed if a payment has not been received within 15 days of the payment due date. This fee is assessed on the 16th day of delinquency and may occur once monthly if delinquency continues. Late fees will not exceed $25 for each loan and are not capitalized.

Service Fees: A fee may be charged for optional services, such as the express delivery of documents and convenience payment services.

New Forbearance Request:

Borrowers will not be charged a fee for a forbearance request. There is a requirement to make a $50 payment per loan – applied directly to the loan like a normal loan payment for each request. For borrowers who request forbearance on multiple loans in a single forbearance request, the payment will not exceed $150.

Deferment Fee: There are no deferment fees.

8. Back-end benefits

- 0.25 percentage point interest rate reduction while the student is enrolled to make scheduled monthly automatic debit payments.*

- **Smart Reward® 2% - Cash Back.** Students who become Upromise® members (which is free to join) and who choose the Interest or Fixed Repayment Option can get a Smart Reward in their Upromise account. The Smart Reward is 2% of their scheduled monthly payments that are made on time while in school.* Borrowers have earned $5.9 million in rewards just for making their on-time scheduled monthly payments while in school (as of September 2014).

- **Tuition Insurance Benefit** - exclusively with the Smart Option Student Loan. Sallie Mae's Tuition Insurance Benefit with the Smart Option Student Loan reimburses up to $2,500 per semester ($5,000 total per year) of nonrefundable tuition, room and board, and other fees if students need to withdraw from school for covered reasons such as:
  - Sports/athletic injury
  - Automobile accident
  - Unforeseen personal illness

This benefit is provided at no cost with Smart Option Student Loans that first disburse between 7/1/15 and 10/31/15.

Borrowers attending degree-granting institutions are automatically enrolled in the Tuition Insurance Benefit beginning on the day of the first loan disbursement. Benefit must be activated in order to receive the full twelve months of coverage. Activation period ends four months after first loan disbursement. The Tuition Insurance Benefit covers up to $2,500 per semester ($5,000 total per policy) of payments of tuition, room and board, books, and fees that are lost if the student withdraws from school for a covered reason. If a withdrawal is due to a mental health issue, a hospitalization stay of at least 24 hours, within 30 days of the date of withdrawal, is required. In some states, this requirement may be modified to a 2-day hospitalization. Applicable hospitalization stay requirements will be provided at the time of activation. Additional coverage is available for purchase. Additional information is available at [http://www.salliemae.com/insurance](http://www.salliemae.com/insurance).
• **Free quarterly FICO® Credit Score** - Borrowers with an eligible loan may receive their FICO® Score quarterly. They will also receive access to the key factor(s) affecting their score, and educational content to help them understand why monitoring their FICO® Score is important.

We believe that it will help make borrowers aware of the importance of good credit health, and it will help them to build a strong financial future. Along with the information delivered to the borrower, Sallie Mae will also have financial literacy available on [http://salliemae.com/fico](http://salliemae.com/fico)

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**9. Co-signer release? If so, what are the terms?**

Yes. The release of a cosigner is at the sole discretion of Sallie Mae. Only the borrower may apply for cosigner release. The borrower must provide proof of graduation or successful completion of certification program, not be delinquent and have made 12 consecutive on-time payments of principal and interest immediately before applying, pass a credit review that demonstrates a satisfactory credit history and the ability to assume full responsibility of the loan(s) individually, have no student loan(s) in default, not be reported as 90+ days delinquent in the past 24 months, not be in hardship forbearance and/or in a modified repayment program, be a U.S. citizen or permanent resident, and meet the age of majority in their state. Requirements are as of April 16, 2015, and are subject to change.

**10. Available repayment options**

**In-School Repayment Options** – Available with a fixed or variable interest rate

- **Interest Repayment Option** – Students make full interest payments while in school and for six months after school. This option allows students to build credit and manage their budget.

- **Fixed Repayment Option** – Students make payments of $25 a month while in school and for six months after school. With this option, students can build credit and manage their budget.*

- **Deferred Repayment Option** – Students can defer payments while in school and for six months after school. While they are in school, they will receive monthly statements to stay informed about their accruing interest. They also have the option to prepay any amount they want to help reduce the overall cost before their repayment term begins.

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**Post-School Repayment Options**

The Smart Option Student Loan is the only nationwide private student loan offering a Graduated Repayment Period feature*, providing budget flexibility for graduating students. Students who graduate and maintain their Sallie Mae loans in good standing can request to make 12 interest-only payments instead of full principal and interest payments after their separation period*.

If the Graduated Repayment Period is not available or not used, borrowers begin making full principal and interest payments following the last day of the separation period that continue during the remainder of the term.

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11. Available repayment terms

The Smart Option Student Loan repayment term is typically based on the cumulative outstanding Sallie Mae-serviced private student loan balance, the in-school repayment option selected, and the student’s grade level. The Fixed Repayment Option and Deferred Repayment Option may result in a longer repayment term; however, regardless of repayment option, the term generally ranges from five to fifteen years.*

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12. Customer service for student/parents

a. Phone numbers

Applicants can contact Sallie Mae toll-free at 877-279-7172 and borrowers with servicing inquiries can contact us toll-free at 800-472-5543.

b. Hours

Customer service representatives are available from 8 a.m. to 9 p.m. ET, Monday through Thursday, and 8 a.m. to 8 p.m. ET Friday. Outside of our call center hours, borrowers may use Sallie Mae’s online account management tool.

c. Survey results (if applicable)

The daily customer service surveys that we have historically provided statistics for in RFPs have been temporarily suspended as we develop a new format.

Since the survey is temporarily suspended, results are not available at this time.

Students and customers can continue to provide feedback about their service experience with Sallie Mae through our service centers and our Office of the Customer Advocate. They can also share their experience using our website by clicking on the “Feedback” option located in the lower-right corner of the site.

In addition, we hold focus groups with students and parents and use the feedback from these groups, social media, and from the Office of the Customer Advocate to make enhancements to our products and services.

13. Customer service for schools

a. Phone numbers

You can contact Sallie Mae’s School AssistSM team at 844-8-ASSIST. School Assist is familiar with your school’s process and is available to answer any day-to-day questions from members of your financial aid staff regarding loan originations. The School Assist team

- Responds quickly to private loan origination questions
- Supports your preferred certification and disbursement process
- Provides OpenNet® support, including password resets
- Updates student enrollment
In addition, your Sallie Mae representative, Stephanie Stock, will serve as your dedicated point of contact. Stephanie can be reached at 315-212-7552.

b. Hours

Sallie Mae’s School Assist team is available Monday through Friday from 8 a.m. to 8 p.m. ET.

c. Survey results (if applicable)

While we do not currently conduct regular surveys with schools, we obtain regular feedback from schools through our campus representatives on calls and visits.

14. Do you participate in ELM NDN?

Yes. Sallie Mae participates with the ELM NDN for Smart Option Student Loan disbursements.

15. Do you offer a consolidation loan? If so, please provide details.

Sallie Mae is currently not offering a private consolidation loan option.

16. Are you affiliated with any other lenders? If so, please describe below in detail.

Sallie Mae is currently not affiliated with any other lenders.

17. Copy of your most current Application/Solicitation disclosure for each loan product and the date of which it was last updated.

To view our most recent Smart Option Student Loan LASD (Loan Application and Solicitation Disclosure), last updated on February 24, 2015, please go to SallieMae.com/LASD.

18. Are there any new products or services not otherwise addressed in this RFI of which you would like us to be aware?

New! 100% of Sallie Mae’s student loan customer service is U.S.-based.

Coming soon! In AY 2015/16, borrowers will have access to our new online account management, which will be viewable on any device. Among many new features, the site will provide borrowers with the ability to chat online instantly with a customer service representative, choose to make one payment across multiple loans or pay each loan individually, and sort loans by school attended, balance, or due date.*

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Financial Literacy/Debt Management

As the nation’s saving, planning, and paying for college company, Sallie Mae is committed to educating borrowers about smart money management at every stage of the higher education life cycle.
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, and through our Upromise rewards program. Deposit products are offered through Sallie Mae Bank, Member FDIC. We also offer information on SallieMae.com to parents about saving strategies for college.

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

1. Find free money, including scholarships and grants, and use savings and income.
2. Explore federal loan options.
3. Fill any funding gap with a responsible private student loan.

Through our marketing of the Smart Option Student Loan, Sallie Mae further promotes financial literacy by helping students understand the benefits of in-school payments, shorter repayment terms, and building credit histories.

Financial Literacy Tools and Resources

Sallie Mae offers many tools to help students and families understand their choices and borrow responsibly. These tools are great resources and are available in online, presentation, collateral, video, and mobile app formats. To further help students become credit-wise, beginning with Smart Option Student Loans distributed during AY 2014-2015, customers will be given the FICO® Scores, as well as explanations of the major factors in their scores.*

Online Resources

The Plan for College section on SallieMae.com provides college planning advice and guidance to students and families with a full suite of innovative, interactive tools and resources. Free tools include Scholarship Search by Sallie Mae, which features 3 million college scholarships worth up to $18 billion, the College Planning CalculatorSM, Student Loan Repayment Calculator, Accrued Interest Calculator, and more. All are available on SallieMae.com/CollegePlanningToolbox.

Presentations and Print/PDF Pieces

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

- Tools for Financing Education (Presentation)
- Understanding Credit Handbook (Print and SallieMae.com/landing/fico)
- 5 Steps to Paying for College (Presentation)
- Understanding Gap Financing Options (Presentation)
- Responsible Education Strategies (Presentation/Entrance Counseling Session)
- Financial Planning Worksheet - My Monthly Budget (PDF)
- Money Saving Strategies (PDF)
- Private Student Loan Handbook (Print and PDF)
- Understanding Your FICO® (Print and SallieMae.com/landing/fico)
- Interest Rate Handbook (Print and PDF)
- Cosigners Can Make College Happen (Print and PDF)
- Student Loan & Financial Planning Checklist (Print and PDF)
- Tips for Successful Repayment (Print and PDF)

Please contact your Sallie Mae sales representative to order any of the above pieces or for more information.
**Mobile Apps**
The College Ahead™ mobile app by Sallie Mae® is geared toward juniors and seniors in high school who are college-bound. It takes them step-by-step through the process of college prep, including how to complete the FAFSA, search for scholarships, keep track of their achievements, and compare colleges. It is available for free download at both the Apple App and Google Play Stores.

**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, are issued annually, and provide a useful, insightful snapshot for families, schools, and public policy experts. Full reports are available for download at SallieMae.com/howamericapays.
1. **Name of loan program/product**

Sallie Mae Smart Option Student Loan

2. **Years in student loan market**

Sallie Mae has been in the student loan business for more than 40 years.

3. **Fixed and/or Variable**

With Sallie Mae Smart Option Student Loans, students can choose either a fixed or variable interest rate.

4. **Interest rate spread for both fixed and variable (if applicable)**

**Competitive Pricing**
Regardless of rate type or repayment option selected, borrowers will pay no origination fee and no repayment fee.

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<tr>
<td>Smart Option Student Loan - Fixed Repayment Option</td>
<td>6.25% to 8.63% (APR: 6.16% to 8.42%)</td>
<td>LIBOR + 2.50% to LIBOR + 7.00% (APR: 2.75% to 7.12%)</td>
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<td>Smart Option Student Loan - Deferred Repayment Option</td>
<td>6.75% to 8.88% (APR: 6.56% to 8.56%)</td>
<td>LIBOR + 3.00% to LIBOR + 7.25% (APR: 3.21% to 7.27%)</td>
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   e. **Past due balances? If so, what are the criteria?**

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12. **Customer service for student/parents**
   a. **Phone numbers**

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   b. **Hours**

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SallieMae.com | 844-8-ASSIST (schools) | 877-279-7172 (applicants)
In addition, your Sallie Mae representative, Stephanie Stock, will serve as your dedicated point of contact. Stephanie can be reached at 315-212-7552.

b. **Hours**

Sallie Mae’s School Assist team is available Monday through Friday from 8 a.m. to 8 p.m.

c. **Survey results (if applicable)**

While we do not currently conduct regular surveys with schools, we obtain regular feedback from schools through our campus representatives on calls and visits.

**14. Do you participate in ELM NDN?**

Yes. Sallie Mae participates with the ELM NDN for Smart Option Student Loan disbursements.

**15. Do you offer a consolidation loan? If so, please provide details.**

Sallie Mae is currently not offering a private consolidation loan option.

**16. Are you affiliated with any other lenders? If so, please describe below in detail.**

Sallie Mae is currently not affiliated with any other lenders.

**17. Copy of your most current Application/Solicitation disclosure for each loan product and the date of which it was last updated.**

To view our most recent Smart Option Student Loan LASD (Loan Application and Solicitation Disclosure), last updated on February 24, 2015, please go to SallieMae.com/LASD.

**18. Are there any new products or services not otherwise addressed in this RFI of which you would like us to be aware?**

**New!** 100% of Sallie Mae’s student loan customer service is U.S.-based.

**Coming soon!** In AY 2015/16, borrowers will have access to our new online account management, which will be viewable on any device. Among many new features, the site will provide borrowers with the ability to chat online instantly with a customer service representative, choose to make one payment across multiple loans or pay each loan individually, and sort loans by school attended, balance, or due date.*

*Please refer to the disclosures section for additional information.

**Financial Literacy/Debt Management**

As the nation’s saving, planning, and paying for college company, Sallie Mae is committed to educating borrowers about smart money management at every stage of the higher education life cycle.
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, and through our Upromise rewards program. Deposit products are offered through Sallie Mae Bank, Member FDIC. We also offer information on SallieMae.com to parents about saving strategies for college.

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

1. Find free money, including scholarships and grants, and use savings and income.
2. Explore federal loan options.
3. Fill any funding gap with a responsible private student loan.

Through our marketing of the Smart Option Student Loan, Sallie Mae further promotes financial literacy by helping students understand the benefits of in-school payments, shorter repayment terms, and building credit histories.

Financial Literacy Tools and Resources

Sallie Mae offers many tools to help students and families understand their choices and borrow responsibly. These tools are great resources and are available in online, presentation, collateral, video, and mobile app formats. To further help students become credit-wise, beginning with Smart Option Student Loans distributed during AY 2014-2015, customers will be given the FICO® Scores, as well as explanations of the major factors in their scores.*

Online Resources

The Plan for College section on SallieMae.com provides college planning advice and guidance to students and families with a full suite of innovative, interactive tools and resources. Free tools include Scholarship Search by Sallie Mae®, which features 3 million college scholarships worth up to $18 billion, the College Planning Calculator, Student Loan Repayment Calculator, Accrued Interest Calculator, and more. All are available on SallieMae.com/CollegePlanningToolbox.

Presentations and Print/PDF Pieces

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

- Tools for Financing Education (Presentation)
- Understanding Credit Handbook (Print and SallieMae.com/landing/fico)
- 5 Steps to Paying for College (Presentation)
- Understanding Gap Financing Options (Presentation)
- Responsible Education Strategies (Presentation/Entrance Counseling Session)
- Financial Planning Worksheet - My Monthly Budget (PDF)
- Money Saving Strategies (PDF)
- Private Student Loan Handbook (Print and PDF)
- Understanding Your FICO® (Print and SallieMae.com/landing/fico)
- Interest Rate Handbook (Print and PDF)
- Cosigners Can Make College Happen (Print and PDF)
- Student Loan & Financial Planning Checklist (Print and PDF)
- Tips for Successful Repayment (Print and PDF)

Please contact your Sallie Mae sales representative to order any of the above pieces or for more information.
Mobile Apps
The College Ahead mobile app by Sallie Mae® is geared toward juniors and seniors in high school who are college-bound. It takes them step-by-step through the process of college prep, including how to complete the FAFSA, search for scholarships, keep track of their achievements, and compare colleges. It is available for free download at both the Apple App and Google Play Stores.

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, are issued annually, and provide a useful, insightful snapshot for families, schools, and public policy experts. Full reports are available for download at SallieMae.com/howamericapays.
ADDITIONAL INFORMATION

Insurance Services and GradGuard

Revenue Protection for Schools and Personal Protection for Students and their Families

As the nation’s saving, planning, and paying for college company, Sallie Mae understands the challenges colleges and universities face to protect their tuition revenue from unexpected events that can derail students’ academic careers. Sallie Mae also understands the huge investment students and their families make with each tuition payment. That’s why Sallie Mae has partnered with GradGuard to offer customized solutions designed to help schools protect their tuition revenue stream and provide financial protection for students and their families.

The following insurance services can cover unexpected student hardships such as an illness or injury, the unfortunate death of a parent or tuition payer, a fire or accident in a dormitory, or a health issue. These services help ensure that students can continue to attend your institution, despite the financial constraints of unexpected events.

Tuition Refund Insurance: When a student is forced to withdraw for covered reasons, Tuition Refund Insurance reimburses up to the total lost cost of attendance including tuition, academic fees, room, board, and other related expenses (up to the policy limits). With annual coverage levels from $10,000 to $55,000, the product is among the most flexible in the nation. The policy provides 100% reimbursement (up to the policy limits) for all covered reasons, including withdrawals due to medical, mental, or nervous conditions.

Tuition Refund Insurance is an affordable safeguard for your students and families that can enhance and complement your published refund policy. GradGuard can work with you to integrate Tuition Refund Insurance into your student benefits to ensure that all of your families have access to this valuable coverage. Annual retail costs range from less than $200 to $600, depending on the level of coverage selected. Wholesale pricing is also available if you prefer to make this coverage mandatory for all students.

Tuition Protection: If a parent or tuition payer suddenly dies, becomes disabled, or loses his or her job, the tuition protection product offered by GradGuard may be able to help with life insurance coverage for tuition payers.

Health Insurance for U.S. Citizens and International Students: GradGuard has health insurance options for students, including full-time, part-time, and non-traditional students. We can also provide health insurance options for your international students and students participating in study-abroad programs.

Property and Liability Protection for Students: Renters Insurance can help your students protect their personal belongings while living in a dorm or off-campus housing. GradGuard’s plans can also provide financial protection for damage done to another student's unit or property and will cover costs to have the student temporarily housed elsewhere if the student is displaced from his or her dorm or off-campus housing. This valuable coverage can be fully integrated into your school’s housing process.

GradGuard is a service of Next Generation Insurance Group, LLC. They work closely with Sallie Mae and other leading companies within the Higher Education market to promote their innovative insurance and student benefit programs, including their market leading tuition and renters insurance programs, to select colleges and universities nationwide. Insurance programs offered through Next Generation Insurance Group are underwritten by authorized insurance carriers. All insurance is subject to the terms and conditions of the actual policy purchased and will contain reductions, limitations, exclusions and termination provisions. Coverage may not be available in all states.
Please contact your Sallie Mae sales representative, Stephanie Stock, at 315-212-7552 to learn more about these innovative insurance solutions that Sallie Mae and GradGuard can provide to you, your students, and their families.

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

SALLIE MAE RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES, AND BENEFITS AT ANY TIME WITHOUT NOTICE. APPLICANTS SHOULD CHECK SALLIEMAE.COM TO OBTAIN THE MOST UP-TO-DATE PRODUCT INFORMATION.

This proposal is for degree-granting institutions only. Applications are subject to a requested minimum loan amount of $1,000. Credit criteria and eligibility requirements apply.

Students and their families should explore federal loans and compare to ensure they understand the terms and features. 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, 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.

The PLUS APR is calculated using a Sallie Mae internal financial model and is provided for comparison purposes only.

Rates, fees, and availability of federal loan products are subject to change by the federal government. Check http://studentaid.ed.gov/ for the most up-to-date information about federal loan products.

Assumptions for the 4-Year Undergraduate PLUS Loan APRs: $10,000 loan with two disbursements; four-year in-school period; six-month grace period; a 4.292% origination fee; and a 10-year repayment term. The 7.31% PLUS Loan APR assumes the borrower defers payments during school and grace and the 8.15% PLUS Loan APR assumes the borrower makes payments during school and grace.

Assumptions for the 2-Year Graduate PLUS Loan APRs: $10,000 loan with two disbursements; two-year in-school period; six-month grace period; a 4.292% origination fee; and a 10-year repayment term. The 7.74% PLUS Loan APR assumes the borrower defers payments during school and grace and the 8.15% PLUS Loan APR assumes the borrower makes payments during school and grace.

Graduated Repayment Period: Available for loans that first disburse on or after July 1, 2013 to finance academic periods that begin on or after July 1, 2013 at a degree-granting institution. Graduated Repayment Period (GRP) requires interest payments for the initial 12-month period of repayment when the borrower would normally begin making full principal and interest payments (which typically begins six months after graduation) or during the 12-month period after the borrower’s request is granted, whichever is later. At the time the borrower requests GRP, he/she must have graduated with no interruption in enrollment, be current on payments, and not be more than 30 days late on payments on any student loan. The borrower may request GRP only during the two billing cycles immediately preceding and the two billing cycles immediately after the borrower’s loan would normally begin requiring full principal and interest payments. GRP does not extend the term of the loan. If the borrower is approved for GRP, the borrower’s principal and interest payments will be higher than if GRP did not apply, and the borrower’s total loan cost will increase.

Only nationwide private loan offering a Graduated Repayment Period: Based on a March 5, 2015 review of competitors’ loan programs and repayment features.

Smart Option Student Loan Rate Availability: Interest rates for the Fixed and Deferred Repayment Options are higher than for loans with the Interest Repayment Option. Graduate student pricing on the Smart Option Student Loan is limited to students enrolling in a Masters/Doctorate level degree program. Graduate Certificate/Continuing Education course work is not eligible for graduate student pricing. Variable rates may increase after consummation. Interest is charged while the borrower is in school and
during the 6-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance.

**Smart Reward Benefit:** Primary borrower can earn a reward into his or her active Upromise account of 2% of the scheduled loan payment amount for each on-time payment during the in-school and separation periods. Loan payments must remain current to be eligible for the reward. The Smart Reward benefit and Upromise membership are subject to the terms and conditions of the Upromise service, as may be amended from time to time. Terms and conditions apply to the Upromise service. Participating companies, contribution levels and terms and conditions are subject to change at any time without notice. Go to upromise.com to learn more. Upromise accounts are not FDIC insured, carry no bank guarantee, and may lose value.

**Auto Debit:** 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 borrower’s monthly payment amount is successfully deducted from the designated bank account and is suspended during forbearances and certain deferments.

**Tuition Insurance Benefit:** The Tuition Insurance Benefit is tuition refund insurance that covers up to $2,500 per semester ($5,000 total per policy) and is available with loans that first disburse between 7/1/15 and 10/31/15. Terms and conditions of coverage limits may vary depending on the school’s academic calendar. Borrowers are automatically enrolled at the first loan disbursement. Benefit must be activated within four months of first disbursement to receive twelve months of coverage. If a withdrawal is due to a mental health issue, a hospitalization stay of at least 24 hours, within 30 days of the date of withdrawal, is required. In some states, this requirement may be modified to a 2-day hospitalization. Applicable hospitalization stay requirements will be provided at the time of activation. To process the benefit, the borrower’s information will be shared with Next Generation Insurance Group, LLC (“NGI”), a licensed insurance producer, their underwriters, and their providers. If the loan is cancelled, coverage terminates. Individuals may be enrolled in only one Tuition Insurance Benefit at a time. Benefit is offered by Sallie Mae Bank through a joint marketing relationship with NGI. Terms and conditions apply. For insurance licensing information please visit: https://salliemaeinsurance.com/licensing-information. Tuition Refund Insurance is underwritten by Markel Insurance Company, Deerfield, IL. Administrative office, Waukesha, WI.

**A borrower’s FICO® Credit Score** is available for loans that first disburse on or after June 30, 2014 to finance academic periods that begin on or after June 30, 2014. Borrowers will receive their FICO® Score quarterly after their student loan is fully disbursed. FICO® Scores are delivered only to borrowers 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.

The insurance programs are offered through GradGuard, a service of Next Generation Insurance Group, LLC. GradGuard works closely with Sallie Mae and other leading companies within the Higher Education market to promote their innovative insurance and student benefit programs, including their market leading tuition and renters insurance programs, to select colleges and universities nationwide. Insurance programs offered through Next Generation Insurance Group are underwritten by authorized insurance carriers. All insurance is subject to the terms and conditions of the actual policy purchased and will contain reductions, limitations, exclusions and termination provisions. Coverage may not be available in all states.

**Tuition Refund Insurance:** Tuition Insurance is tuition refund insurance and is underwritten by Markel Insurance Company, Deerfield, IL; Administrative Office, Waukesha, WI.

**Renters Insurance:** Renters Insurance is underwritten by Markel American Insurance Company, Waukesha, WI. The advertised product is not available in AK, CT, FL, and RI. Other program options are available for these states.

Short-Term Medical: Not all coverage or products may be available in all jurisdictions. The description of coverage is for information purposes only. Actual coverage will vary based on local law requirements and the terms and conditions of the policy issued. The information described here does not amend, or otherwise affect, the terms and conditions of any insurance policy issued by HCC Life Insurance Company. In the event that a policy is inconsistent with the information described here, the language of the policy will take precedence.

Individual and Family Health Insurance: Application subject to underwriting approval and acceptance.

GradGuard is a trade mark of Next Generation Insurance Group, LLC. the licensed agents for all insurance programs.

Financial Calculations: The following loan examples use approximated numbers, are for informational purposes only, and are examples of typical loan terms available through the Sallie Mae Smart Option Student Loan. Undergraduate examples assume a $10,000 loan with two disbursements made to a freshman student who is attending a four-year undergraduate program at a degree-granting institution with no origination fee. Graduate examples assume a $10,000 loan with two disbursements made to a first-year graduate student who is attending a 2-year graduate program with no origination fee.

APRs and repayment terms may vary depending on the in-school and repayment period. Interest rates on loans with the Fixed and Deferred Repayment Options are higher than rates on loans with the Interest Repayment Option. APRs and interest rates with the variable interest rate type are variable and may increase after consummation.

Smart Option Student Loan – Undergraduate Student Examples

Fixed Interest Rate

Interest Repayment Option: The APR is 8.86%. Repayment consists of four full-interest payments of $36.98 per month and 47 full-interest payments of $73.96 per month during the in-school and separation periods, followed by 83 payments of $160.83 per month and one payment of $137.33. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $17,110.26.

Fixed Repayment Option: The APR is 8.88%. Repayment consists of 51 fixed $25 per month payments during the in-school and separation periods, followed by 119 payments of $162.06 per month and one payment of $120.02. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $20,680.16.

Deferred Repayment Option: The APR is 9.16%. Repayment consists of 143 payments of $166.95 per month, followed by one payment of $158.72 after the 51-month in-school and separation periods (45 months in school and six months of separation). Interest is charged while the borrower is in school and
during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $24,032.57.

**Variable Interest Rate**

**Interest Repayment Option:** The APR is 6.99%. Repayment consists of four full-interest payments of $29.17 per month and 47 full-interest payments of $58.33 per month during the in-school and separation periods, followed by 83 payments of $151.35 per month and one payment of $135.16. Variable rates may increase after consummation. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $15,555.40.

**Fixed Repayment Option:** The APR is 7.21%. Repayment consists of 51 fixed $25 per month payments during the in-school and separation periods, followed by 119 payments of $140.28 per month and one payment of $114.17. Variable rates may increase after consummation. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $18,082.49.

**Deferred Repayment Option:** The APR is 7.52%. Repayment consists of 143 payments of $143.81 per month, followed by one payment of $138.77 after the 51-month in-school and separation periods (45 months in school and six months of separation). Variable rates may increase after consummation. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $20,703.60.

**Smart Option Student Loan – Two-Year Graduate Student Examples**

**Fixed Interest Rate**

**Interest Repayment Option:** The APR is 7.49%. Repayment consists of four full-interest payments of $31.25 per month and 23 full-interest payments of $62.50 per month during the in-school and separation periods, followed by 59 payments of $200.98 per month and one payment of $185.41. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $13,605.73.

**Fixed Repayment Option:** The APR is 7.59%. Repayment consists of 27 fixed $25 per month payments during the in-school and separation periods, followed by 59 payments of $221.13 per month and one payment of $203.58. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $13,925.25.

**Deferred Repayment Option:** The APR is 7.74%. Repayment consists of 71 payments of $204.92 per month and one payment of $202.05 after the 27-month in-school and separation periods (21 months in school and six months of separation). Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $14,751.37.

**Variable Interest Rate**

**Interest Repayment Option:** The APR is 5.99%. Repayment consists of four full-interest payments of $25 per month and 23 full-interest payments of $50 per month during the in-school and separation periods, followed by 59 payments of $193.79 per month and one payment of $182.26. Variable rates may increase after consummation. Interest is charged while the borrower is in school and during the six-month
separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $12,865.87.

*Fixed Repayment Option:* The APR is 6.16%. Repayment consists of 27 fixed $25 per month payments during the in-school and separation periods, followed by 59 payments of $207.17 per month and one payment of $194.41. Variable rates may increase after consummation. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $13,092.44.

*Deferred Repayment Option:* The APR is 7.27%. Repayment consists of 71 payments of $200.25 per month and one payment of $197.66 after the 27-month in-school and separation periods (21 months in school and six months of separation). Variable rates may increase after consummation. Interest is charged while the borrower is in school and during the six-month separation period. Any interest that remains unpaid when the borrower enters full repayment will be added to the loan balance. The total amount paid is $14,415.41.
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. The new online account management website is scheduled to be implemented prior to the start of the 2015/16 academic year. Sallie Mae will notify you if it will not be implemented prior to the 2015/16 academic year.

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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