



Sallie Mae's Response to SUNY Buffalo State University's Request for Information

April 15, 2016



April 15, 2016

Joelle Nowak
Financial Aid Officer
SUNY Buffalo State
1300 Elmwood Avenue
Moot Hall 230
Buffalo, NY 14222

Dear Joelle:

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*.

Parent Loan Coming in Spring 2016! Your families will soon have another responsible option to help pay for college. Our new school-certified, HEOA compliant Parent Loan can be used to pay for education expenses up to the cost of attendance. Borrowers will benefit from competitive rates and no origination or disbursement fees.*

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 2016/17 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,

Christopher Earnshaw
Director of Business Development
Sallie Mae
518-280-4844
christopher.earnshaw@SallieMae.com

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

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.

Undergraduate Student Loan

1. Name of loan program/product

Sallie Mae Smart Option Student Loan®

2. Years in student loan market

We have 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)

Undergraduate Student Pricing*

Product	Variable Interest Rate	Fixed Interest Rate	Origination/Disbursement Fee
PLUS Loan*	Not applicable	6.84% (APR: 6.97% or 7.77%)	4.272%*
Smart Option Student Loan Interest Repayment Option	LIBOR + 2.00% to LIBOR + 8.88% (APR: 2.50% to 9.36%)	5.75% to 11.88% (APR: 5.74% to 11.85%)	0%
Smart Option Student Loan Fixed Repayment Option	LIBOR + 2.50% to LIBOR + 9.38% (APR: 3.00% to 9.31%)	6.25% to 12.38% (APR: 6.08% to 11.43%)	0%
Smart Option Student Loan Deferred Repayment Option	LIBOR + 3.00% to LIBOR + 9.88% (APR: 3.40% to 9.59%)	6.75% to 12.88% (APR: 6.40% to 11.69%)	0%

*4.272% PLUS loan fee applies to loans that first disburse on or after October 1, 2015 and before October 1, 2016.

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

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. Students enrolled full time, half time, and less than half time are eligible.

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. Your students who are currently enrolled, accepted for enrollment, or previously enrolled for a prior loan period can apply for loans for prior enrollment periods*. Prior loan period requests must meet the following conditions:

- Less than 365 days have passed or will pass from the end of the prior enrollment period to the time of the first disbursement of the loan.
- At the time of the request, the borrower is enrolled, intends to enroll, or has graduated.
- The borrower was enrolled during the prior enrollment period for which the loan is requested and did not withdraw with no intention of re-enrolling, as verified by the school.

Sallie Mae Smart Option Student Loan borrowers and cosigners can apply for loans for prior balances by indicating the prior loan period during the online application process at SallieMae.com.

6. Minimum loan amount

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

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

Students will pay no application fees, guarantee fees, origination fees, disbursement fees, or repayment fees with the Sallie Mae Smart Option Student Loan.

Late fees: A late fee of 5 percent of the amount of the past due payment is assessed if the current amount due (and past due amount, if any) has not been received within 15 days of the current amount 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 good faith 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.

Returned Check Fee: There may be a returned check fee of up to \$20 for each payment that is returned or refused even if the payment is not in the form of a check.

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

8. Back-end benefits

Features	Benefits
<ul style="list-style-type: none"> • Cosigner release. 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.* • Death and disability safeguard. This safeguard allows for a waiver of the loan’s current balance in the event of the student borrower’s death or total and permanent disability.* • 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.* • Broad eligibility. Students can be: <ul style="list-style-type: none"> – attending school full-time, half-time, or less than half-time (enrolled in any program) – taking just a few classes or summer classes, seeking a professional certification, or enrolled in a continuing education or technical/trade program – taking courses that do not qualify for federal student loans – U.S. citizens or permanent residents enrolled in a foreign institution or study abroad program, or international students studying in the U.S. with a creditworthy U.S. citizen or permanent resident cosigner 	<ul style="list-style-type: none"> • Lower the interest rate. Students can reduce their interest rate by 0.25 percentage points simply by signing up to make their scheduled monthly payments by automatic debit.* • Smart Reward® 2% cash back. Borrowers can earn 2% of their scheduled monthly payment during the in-school and separation periods as a reward in their Upromise® account when the payment is made on time with the Interest and Fixed Repayment Options.* • Quarterly FICO® Credit Scores are now available online for free. Borrowers and cosigners can now view their FICO® Score by logging into their Sallie Mae account. They’ll also receive access to the key factor(s) affecting their score and educational content to help them understand why viewing their FICO® Score is important.* • Rewards for everyday spending. Upromise Loan Link® lets customers transfer their rewards to their Sallie Mae student loan account to help pay down their eligible Sallie Mae student loans.*

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

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

Yes. 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.

10. Available repayment options

With the Sallie Mae Smart Option Student Loan, students can choose:

- A fixed or variable interest rate.
- To make in-school payments or defer payments by selecting one of the repayment options below*.

Interest Repayment Option	Fixed Repayment Option	Deferred Repayment Option
For students who want to make monthly interest payments during school and for six months after school.	For students who want to make fixed payments of \$25* each month during school and for six months after school.	For students who want to defer payments until six months after leaving school for budget flexibility.

- To get the money they need to pay for school, by borrowing up to 100% of their school-certified cost of attendance.*
- After their separation period, to start making full principal and interest payments, or request to make interest-only payments with the Graduated Repayment Period.*

The Smart Option Student Loan is the first nationwide private student loan offering a Graduated Repayment Period feature*, giving students a little flexibility when it comes to managing their budget after graduation. Students in good standing can request to make interest-only payments for 12 months (rather than full principal and interest payments), beginning six months after graduating.

*Please refer to the disclosures for additional information.

11. Available repayment terms

The Smart Option Student Loan repayment term, during which principal and interest payments are required, is typically based on the cumulative outstanding Sallie Mae-owned or 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 repayment term generally ranges from five to fifteen years.*

*For financial calculations based on this loan program, please refer to disclosures section.

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 loan management tool.

c. Survey results (if applicable)

We conduct customer satisfaction surveys on a regular basis. We perform comprehensive customer satisfaction surveys on a semiannual basis. Following each customer call to our call centers, we send an email within 24-48 hours inviting our customer to complete a short survey online. Feedback from these surveys have a direct impact on how we serve your students. Recently, customer feedback led to the onshoring of our student loan customer service call centers and enhancements to our online loan payment website.

Our customer survey has recently been revised and we are collecting data from borrowers. We look forward to sharing results when they become available.

13. Customer service for schools

a. Phone numbers

You can contact Sallie Mae's School AssistSM team at 844-8-ASSIST or 302-451-4912.

b. Hours

You can contact Sallie Mae's School Assist team 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. We participate with the ELM NDN for Smart Option Student Loan disbursements.

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

We are not currently offering a private consolidation loan option.

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

We are 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 December 23, 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?

Yes. Please refer to the additional information section for details on our Parent Loan.

Graduate Student Loan

1. Name of loan program/product

Sallie Mae Smart Option Student Loan

2. Years in student loan market

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Graduate Student Pricing*

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Smart Option Student Loan Interest Repayment Option	LIBOR + 2.00% to LIBOR + 6.75% (APR: 2.50% to 7.24%)	5.75% to 8.38% (APR: 5.74% to 8.36%)	0%
Smart Option Student Loan Fixed Repayment Option	LIBOR + 2.50% to LIBOR + 7.00% (APR: 3.00% to 7.35%)	6.25% to 8.63% (APR: 6.16% to 8.42%)	0%
Smart Option Student Loan Deferred Repayment Deferred Repayment Option	LIBOR + 3.00% to LIBOR + 7.25% (APR: 3.45% to 7.51%)	6.75% to 8.88% (APR: 6.56% to 8.56%)	0%

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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 December 23, 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?

Yes. Please refer to the additional information section for details on our Parent Loan.

Additional Information

Coming soon: Spring 2016!* A loan to give the gift of college

Parents and other individuals will soon 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
- Covers up to 100% of the school-certified cost of attendance*
- 0.25 percentage point interest rate reduction while enrolled to make scheduled monthly payments by auto debit*
- Quarterly FICO® Credit Scores available online for free to both borrowers and cosigners*
- Student death and disability loan forgiveness*
- Interest paid may be tax deductible for borrowers*
- Cover an existing balance for an enrollment period within the past 365 days*

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. Borrowers are welcome to apply with a cosigner. The student is not eligible to be a borrower or cosigner. Borrowers, cosigners, and students must be U.S. citizens or permanent residents.

Interest Rates and Repayment Options for Undergraduate and Graduate Students*

<p>Interest Repayment Borrowers make monthly interest payments while the student is enrolled in school for up to 48 months, followed by principal and interest payments.</p> <p>Variable Rates LIBOR + 3.50% to LIBOR + 9.88% (APRs: 4.00% to 10.36%)</p> <p>Fixed Rates 5.75% to 12.88% (APRs: 5.74% to 12.85%)</p>	<p>Principal and Interest Repayment Borrowers make monthly principal and interest payments while the student is enrolled in school and through the life of the loan.</p> <p>Variable Rates LIBOR + 3.50% to LIBOR + 9.88% (APRs: 4.00% to 10.37%)</p> <p>Fixed Rates 5.75% to 12.88% (APRs: 5.75% to 12.87%)</p>
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It's important for families to explore their options.

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

*Please refer to the disclosures for additional information.



School Processing

The Sallie Mae Parent Loan is supported by CommonLine; therefore, you can certify loans through your financial aid management system or online through a third party servicer (i.e. ELM, ScholarNet, iLink, etc.). The Parent Loan is also available for real-time processing using OpenNet.

Your dedicated Sallie Mae technical sales consultant can support your staff on the best practices for processing this new loan option. Please contact Joe Eng for assistance or training.

Sallie Mae Parent Loan CommonLine Codes:

Lender Code: 900905 - Sallie Mae Bank
Alt Loan Program Code: 929 - Sallie Mae Parent Loan
Guarantor ID: 924 – Sallie Mae
Destination/Servicer: 899984 - Sallie Mae

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	PLUS Loans for Parents*
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*)	LIBOR + 3.50% to LIBOR + 9.88% (4.00% APR to 10.37% APR*)	N/A
Fixed interest rates	5.75% to 12.88% (5.74% APR to 11.85% APR*)	5.75% to 12.88% (5.74% APR to 12.87% APR*)	6.84% for Academic Year 2015-16 loans first disbursed on or after July 1, 2015 AY 2016-17 rates will be announced on or about June 1, 2016
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"> No payments while in school \$25 fixed monthly payments while in school* Monthly interest payments while in school 	<ul style="list-style-type: none"> Monthly interest payments while the student is enrolled in school for up to 48 months, followed by principal and interest payments Monthly principal and interest payments while the student is enrolled in school and through the life of the loan 	<ul style="list-style-type: none"> Full principal and interest payments Parents can request to defer payments
Repayment term	5 -15 years of principal and interest *	10 years of principal and interest payments*	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 student.aid.gov for citizenship requirements
Cosigner release available	Yes*	No	No
Graduated Repayment Period available*	Yes	No	Explore repayment options by visiting studentaid.ed.gov
Available for prior loan periods	Yes*	Yes*	No

*Please refer to the disclosures for additional information.

Disclosures

This proposal is for degree-granting institutions only.

Smart Option Student Loan Eligibility: Borrowers must attend a participating school or have attended one in an eligible prior enrollment period. Borrowers must be a U.S. citizen or a permanent resident or a non-U.S. citizen borrower who is attending or has attended a school located in the U.S. applying with a creditworthy cosigner (who must be a U.S. citizen or permanent resident) and required U.S. Citizenship and Immigration Service (USCIS) documentation. U.S. citizens and permanent residents enrolled in eligible study abroad programs or who are attending or have attended schools located outside the U.S. are also eligible. Applications are subject to a requested minimum loan amount of \$1,000. Current credit and other eligibility criteria apply.

Smart Option Student Loan Rate Availability: Interest rates for the Fixed and Deferred Repayment Options are higher than interest rates for 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 you are in school and during the 6-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.

The Parent Loan is scheduled to be implemented in 2016. Sallie Mae will notify you if it will not be implemented in 2016.

Sallie Mae Parent Loan Eligibility: Information provided is for Parent Loan borrowers with students attending degree-granting institutions only. The student must attend a participating school or have attended one in an eligible prior enrollment period or be enrolled in an eligible study abroad program. The borrower, cosigner and student must be U.S. citizens or 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 to Sallie Mae. 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 are higher than APRs for the Interest Repayment Option. Variable rates may increase after consummation. LIBOR is the 1-month London Interbank Offered Rate rounded up to the nearest one-eighth of one percent.

SALLIE MAE 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.

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.

Graduated Repayment Period: 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.

First nationwide private loan offering a Graduated Repayment Period: Based on 3/14/16 review of competitors' loan programs and repayment features.

Prior Enrollment Period: 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. At the time of the 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.

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 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.

Upromise Loan Link: Only the primary borrower can link Upromise and loan accounts. Cosigners, family and friends may direct their Upromise earnings to the Upromise account of the primary borrower to help them pay down their loans. Not all loans may be eligible for linking. To view details and how Upromise earnings are applied to loans please visit www.Upromise.com/loanlink. Upromise account balances of \$10 or more will be transferred to help pay down linked loans on a monthly basis. If you have multiple eligible loans, allocation of your Upromise earnings will depend on the loan type and are at the sole discretion of Upromise and Sallie Mae. Access to Upromise is not limited to Sallie Mae loan customers.

Upromise Terms and Conditions: 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.

Smart Reward Benefit: Primary borrower must enroll in Upromise to be eligible to earn a reward into his or her active Upromise account of 2% of the Current Amount Due in each month it is paid on-time during the in-school and separation periods. If paid ahead, the reward will be based on the regularly scheduled monthly payment amount. The loan 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.

Death and Disability: If a student dies or becomes permanently and totally disabled, Sallie Mae will waive all remaining payments on the loan.

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 Current Amount Due is

successfully deducted from the designated bank account each month and is suspended during forbearances and certain deferments.

Quarterly FICO® Score: 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.

Parent Loan Tax Deduction Eligibility: For more information, see IRS Publication 970 or consult a tax advisor.

Sallie Mae Parent Loan Financial Calculation: 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.

Smart Option Student Loan 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 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 interest payments of \$36.98 per month and 47 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 \$137.40. The total loan cost is \$17,110.33.

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 \$120.30. The total loan cost is \$20,680.44.

Deferred Repayment Option: The APR is 9.16%. Repayment consists of 143 payments of \$167.15 per month, followed by one payment of \$104.17 after the 51-month in-school and separation periods (45 months in school and six months of separation). The total loan cost is \$24,006.62.

Variable Interest Rate

Interest Repayment Option: The APR is 7.24%. Repayment consists of four interest payments of \$30.21 per month and 47 interest payments of \$60.42 per month during the in-school and separation periods, followed by 83 payments of \$152.59 per month and one payment of \$135.54. The total loan cost is \$15,761.09.

Fixed Repayment Option: The APR is 7.44%. Repayment consists of 51 fixed \$25 per month payments during the in-school and separation periods, followed by 119 payments of \$143.06 per month and one payment of \$115.21. The total loan cost is \$18,414.35.

Deferred Repayment Option: The APR is 7.74%. Repayment consists of 143 payments of \$146.91 per month, followed by one payment of \$105.55 after the 51-month in-school and separation periods (45 months in school and six months of separation). The total loan cost is \$21,113.68.

Smart Option Student Loan – Two-Year Graduate Student Examples

Fixed Interest Rate

Interest Repayment Option: The APR is 7.49%. Repayment consists of four interest payments of \$31.25 per month and 23 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 \$185.42. The total loan cost is \$13,605.74.

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 \$203.60. The total loan cost is \$13,925.27.

Deferred Repayment Option: The APR is 7.74%. Repayment consists of 71 payments of \$205.12 per month and one payment of \$183.92 after the 27-month in-school and separation periods (21 months in school and six months of separation). The total loan cost is \$14,747.44.

Variable Interest Rate

Interest Repayment Option: The APR is 6.24%. Repayment consists of four interest payments of \$26.04 per month and 23 interest payments of \$52.08 per month during the in-school and separation periods, followed by 59 payments of \$194.98 per month and one payment of \$182.82. The total loan cost is \$12,988.64.

Fixed Repayment Option: The APR is 6.40%. Repayment consists of 27 fixed \$25 per month payments during the in-school and separation periods, followed by 59 payments of \$209.46 per month and one payment of \$195.96. The total loan cost is \$13,229.10.

Deferred Repayment Option: The APR is 7.51%. Repayment consists of 71 payments of \$202.77 per month and one payment of \$182.62 after the 27-month in-school and separation periods (21 months in school and six months of separation). The total loan cost is \$14,579.29.

The PLUS APR is calculated using a Sallie Mae internal financial model and is provided for comparison purposes only. 4.272% PLUS loan fee applies to loans that first disburse on or after October 1, 2015 and before October 1, 2016.

Rates, fees, and availability of federal loan products are subject to change by the federal government.

Federal student loan information was gathered on 3/14/2016 from <http://studentaid.ed.gov/>. 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; a 4.272% origination fee; and standard 10-year repayment term. The 6.97% PLUS Loan APR assumes the borrower defers payments during school and the six-month grace period and the 7.77% PLUS Loan APR assumes the borrower makes payments once the loan is fully disbursed.

Assumptions for the 2-Year Graduate PLUS Loan APRs: \$10,000 loan with two disbursements; two-year in-school period; a 4.272% origination fee; and standard 10-year repayment term. The 7.37% PLUS Loan APR assumes the borrower defers payments during school and the six-month grace period and the 7.77% PLUS Loan APR assumes the borrower makes payments once the loan is fully disbursed.



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

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.

Information advertised valid as of March 25, 2016.

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