



You're helping students. And we want to help you. The Custom Choice Loan[®] from SunTrust.

Private Student Loan Proposal
Academic year 2016-2017

SUNY Buffalo State

April 7, 2016

How can we help you shine?





April 7, 2016

Joelle Nowak
Office of Financial Aid
SUNY Buffalo State
1300 Elmwood Avenue
Buffalo, NY 14222

Dear Joelle,

Thank you for providing SunTrust Bank with the opportunity to respond to SUNY Buffalo State's Request for Information for private student loan lenders. SunTrust, in partnership with The First Marblehead Corporation, has designed an innovative private student loan program that offers your families the ability to customize their loan options.

Our sophisticated loan platform enables families to select between a fixed and a variable interest rate in the same application session. In addition, by selecting from multiple repayment term and options, families can determine the pricing and program that best meets their individual financing needs. SunTrust Custom Choice Loan is truly a leader in the private student loan marketplace.

Thank you for your consideration. Please contact me if you have any questions regarding this proposal.

Sincerely,

A handwritten signature in black ink that reads "Adedayo Lawal".

Adedayo Lawal
Relationship Manager
First Marblehead Corporation
(404) 212-9122
ALawal@fmd.com



**SUNY Buffalo State (002842)
2016-2017 Preferred Lender Arrangement RFI Questions
March 23, 2016**

Undergraduate Student Loan Product

1. Name of loan program/product

SunTrust Bank, Custom Choice Loan

2. Years in student loan market

SunTrust Education Loans is a leading provider of private education loans. SunTrust Bank has been an education lender for nearly three generations and a provider of private loans since 1996.

3. Fixed and/or Variable

The student may choose a fixed or variable interest rate upon passing the initial credit review during the online application session. Rate options offered will depend on the student's and cosigner's (if applicable) credit histories, the repayment option and loan term selected, the requested loan amount, and information provided on the online loan application.

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

- Variable interest rates are based on the One-month London Interbank Offered Rate (LIBOR) index plus a margin, adjusted monthly. The One-month LIBOR index is 0.50% as of April 1, 2016.¹
- Current variable rates range from 3.741% APR to 9.154% APR.¹
- Current fixed rates range from 4.601% APR to 10.330% APR.²

5. Eligibility criteria

- | | |
|---|-----|
| a. SAP required? | No |
| b. ½ time enrollment required? | Yes |
| c. Must the student be matriculated? | Yes |
| d. Eligible if in certificate program? | No |

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

Applications will be accepted for up to one month following the end of the applicant's academic period. For example, when a loan period ends on May 15, the borrower has until June 30 to submit an application for the previous academic period.

The student does not need to be currently enrolled, however, they must have been enrolled at least half-time or more at the time the balance was incurred.

6. Minimum loan amount

The minimum loan amount is \$1,001, subject to certain state exceptions.³

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

There are no origination fees for either the fixed or variable interest rate loan options. A late fee (not to exceed 5% of the monthly payment) may be assessed in any month when the scheduled payment is received more than 10 days after the due date.

8. Back-end benefits

Interest Rate Reduction for Automatic Withdrawal

Borrowers can reduce their interest rate by up to 0.50% for automatic payments.⁴

- 0.25% interest rate reduction for automatic loan payment withdrawal.⁴
- 0.25% interest rate reduction if automatic payments are withdrawn from a SunTrust bank account.⁴

Graduation Reward

Upon graduation with a bachelor's degree or higher, student borrowers are eligible to request a 1% principal reduction to the net disbursement amount of the loan. Proof of graduation required.⁵

Loan Forgiveness

In the event of the primary borrower's death or total and permanent disability, the loan will be forgiven; proper documentation is required.⁶

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

Cosigner release is available to borrowers who have made on-time payments (within 10 days of due date) for the first 48 consecutive principal and interest payments. The applicant must pass applicable underwriting criteria and other requirements as set forth in the Credit Agreement at the time of the request.⁷

10. Available repayment options

Full Deferment⁸: For borrowers who elect full deferment, principal and interest payments are fully deferred for up to 66 months from first disbursement date of the loan, as long as the student remains enrolled at least half-time. Principal and interest payments begin six months after the student ceases to be enrolled half-time in a Title IV eligible school, or 66 months from the first disbursement date.

Interest Only Repayment⁹: With the interest only repayment option, principal payments will be deferred for up to 66 months from the first disbursement date of the loan. Interest payments begin 30-60 days after the loan's first disbursement. Principal and interest payments begin the earlier of six months after a student graduates, six months after the student ceases to be enrolled half-time in a Title IV eligible school, or 66 months from the first disbursement date. Making interest payments gives students a head start on repaying their loans by reducing the amount of interest they would otherwise pay after graduation.

Partial Interest Payment (Student Starter)⁹: Borrowers who choose the partial interest option pay \$25 per month while in school for a period of up to 66 months from the first disbursement date of the loan. Principal and interest payments begin the earlier of six months after the student graduates, six months after the student ceases to be enrolled half-time in a Title IV eligible school, or 66 months from the first disbursement date. The \$25 will be applied to any accrued and unpaid interest. This option reduces the amount of interest the student will pay after graduation and can help build good bill-paying habits.

Immediate Repayment: Repayment of the principal and interest begins 30-60 days after the final disbursement. The minimum monthly payment is \$50.00.

11. Available repayment terms

The Custom Choice Loan offers multiple repayment plan options, terms and types to meet the needs of your students and families.

- Repayment term options available are 7, 10, or 15 years.
- The 15 year repayment term is offered for loans greater than \$5,000.¹⁰

12. Customer service for student/parents

a. Phone numbers

Borrowers: (866) 232-3889

b. Hours

Monday-Friday, 9am-8pm EST

c. Survey results (if applicable)

Not applicable.

13. Customer service for schools

a. Phone number

Schools: (866) 296-3637

b. Hours

Monday-Friday, 9am-6pm EST

c. Survey results (if applicable)

Not applicable.

14. Do you participate in ELM NDN?

Yes, we are a participant of ELM NDN.

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

No.

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

The SunTrust Custom Choice Loan and the Union Federal Private Student Loan are unique private loan programs funded by SunTrust Bank. Each of these loan programs have established their own credit and risk criteria, and have several key differences in their program and borrower benefits.

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

The link to the SunTrust Custom Choice Application and Solicitation Disclosure can be found at: https://www.alternativeloan.com/CWA/ASD?link_id=SUNTFAO1. This link is live and is updated whenever changes are made to the program.

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

Application Highlights

The online application process for the Custom Choice Loan provides applicants transparency by displaying, in the same session, an estimated repayment calculation based on the pricing an applicant is offered. The applicant can then customize loan options and see the impact of their choices on the loan pricing before they make a commitment to final loan terms.

The following processing features are available for applicants:

- Online, same session, initial credit review
- Online application including loan customization and real-time pricing calculations
- EasyInviteSM tool gives applicants a way to share the application with their cosigner during the application.
- As an added convenience, a cosigner may start the application first, and invite the student to join once their information has been entered
- eSignature process is an option for the Credit Agreement
- Phone support is available to help applicants with questions during the application process
- Applicants have the option to submit the Applicant Self-Certification Form and supporting documents via document upload online or via fax or mail.

**SUNY Buffalo State (002842)
2015-2016 Preferred Lender Arrangement RFI Questions
March 10, 2015**

Graduate Student Loan Product

1. Name of loan program/product

SunTrust Bank, Custom Choice Loan

2. Years in student loan market

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- Applicants have the option to submit the Applicant Self-Certification Form and supporting documents via document upload online or via fax or mail.



Disclosures

The lender for this program is SunTrust Bank. SunTrust and Custom Choice Loan are both federally registered trademarks of SunTrust Banks, Inc. and are used with the permission of SunTrust Bank. SunTrust Bank reserves the right to change or discontinue this Custom Choice program without notice. This loan program is subject to approval under the SunTrust credit policy and other criteria and may not be available in certain jurisdictions.

SunTrust Bank, Member FDIC.

The contents of this proposal are confidential and contain information that is proprietary to SunTrust Banks, Inc. Your school agrees that this proposal and its contents shall be maintained in confidence and may only be disclosed to employees of the school who need to know this information for the purposes of evaluating this proposal. SunTrust reserves the right to revise the proposal at any time. This proposal cannot be released beyond your institution unless so required by state or other applicable law. Before release, SunTrust requests notification so that opportunities for redaction are available to SunTrust under the prevailing statutes.

EasyInvite is a registered service mark of First Marblehead Corporation.

¹The variable interest rate for each calendar month is calculated by adding the current One-month LIBOR index (captured on the 25th day, or the next business day thereafter, of the month immediately preceding such calendar month and rounded up to the nearest 1/8th of one percent) to the margin. The current One-month LIBOR index is 0.50% on 04/01/16. LIBOR stands for London Interbank Offered Rate. The One-month LIBOR is published in the "Money Rates" section of the Wall Street Journal (Eastern Edition). The interest rate will be determined after the student and cosigner, if applicable, apply. The variable interest rate and Annual Percentage Rate (APR) depend upon (1) the student's and cosigner's (if applicable) credit histories, (2) the repayment option and loan term selected, and (3) the requested loan amount and other information provided on the online loan application. If approved, applicants will be notified of the rate qualified for within the stated range. Rates and terms effective for applications received on or after 04/01/16. The variable interest rate will increase or decrease if the One-month LIBOR index changes.

²Current fixed interest rates depend on (1) the student's and cosigner's (if applicable) credit histories, (2) the repayment option and loan term selected, and (3) the requested loan amount and other information provided on the online loan application. If approved, applicants will be notified of the rate qualified for within the stated range. Rates and terms effective for applications received on or after 04/01/16. The fixed rate assigned to a loan will never change except as required by law or if the borrower requests and qualifies for the ACH reduction benefit(s).

³The minimum loan amount is \$1,001 with exceptions based on the student's state of permanent residence, as follows: Alaska: \$5,001, Colorado: \$3,001, New Mexico: \$2,501, Oklahoma: \$4,901, Rhode Island: \$5,001, South Carolina: \$3,601. The maximum annual loan amount is determined by the school's cost of attendance, minus other financial aid such as federal student loans, scholarships or grants, up to \$65,000 subject to an aggregate maximum student loan debt limit of \$150,000 which includes all student loans and certain unsecured, consumer debt.

⁴Interest rate reductions offered for automatic payment from a bank account: 0.25% interest rate reduction for ACH payment from any bank account and an extra 0.25% interest rate reduction when ACH payments are made from a SunTrust Bank account. ACH interest rate reduction(s) apply when full payments (including both principal and interest) are automatically drafted from a bank account. Interest rate reduction(s) will remain on the account unless (1) the automatic deduction of payments is stopped (including times during deferment or forbearance) or (2) there are three automatic deductions returned for insufficient funds within the life of the loan. The additional SunTrust Bank account ACH interest rate reduction will be applied after the first automatic payment is successfully deducted from a SunTrust Bank checking, savings or money market account and will be removed for the reasons stated

above or if the SunTrust Bank account is closed. In the event the benefit(s) is removed, the interest rate stated in the Credit Agreement shall be applied in accordance with the terms of the Credit Agreement.

⁵Proof of graduation (certified copy of diploma) must be submitted to the loan servicer within 90 days after graduation. The 1% principal reduction is based on the net disbursed loan amount, which is the total dollar amount of all disbursements made, excluding the dollar amount of any reductions, cancellations, or returns, as applicable. To receive the reward, no more than one late payment (payment received more than 10 days after the due date) is allowed and the student borrower must have earned a bachelor's degree or higher. This reward is available once during the life of the loan, regardless of whether the student borrower receives more than one degree.

⁶If the student borrower on a loan dies after disbursement of all or part of the loan and the loan has not previously become a charged off loan due to non-payment or bankruptcy, then the outstanding principal and accrued interest balance on such loan shall be forgiven if the servicer is informed of the student borrower's death and receives acceptable proof of death. If the student borrower on a loan becomes totally and permanently disabled and the loan has not previously become a charged off loan due to non-payment or bankruptcy, the student borrower may apply to have the loan balance discharged by completing a discharge application. If the student borrower dies or becomes totally and permanently disabled prior to the full disbursement of the loan, and the loan is forgiven, all future disbursements will be cancelled.

⁷Request for the cosigner to be released can be made after making (1) the first 48 consecutive monthly principal and interest payments, on-time payments (received within 10 calendar days after the due date) or (2) an amount equal to the first 48 consecutive principal and interest payments, provided that (a) such payments are made during the first 48 months of principal and interest repayment and (b) no prior late payments were made. At the time of the request, the student borrower must be a U.S. Citizen or permanent resident alien, meet credit criteria, be enrolled for automatic deduction of monthly payments from a bank account, and have had at least one payment on the loan transferred electronically from a bank account, must have had at least one payment transferred electronically from a bank account. Cosigner release may not be available for loans in a forbearance status.

⁸Payments may be deferred (a) while a student is enrolled at least half-time at an approved school, and (b) during the 6 month grace period after graduation or dropping below half-time status but the total initial deferment period, including grace period, may not exceed 66 months from the first disbursement date. Any accrued but unpaid interest will be capitalized (added to the unpaid principal loan balance) when repayment of principal and interest begins. There are no prepayment penalties.

⁹Making interest only or partial interest payments while in school will not reduce the principal balance of the loan. Partial Interest Payment plan of \$25 per month is available on loans of \$5,000 or more. Payment example (assumes a 45-month deferment period and a six month grace period before entering repayment): \$10,000 loan disbursed over two transactions with partial interest repayment with a 10-year repayment term (120 months) and a 7.666% APR would result in a monthly principal and interest payment of \$145.93.

¹⁰Payment examples (all assume 45-month deferment period and a six month grace period before entering repayment): **7 year term:** \$10,000 loan disbursed over two transactions with partial interest repayment; with a 7-year repayment term (84 months) and a 7.129% APR would result in a monthly principal and interest payment of \$180.71. **10 year term:** \$10,000 loan disbursed over two transactions with partial interest repayment; with a 10-year repayment term (120 months) and a 7.666% APR would result in a monthly principal and interest payment of \$143.93. **15 year term:** \$10,000 loan disbursed over two transactions with partial interest repayment; with a 15-year repayment term (180 months) and an 8.218% APR would result in a monthly principal and interest payment of \$121.04.