

SMART OPTION STUDENT LOAN

The Smart Option Student Loan is an ideal solution for families that still need education funds after they have maximized grants, scholarships, and federal loans. With the Smart Option Student Loan, you pay interest while in school and can graduate with less debt.

SALLIE MAE® is America's Saving, Planning, and Paying for EducationSM company. For more than 35 years, they've helped more than 31 million students achieve their dream of a higher education.

Upromise® by Sallie Mae can help you earn money while you shop online, dine out, book travel, fill your gas tank, and much more. You can use your Upromise savings to help you automatically pay down your eligible Sallie Mae student loans when you link your account with Upromise Loan Link®.¹ Read inside for the new on-time payment reward that you may be eligible to earn when you join Upromise.

Smart Option Student Loans are made by Sallie Mae Bank® or a Sallie Mae lender partner.

Borrower benefit information is valid as of March 29, 2010.

SALLIE MAE RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES, AND BORROWER BENEFITS (INCLUDING INTEREST RATE REDUCTIONS) AT ANY TIME WITHOUT NOTICE. APPLICANTS SHOULD CHECK THE SALLIE MAE WEBSITE CLOSE TO THEIR LOAN APPLICATION DATE AND AGAIN PRIOR TO DISBURSEMENT TO OBTAIN THE MOST UP-TO-DATE INFORMATION REGARDING PRODUCTS, SERVICES, AND BORROWER BENEFITS.

- ¹ Upromise account balances of \$25 or more will be transferred to help pay down linked student loans on a quarterly basis. Smart Option Student Loans are eligible for linking, other student loans you have may not be, to view details and how Upromise earnings are applied to student loans, please visit Upromise.com/LoanLink. Access to Upromise is not limited to Sallie Mae loan customers.
- ² Borrow up to the cost of attendance (minimum \$1,000) as certified by your school and confirmed by Sallie Mae, less other financial aid received. Sallie Mae reserves the right to approve a lower loan amount than what the school has certified.
- ³ The savings example uses approximated numbers, is for informational purposes only and is an example of loan terms available through the Smart Option Student Loan. Savings based on a total payment of \$28,058.51 for a traditional 15-year private student loan where payments are deferred during school and grace periods and \$18,569.30 for the Smart Option Student Loan which represents total potential savings of \$9,489.21. Example of Smart Option Student Loan terms: one loan made to a freshman borrower of \$10,000 with two disbursements and a 10.55% APR [Interest rate set at LIBOR + 9.75% (LIBOR of 0.250% as of March 25, 2010) with a 3% disbursement fee], APR may increase after consummation. Repayment consists of 51 interest payments ranging from \$42.92 to \$85.83 per month (in-school period of 45 months plus separation period of 6 months), followed by 84 principal and interest payments of \$170.99 per month. Compare against a traditional private student loan where payments are deferred during school and grace periods in a similar amount with an estimated APR of 9.64% and repayment consisting of 180 principal and interest payments of \$155.88 per month (following a 45-month in-school period and 6-month grace period, after which accrued interest is capitalized).
- ⁴ To qualify for cosigner release, the borrower must have successfully completed school, made 12 consecutive on-time principal and interest payments, meet age of majority requirements, and meet the underwriting requirements when the request for cosigner release is processed. The borrower must be a U.S. citizen or permanent resident at the time the cosigner release is processed.
- ⁵ The 2% reward benefit is available on the Smart Option Student Loan during the borrower's initial in-school and separation period only. If the borrower leaves school but returns later, the reward will not be available for any subsequent in-school period. The primary borrower must be of the age of majority in his or her state of residence (typically 18 years old) and must enroll in Upromise at the time he or she applies for the loan or already be a Upromise member at the time of loan application. If the primary borrower is already a Upromise member at the time of loan application, the borrower must indicate that when applying for the loan and provide the requested information to confirm enrollment. To be eligible to receive the 2% reward, the borrower may not have had two consecutive scheduled payments past due on the loan for which the benefit is available. If the borrower has two consecutive scheduled payments past due, he or she will no longer be eligible for the reward on that loan. If all conditions are met, the primary borrower will earn 2% of the scheduled payment amount in Upromise rewards into his or her Upromise account for each payment made by the scheduled due date. The 2% reward will be based only on the scheduled payment amount due and cannot be earned on payments that exceed the scheduled payment amount. The 2% reward benefit is subject to the terms and conditions of the Upromise service (as may be amended from time-to-time), including without limitation, restrictions on conversion, transfer and redemption of rewards, reward denomination, including whether and under what circumstances the rewards have independent cash value, and terms relating to fees and/or the forfeiture of rewards. Benefit available on eligible loans first disbursed on or after June 1, 2010.
- ⁶ The benefit for enrolling in monthly recurring automatic debit payments is available for as long as the monthly payment amount is successfully deducted from the designated bank account. Borrowers can elect to make payments via automatic debit through Sallie Mae's online account management system. This benefit is suspended during periods of forbearance and certain deferrals.

The Sallie Mae logo, Smart Option Student Loan, Sallie Mae Smart Option Student Loan, Sallie Mae, and Sallie Mae Bank are registered service marks and Saving, Planning, and Paying for Education is a service mark of Sallie Mae, Inc. Upromise is a registered service mark of Upromise, Inc. SLM Corporation and its subsidiaries, including Sallie Mae, Inc. and Upromise, Inc., are not sponsored by or agencies of the United States of America. © 2010 Sallie Mae, Inc. All rights reserved. GCR2331 03/10 LDR-904

SMART OPTION STUDENT LOAN®

Get Off To A Smart Start

Academic Year 2010–2011



For more information on the Sallie Mae Smart Option Student Loan®, contact your local institution.

BORROWING FOR A BRIGHTER FUTURE

Get as much money as you need with the Smart Option Student Loan. Request the total cost of attendance, less other financial aid received—or as little as \$1,000.² Use the funds for tuition, fees, room and board, and other school-certified expenses.

You'll pay interest while in school and during a six-month separation period.

Here is how it may benefit you:

- ▶ Graduate owing less money compared with most other traditional 15-year private payment-deferred student loans³
- ▶ Build credit by making on-time payments
- ▶ Borrow smart, pay back less. You could save an average of 34% over traditional 15-year private payment-deferred student loans and potentially pay the loan off 8 years sooner.³

GET OFF TO A SMART START

You'll save money by making interest payments while in school and through a shorter payment period after graduation. On a typical Smart Option Student Loan[®] the savings can be substantial.

SMART OPTION STUDENT LOAN
PAYING INTEREST IN SCHOOL
PLUS, 7-YEAR REPAYMENT TERM

TOTAL PAID
\$18,500

YOU SAVE \$9,500³
PAY OFF YOUR LOAN 8 YEARS EARLIER

TRADITIONAL PRIVATE LOAN
NO PAYMENTS IN SCHOOL
15-YEAR REPAYMENT TERM

TOTAL PAID
\$28,000



APPLY WITH A COSIGNER

Sallie Mae encourages you to bring a cosigner to the table. They've even made it quick and easy for a cosigner to fill out the application with you. Adding a creditworthy cosigner usually means a lower interest rate and a better chance of approval.

After you graduate and demonstrate that you can handle principal and interest payments, you can apply to release your cosigner from your loan. That means your cosigner can help you when you need it the most without having responsibility for the loan for its full term.⁴

COMPETITIVE INTEREST RATES WITH THE SMART OPTION STUDENT LOAN

Sallie Mae is invested in your future and committed to getting you the money you need at a cost you can afford. The Smart Option Student Loan offers competitive interest rates on par with other national private student loan providers, consistent with your credit. Compare interest rates. Compare features, services, and savings. You'll choose Sallie Mae.

IN ADDITION TO SUBSTANTIAL SAVINGS, THE SMART OPTION STUDENT LOAN FEATURES:

On-time payment reward

You can receive a 2% reward just for making Smart Option Student Loan payments on time while in-school and during the separation period.⁵ Making your scheduled monthly payment on time could mean a reward into a Upromise account that can be used to help pay down your Smart Option Student Loan balance. Don't forget that your on-time payments also mean that you're building credit, which means you can look forward to better overall financial health once you graduate.

Save with automatic debit

If you sign up to make payments by monthly automatic debit, you'll get a 0.25 percentage point interest rate reduction.⁶

Applying is fast and easy

About 20 minutes is all you need for our fast and easy, online application for the Smart Option Student Loan, featuring:

- ▶ Credit decision during the session
- ▶ Option to electronically sign (eSign)

Smart Option Student Loan Savings Calculator

Estimate your monthly payment amount and see how much you can save compared to a traditional 15-year private payment-deferred student loan.³ Please visit SallieMae.com/SmartCalc.

For more information on the Sallie Mae Smart Option Student Loan[®], contact your local institution.