



Smart Option
AY 2019 – 20
(March)

Smart Option Student Loan®

For undergraduate students



Simone
Aspiring social worker

**Smart options to help students responsibly
finance their education.**

For more information, talk to your Sallie Mae representative or visit [SallieMae.com](https://www.SallieMae.com)

For degree-granting institutions only | For school use only—not for distribution

More options, more flexibility

The Smart Option Student Loan offers undergraduate students a choice of three repayment options, variable or fixed interest rates, and the ability to cover up to 100% of their school-certified cost of attendance.¹

When scholarships, grants, and federal student loans aren't enough, encourage your students to consider the Smart Option Student Loan.

Interest repayment option

Monthly interest payments while in school² Freshman students can build credit and may save 29% on their total loan cost when compared to our deferred repayment option.³

Variable rates²

LIBOR + 2.00% to	4.25% APR to
LIBOR + 8.88%	11.35% APR

Fixed rates²

5.75% to	5.49% APR to
11.88%	11.85% APR

Fixed repayment option

Payments of \$25 a month while in school^{2,4} Freshman students may save 14% on their total loan cost compared to our deferred repayment option.³ Plus, they can build credit and manage their budget more easily.

Variable rates²

LIBOR + 2.50% to	4.68% APR to
LIBOR + 9.38%	11.02% APR

Fixed rates²

6.25% to	5.85% APR to
12.38%	11.43% APR

Deferred repayment option

No payments required while in school² This option gives students repayment flexibility while they're in school. Students will likely pay more for their total loan cost, so we encourage them to make payments whenever possible.

Variable rates²

LIBOR + 3.00% to	5.13% APR to
LIBOR + 9.88%	11.27% APR

Fixed rates²

6.75% to	6.27% APR to
12.88%	11.69% APR

Lowest APRs shown include the auto debit discount.

Benefits from school through repayment



In-school and separation periods

- Three repayment options²
 - Make monthly interest payments
 - Pay \$25⁴ each month
 - Defer payments
- Study Starter^{SM5}
- Auto debit 0.25 percentage point interest rate reduction with the fixed or interest repayment option⁶
- Active duty military deferment



Repayment

- Graduated Repayment Period⁷
- Cosigner release available⁸
- Auto debit 0.25 percentage point interest rate reduction⁶
- Return-to-school deferment⁹
- Internship/residency deferment¹⁰
- Active duty military deferment



Repayment challenges

Customers having difficulty making monthly payments are encouraged to contact us to discuss any options that may be available.

The application process is simple at SallieMae.com.

It only takes about 15 minutes to apply online and get a credit result.

Features and benefits

The benefits of borrowing smarter

- **No origination fee or prepayment penalties**¹¹
- **Opportunity for a lower interest rate**
Undergraduate students who choose to make monthly interest payments while in school receive a rate that is typically 1 percentage point lower than those who choose to defer making payments.²
- **Auto debit savings**
Students who enroll in and make monthly payments by automatic debit receive a 0.25 percentage point interest rate reduction.⁶
- **Graduated Repayment Period**⁷
Qualifying students can elect to make 12 monthly interest-only payments upon entering repayment; students will have an 18-month enrollment window.
- **The all-in-one study partner: Study Starter**SM
Students can set themselves up for success and less stress with free access to a complete package: 4 months of Textbook Solutions and Expert Q&A through Chegg Study[®], 30 minutes of live online tutoring through Chegg[®] Tutors, and 4 months of proofreading and citation help with EasyBib[®] Plus.⁵

Death and disability loan forgiveness

If a student dies or becomes permanently and totally disabled, the current balance of the loan will be waived.

A cosigner may help borrowers qualify

By applying with a creditworthy individual the student may improve their chances for approval. It's important to note that a cosigner doesn't have to be a parent. 27% of the cosigners on the Smart Option Student Loan are an individual other than a parent who is willing to help the student achieve their education goals.¹³

Cosigner release available

Sallie Mae offers the industry's shortest cosigner release qualification period—borrowers can apply to release their cosigner from the loan after they graduate, make 12 on-time principal and interest payments, and meet certain credit requirements.⁸ Releasing the cosigner will not adversely impact the interest rate on the loan.



Did you know that 49% of eligible cosigner release applications are approved? *Based on a rolling 12-month period from October 2017, through September 2018. Eligible applications are applications from borrowers who have not yet had their credit reviewed but have met all other criteria listed on [SallieMae.com/cosignerrelease](https://www.SallieMae.com/cosignerrelease).

Who can benefit from a Smart Option Student Loan

The Smart Option Student Loan's flexibility makes it an ideal solution for students and families who

- Still need funds after maximizing grants, scholarships, and federal student loans
- Do not qualify for federal student loans
- Are attending school full-time, half-time, or less than half-time, including summer term
- Are taking a prerequisite course
- Have an existing balance to pay for an enrollment period within the past 365 days¹²
- Are U.S. citizen or U.S. permanent resident students enrolled in a foreign institution
- Non-U.S. citizen students (including DACA students) who reside in and attend school in the U.S., are eligible with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident) and are required to provide an unexpired government-issued photo ID to verify identity

Internship/residency deferment

A residency or internship deferment is available to students in 12-month increments; limited to a total of 60 months.¹⁰

Quarterly FICO[®] Credit Scores for free

This free benefit is available to both borrowers and cosigners¹⁴ and allows them to view their quarterly FICO[®] Score by logging into their Sallie Mae account. Borrowers and cosigners will 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.

We put customers first

We are committed to making sure that you—and your students—have a superior service experience. Your account representative, our School AssistSM team, and our U.S.-based call centers are dedicated to resolving problems and answering questions effectively and efficiently each time you or your students contact us.

Borrow responsibly

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

For more information, talk to your Sallie Mae representative, visit **SallieMae.com**, or call **844-8-ASSIST** (844-827-7478 or 302-451-4912).



This information is for undergraduate students attending participating degree-granting schools. Borrowers must be U.S. citizens or U.S. permanent residents if the school is located outside of the United States. Non-U.S. citizen borrowers who reside in the U.S. are eligible with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident) and are required to provide an unexpired government-issued photo ID to verify identity. Applications are subject to a requested minimum loan amount of \$1,000. Current credit and other eligibility criteria apply.

Explore federal loans and compare to ensure you understand the terms and features. Smart Option Student Loans that have variable rates can go up over the life of the loan. 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.

¹ Sallie Mae reserves the right to approve a lower loan amount than the school-certified amount.

² Interest rates for Fixed and Deferred Repayment Options are higher than interest rates for the Interest Repayment Option. You're charged interest starting at disbursement, while in school, during your separation/grace period, and until the loan is paid in full. The repayment option that is selected will apply during the in-school and separation/grace periods. When you enter principal and interest repayment, Unpaid Interest will be added to your loan's Current Principal. Variable rates may increase over the life of the loan. Advertised variable rates reflect the starting range of rates and may vary outside of that range over the life of the loan. Advertised APRs assume a \$10,000 loan to a freshman with no other Sallie Mae loans. LIBOR is the 1-month London Interbank Offered Rate rounded up to the nearest one-eighth of one percent.

³ Savings comparison assumes a freshman student with no other Sallie Mae loans receives a \$10,000 Smart Option Student Loan with the most common fixed rate as of November 2018.

⁴ This repayment example is based on a typical Smart Option Student Loan made to a freshman borrower who chooses a fixed rate and the Fixed Repayment Option for a \$10,000 loan, with two disbursements, and a 8.88% fixed APR. It works out to 51 payments of \$25.00, 119 payments of \$162.06 and one payment of \$120.23, for a Total Loan Cost of \$20,680.37.

⁵ This promotional benefit is provided at no cost to borrowers with loans that first disburse between July 1, 2018 and December 31, 2019. Borrowers who reside in, attend school in, or borrow for a student attending school in Maine are not eligible for this benefit. No cash value. Terms and Conditions apply. Please visit chegg.com/studystarter/termsandconditions for complete details. This offer expires one year after issuance.

⁶ Borrower or cosigner 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 or Designated Amount is successfully withdrawn from the authorized bank account each month. This benefit may be suspended during periods of forbearance or deferment, if available for the loan.

⁷ Available for loans used to pay qualified higher education expenses at a degree-granting institution. Graduated Repayment Period (GRP) allows interest-only payments for 12 billing periods after principal and interest repayment begins. At the time of GRP request, the loan must be current (not past due). Customers may request GRP during the six billing periods before and the 12 billing periods immediately after the loan first enters principal and interest repayment. GRP does not extend the loan term. GRP increases the Total Loan Cost and monthly payments after the GRP will be higher than they would have been without it.

⁸ 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. Shortest qualification period based on a December 31, 2018 review of national private loan programs offered by publicly-traded competitors.

⁹ If you receive the deferment, the Current Amount Due you will be required to pay each month during the deferment period will reflect the same repayment option that applied to your loan during the in-school period. You can receive a maximum of 48 months of deferment. Interest is charged during the deferment period and Unpaid Interest may be added to the Current Principal at the end of each deferment period, which will increase the Total Loan Cost.

¹⁰ If at any time during the repayment period the borrower enters an approved internship, clerkship, fellowship, or residency program, they may contact us to request a deferment. To apply for this, the borrower must submit a form completed by themselves and an official from the approved program to us for consideration. If the borrower receives the Deferment, the Current Amount Due they will be required to pay each month during the deferment period will reflect the same repayment option that applied to their loan during the in-school period. Deferment periods are issued in up to 12-month increments. Borrowers can receive a maximum of five 12-month deferment periods (60-month maximum). Interest is charged during the deferment period and Unpaid Interest may be added to the Current Principal at the end of each deferment period, which will increase the Total Loan Cost.

¹¹ Although we do not charge you a penalty or fee if you prepay your loan, any prepayment will be applied as provided in your promissory note: First to Unpaid Fees and costs, then to Unpaid Interest, and then to Current Principal.

¹² No more than 365 days can pass from the loan period end date to the first disbursement of the loan. At the time of 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.

¹³ Based on a rolling 12-month period from October 1, 2017, through September 30, 2018.

¹⁴ Borrowers and cosigners who have an available FICO® Score and a Sallie Mae loan with a current balance greater than \$0, may receive their score quarterly after the first disbursement of their loan. The FICO® Score provided to you is the FICO® Score 8 based on TransUnion data, and is the same score that Sallie Mae uses, along with other information, to manage your account. FICO® Scores and associated educational content are provided solely for your own non-commercial personal review, use and benefit. 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.

RATES AND OTHER INFORMATION ADVERTISED ARE VALID AS OF FEBRUARY 25, 2019. VARIABLE RATES MAY GO UP OR DOWN DUE TO AN INCREASE OR DECREASE IN THE LOAN'S INDEX. SALLIE MAE ALSO RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES, AND BENEFITS AT ANY TIME WITHOUT NOTICE. CHECK SALLIEMAE.COM FOR THE MOST UP-TO-DATE PRODUCT INFORMATION.

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