

THE RIGHT CHOICE, NO MATTER THE FINANCIAL NEED

The Smart Option Student Loan[®] offers a better way for any student to pay for expenses not covered by scholarships and federal loans. That's because borrowers can choose from three repayment options—including our new Deferred Repayment Option. And, by being able to choose a different repayment option for each new loan, your students can find the right mix of loans to keep control of their monthly payments—and still save on the total loan cost.

MORE OPTIONS. GREATER CHOICE.

For each new loan, borrowers can choose one of three repayment options to cover up to 100% of their school-certified expenses.



INTEREST REPAYMENT OPTION

Full interest payments while in school. Students will build credit and avoid interest capitalization



FIXED REPAYMENT OPTION

Students pay just \$25 a month while in school to build credit and manage their budget



DEFERRED REPAYMENT OPTION NEW

No minimum payments required until after school. Students are encouraged to make small payments when possible

REPAYMENT SCENARIOS → OPTIONS FOR EVERY STUDENT

Whether a student chooses a different or the same option each year, they can find the right solution to fit their needs. Here's an example based on a \$10,000 loan amount each year, with two disbursements and no fees.

| Loan | INTEREST REPAYMENT OPTION | FIXED REPAYMENT OPTION | DEFERRED REPAYMENT OPTION | MULTIPLE REPAYMENT OPTIONS |
|----------------------------------|---|--|---|---|
| Sample Rate | LIBOR + 6.75% | LIBOR + 7.25% | LIBOR + 7.75% | Multiple Rates* |
| Scenario | Student chooses to pay interest for four years. | Student chooses to make small monthly payments for four years. | Student chooses to defer payments for four years. | Student chooses a different repayment option for each new loan, each school year. |
| Typical Monthly Payment | Typical Monthly Payment | Typical Monthly Payment | Typical Monthly Payment | Typical Monthly Payment |
| Year 1 | \$58 | \$25 | \$0 | \$58 |
| Year 2 | \$116 | \$50 | \$0 | \$83 |
| Year 3 | \$174 | \$75 | \$0 | \$108 |
| Year 4 and 6 months after | \$232 | \$100 | \$0 | \$108 |
| Total amount owed at repayment | \$40,112 | \$44,568 | \$48,396 | \$43,211 |
| Payments after separation period | \$605 for 7 yrs. | \$529 for 10 yrs. | \$523 for 12 yrs. | \$534 for 7 yrs. \$382 for 3 yrs. \$118 for 2 yrs. |
| TOTAL AMOUNT PAID | \$58,022 | \$66,687 | \$75,343 | \$65,866 |

* Year one student chose Interest Repayment Option with interest rate of LIBOR + 6.75%; years two and three student chose Fixed Repayment Option with interest rate of LIBOR + 7.25%; and year four student chose Deferred Repayment Option with interest rate of LIBOR + 7.75%.

Save More ←



→ More Flexibility

WWW.SALLIEMAE.COM

THE APPLICATION PROCESS IS SIMPLE

It only takes about 15 minutes to apply online. And applicants can get a credit result immediately.

FEATURES & BENEFITS

THE BENEFITS OF BORROWING SMARTER

NEW ▶ Market-leading interest rates, no origination fees¹ and no prepayment penalty

- Interest Repayment Option: LIBOR + 2% to + 8.875%
- Fixed Repayment Option: LIBOR + 2.5% to + 9.375%
- Deferred Repayment Option: LIBOR + 3% to + 9.875%

NEW ▶ Free Tuition Insurance Benefit

Our new Tuition Insurance Benefit covers up to \$5,000 of tuition and other expenses lost due to a covered medical withdrawal.² This new safeguard is free and it's only available with loans first disbursed between July 1 and October 31, 2011.

▶ Rate reduction for using automatic debit

Students can get a 0.25 percentage point interest rate reduction while enrolled to make scheduled monthly payments by automatic debit.³

▶ A cosigner is a good thing

Most students have little or no credit history. By bringing a creditworthy cosigner to the table, students may:

- Increase the chances for approval
- Qualify for a lower interest rate
- Apply to have their cosigner released after graduating and making just 12 consecutive on-time payments⁴

GETTING AHEAD

PAYING ON TIME CAN EARN REWARDS

Students who choose the Interest or Fixed Repayment Option can earn a 2% Smart Reward[®] in their Upromise[®] account, just for making scheduled monthly payments on time while in school.⁵

A GREAT WAY TO HELP PAY DOWN LOANS

Upromise enables students to help pay down their loans or pay for other college expenses through everyday spending. They can earn rewards by shopping online, buying groceries, filling up the tank, and more. It's free to join. And it's only offered by Sallie Mae.

COVERAGE

LOAN FORGIVENESS WHEN IT'S MOST NEEDED

Cosigners will not be responsible for loans waived as a result of the student borrower's death and or total and permanent disability. If a student borrower dies or becomes permanently and totally disabled because of a condition that began or deteriorated after the date he/she obtained the loan, Sallie Mae will waive all remaining payments on the loan (excludes borrowers residing in Alaska or Montana when the loan was made).

PROTECTION FOR THEIR INVESTMENT

Sallie Mae has partnered with GradGuard™ to offer the Student Protection Plan™⁶ designed to protect your students and their investment in a higher education. For more information, visit GradGuard.com/SmartOption or call 1-877-270-1156.

(1) Interest rates on loans with the Fixed and Deferred Repayment Options are higher than rates on loans with the Interest Repayment Option. Rates and fees shown are available for borrowers attending degree-granting institutions only. Interest rates are variable and may increase after consummation. Unpaid interest will capitalize when loan enters principal and interest repayment. (2) Benefit is available with Smart Option Student Loans that first disbursed between 7/1/11 and 10/31/11. Borrowers attending degree-granting institutions are automatically enrolled in the Tuition Insurance Benefit for 4 months beginning the day of the first loan disbursement and may extend the benefit another 8 months (for a full year of coverage) simply by activating within the 4 months initial coverage period. The complimentary 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 medical reason. Additional coverage is available for purchase. If the loan under which the benefit is provided is canceled, the free coverage provided by the Tuition Insurance Benefit will terminate. The Tuition Insurance Benefit is a group insurance policy with College Parents of America offered through Next Generation Insurance Group, LLC, and is provided to students at no charge. Students cannot be enrolled in more than one complimentary Tuition Insurance Benefit at a time. For the sole purpose of fulfilling the complimentary Tuition Insurance Benefit, Sallie Mae will share customer information with unaffiliated insurance services companies, the underwriting insurance company and their technology partners, and College Parents of America. (3) Recurring automatic monthly payment must be successfully deducted from designated bank account for rate reduction to apply. Benefit suspended during periods of forbearance and certain deferments. (4) To qualify for cosigner release, borrower must meet age of majority requirements, be a U.S. citizen or permanent resident and meet the underwriting requirements when the release request is processed. (5) Primary borrower can earn reward into his or her Upromise account of 2% of the scheduled payment for each on-time payment made during the in-school and separation period only while enrolled as a Upromise member. Primary borrower must be of age of majority (typically 18 years old). If borrower has two consecutive scheduled payments past due on a loan, he or she will no longer be eligible for the reward on that loan. The reward is not earned on payment amounts in excess of the scheduled payment. 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. (6) The GradGuard offer is provided by Next Generation Insurance Group, LLC through a joint marketing relationship between Next Generation Insurance Group, LLC and Sallie Mae. Sallie Mae is not affiliated with or responsible for, and makes no representations regarding the use, marketability, or any other aspect of the products and services of Next Generation Insurance Group, LLC. If you respond to this offer, you will be identified to Next Generation Insurance Group, LLC as a Sallie Mae customer. SALLIE MAE RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES AND BENEFITS AT ANY TIME WITHOUT NOTICE. CHECK THE SALLIE MAE WEBSITE (www.salliemae.com) TO OBTAIN THE MOST UP-TO-DATE PRODUCT INFORMATION. Information advertised valid as of May 16, 2011. Sallie Mae Smart Option Student Loans are made by Sallie Mae Bank[®] or a lender partner. Sallie Mae, Sallie Mae Bank, Sallie Mae Smart Option Student Loan and Smart Reward are registered service marks 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. Terms and conditions apply to the Upromise service. Participating companies, contribution levels and terms and conditions are subject to change without notice. Go to upromise.com to learn more. © 2011 Sallie Mae, Inc. All rights reserved. MKT2677 0511 CR81471