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**COMPARING STUDENT LOAN OPTIONS**

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<table>
<thead>
<tr>
<th>Features</th>
<th>Smart Option Student Loan for Graduate Students</th>
<th>PLUS Loan for Graduate Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable interest rate</td>
<td>LIBOR + 2% to LIBOR + 7.25% (2.25% to 7.33% APR)2 Effect April 1, 2013.</td>
<td>N/A</td>
</tr>
<tr>
<td>Fixed interest rate</td>
<td>5.75% to 8.875% (5.75% to 8.63% APR)2 Effect April 1, 2013.</td>
<td>7.90% Fixed7 (8.79% APR for immediate repayment) (8.35% APR for deferred repayment)</td>
</tr>
<tr>
<td>Origination/Disbursement fee</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>Repayment options while student is in school</td>
<td>• Pay monthly interest • Pay $25 per month2a • Defer payments2</td>
<td>Immediate repayment of principal and interest. Students can request deferral of payments.</td>
</tr>
<tr>
<td>Minimum enrollment status</td>
<td>Full-time, half-time, less than half-time.</td>
<td>Must be at least half-time.</td>
</tr>
<tr>
<td>Standard repayment period</td>
<td>10 years</td>
<td>10-25 years9</td>
</tr>
<tr>
<td>Benefits</td>
<td>Auto Debit Savings — 0.25 percentage point interest rate reduction for automatic debit enrollment — 2% cash back on scheduled payments made while in school</td>
<td>0.25 percentage point interest rate reduction for automatic debit enrollment</td>
</tr>
<tr>
<td>Credit check required</td>
<td>Yes. Loan approval and pricing is generally based on creditworthiness.</td>
<td>Yes. The student must not be in default on a federal student loan or 90 days or more delinquent on any debt.</td>
</tr>
<tr>
<td>Death and disability loan forgiveness</td>
<td>Yes. If a student borrower dies or becomes permanently and totally disabled, Sallie Mae will waive all remaining payments on the loan.13</td>
<td>Yes. If certain conditions are met, the primary borrower dies, or becomes permanently and totally disabled, then the loan will be discharged.</td>
</tr>
<tr>
<td>Application process</td>
<td>Student or cosigner can initiate the application process at SallieMae.com. It only takes about 15 minutes to apply online and get a credit result.</td>
<td>Student applies online with the Department of Education through the FAFSA process.</td>
</tr>
</tbody>
</table>

**NEW FOR AY 13-14**

- **Lower Pricing for Graduate Students3**
  - The range of APRs on new Smart Option Student Loans is now lower than the PLUS Loan for Graduate Students with immediate repayment.1

- **Graduated Repayment Period4**
  - The Smart Option Student Loan is the only private student loan offering a Graduated Repayment Period feature,5 providing budget flexibility for graduating students. Students in good standing can sign up at the end of their separation period to help them ease into making full principal and interest payments, by making interest-only payments for their first year of repayment.

For more information, talk to your Account Executive or go to SallieMae.com/Schools

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FOR DEGREE-GRANTING INSTITUTIONS ONLY | FOR SCHOOL USE ONLY—NOT FOR DISTRIBUTION | ACADEMIC YEAR 2013-14 (FEBRUARY)
A COSIGNER CAN BE BENEFICIAL

While graduate students are three times more likely than undergraduates to be approved to own a Smart Option Student Loan, applying with a creditworthy cosigner can give them a better chance of approval and can help them get a lower interest rate.14

- It’s important to note that a cosigner doesn’t have to be a parent.
  - 33% of the cosigners on the Smart Option Student Loan are an individual other than a parent.14 It may be wise for students to consider creditworthy family and other individuals who are willing to help them achieve their education goals.

- Cosigners can be released
  After graduating and making 12 consecutive, on-time principal and interest payments, the student can apply to have the cosigner released.
  The student needs to be creditworthy and have the ability to make payments.15 Releasing the cosigner will not adversely impact the rate on the loan.

WHEN IT COMES TO PAYING FOR GRADUATE SCHOOL, SALLIE MAE WOULD LIKE TO BE PART OF THE CONVERSATION

At Sallie Mae, we understand that graduate students have a number of options available to them when it comes to financing their degree. They are smart, savvy consumers who take time to educate themselves about their options. We strongly encourage graduate students to carefully weigh all available financing options, keeping in mind long-term professional and financial goals and the flexibility needed beyond graduation to achieve those goals.

- The best choice for financing a graduate education may be a combination of affordable financing options, such as federal and private student loans.
- Well-qualified applicants, who expect to enter the workforce immediately after graduation and repay their student loans quickly, may be better served by exploring a Smart Option Student Loan which will offer a lower rate than many other private and federal student loans.
- Choosing a private student loan that provides graduate students the option to make interest payments while in school can help them save money and avoid interest capitalization, resulting in a reduction in the total cost of the loan.
- Credit cards may seem to offer quick access to funds to pay for a graduate education. However, they’re not designed specifically for education financing and are often the more expensive and less flexible option compared to a student loan.

ENCOURAGING RESPONSIBLE BORROWING

Sallie Mae has helped more than 30 million Americans pay for college since 1972. We encourage students and families to supplement savings by exploring grants, scholarships, and federal student loans before they consider a Sallie Mae private education loan.

This information is for degree-granting institutions only. Credit criteria and eligibility requirements apply.

1. Explore federal loans and compare to ensure you understand the terms and features. Smart Option Student Loans that have variable rates can go up after consummation and do not have many of the repayment alternatives like Income-Based Repayment, Extended Repayment, and certain types of deferments that are available with federal loans. Federal loans generally have origination fees.

2. Interest rates for the Fixed and Deferred Repayment Options are higher than for loans with the Interest Repayment Option. APRs for borrowers attending non-degree-granting institutions range from 7.99% to 13.62% with an origination fee up to 5.00%. Origination fees mean application or disbursement fees. Variable rates may increase after consummation. Interest is charged while you are in school and during the 6 month separation period. Any interest that remains unpaid when you enter full repayment will be added to your loan balance.

3. Available on new Academic Year 13-14 Sallie Mae Smart Option Loans made to graduate students. New graduate student pricing on the Smart Option Student Loan is limited to students enrolling in a Master’s/Doctorate level degree program. Graduate Certificate/Continuing Education course work is not eligible for graduate student pricing.

4. For loans that first disburse on or after 7/1/13 to finance academic periods that begin on or after 7/1/13 at a degree-granting institution. Graduated Repayment Period (GRP) requires interest payments for the initial 12-month period of repayment when you would normally begin making full principal and interest payments (which typically begin six months after graduation) or during the 12-month period after your request is granted, whichever is later. At the time you request GRP, you must have graduated with no interruption in enrollment, be current on payments, and not have been late on payments on this or any other Sallie Mae serviced loans. You may request GRP only during the two billing cycles immediately preceding and the two billing cycles immediately after your loan would normally begin requiring full principal and interest payments. GRP does not extend the term of the loan. If you are approved for GRP, your principal and interest payments will be higher than if GRP did not apply, and your total loan cost will increase.

5. Based on a 12/25/13 review of competitors’ loan programs and repayment features.

6. This information was gathered on 1/25/13 from http://studentaid.ed.gov/types/loans/plus.

7. The PLUS APR is not available on the Department of Education’s website. Therefore, we used our Sallie Mae internal financial model to calculate a PLUS APR for comparison purposes only. Assumptions for the Graduate PLUS Loan APRs: $10,000 loan with two disbursements; two-year in-school period; six-month grace period; a 4% origination fee; and standard 10-year repayment term.

8. This information was gathered on 1/25/13 from http://www.direct.ed.gov/RepayCalc/dlindex2.html. A repayment period of up to 25 years may be available to borrowers who meet certain conditions, including having borrowed more than $30,000 in loans through the Direct Lending program. Otherwise, the standard repayment period is 10 years.

9. Recurring payment must be successfully deducted from designated account for rate reduction to apply. Benefit suspended during forbearances and certain deferments.

10. Primary borrower can earn reward into his or her active Upromise account of 2% of the scheduled loan payment amount for each on-time payment during the in school and separation periods. Loan payments must remain current to be eligible for the reward. Benefit and Upromise membership subject to the terms and conditions of the Upromise service, as may be amended from time to time. Upromise Accounts are not FDIC insured, carry no bank guarantee and may lose value.

11. The Tuition Insurance Benefit is tuition refund insurance that covers up to $2500 per semester ($5000 total per policy) and is available with loans that first disburse between 7/1/13 and 10/31/13. Borrowers are automatically enrolled at the first loan disbursement. Benefit must be activated within four months of first disbursement to receive twelve months of coverage. To process the benefit, information will be shared with Sallie Mae Insurance Services, their underwriters, and their providers. If the loan is cancelled, coverage terminates. Individuals may be enrolled in only one Tuition Insurance Benefit at a time. Benefit is offered through Sallie Mae Insurance Services, a service of Next Generation Insurance Group LLC, a licensed insurance producer. For insurance licensing information, visit SallieMae.com/Insurance. Coverage is underwritten by Markel Insurance Company, Deerfield, IL; Administrative Office: Glen Allen, VA.

12. Loan forgiveness is not available to borrowers residing in Alaska or Montana.

13. Based on a rolling 12-month period from 9/16/11 through 9/15/12.

14. To qualify, borrower must be a U.S. citizen or permanent resident and meet the underwriting requirements when the release request is processed.

WE RESERVE 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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