

COSIGNERS CAN HELP MAKE COLLEGE HAPPEN

A college education is one of the most important investments someone could ever make. Cosigning a loan can make that investment more manageable for the student, allowing them to focus on what's important while they're in school: successfully completing their education. When deciding on how to help them finance their education, consider all of your options, including a private education loan.

BENEFITS OF COSIGNING FOR A PRIVATE EDUCATION LOAN:

- ▶ **The student is the primary borrower.** Unlike a federal PLUS Loan, a private student loan is in the student's name.¹
- ▶ **Cosigners are not limited to parents.** Unlike the federal PLUS Loan, a cosigner can be any qualified, creditworthy individual who wishes to help out the student.
- ▶ **Students can build credit while in school.** By having a cosigner, it can help enable a student to obtain a loan, and by making payments on time, the student will establish a payment history, putting them on a path toward building a credit history.
- ▶ **Share in the cost.** Parents can consider taking a portion of the cost in their own name with a federal PLUS Loan and can help students finance the remainder by cosigning a Smart Option 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.

ADDITIONAL BENEFITS OF COSIGNING A SMART OPTION STUDENT LOAN®:

- ▶ **Competitive rates and fees.** With variable rates that may start lower than a fixed rate Federal Direct Parent PLUS Loan for many borrowers, and no origination fees, the Smart Option Student Loan is designed to provide families with flexibility and savings on the total cost of the loan. By cosigning the loan, you can increase the likelihood of loan approval and even a lower interest rate. Enrolling to make scheduled payments by automatic debit can provide an additional 0.25 percentage point interest rate reduction.²
- ▶ **Cosigners can initiate the process.** Navigating the loan process can be confusing for students since they typically don't have a lot of experience when it comes to finances. With the Smart Option Student Loan, either the borrower or the cosigner can initiate the application process.
- ▶ **Repayment options.** Students have the flexibility to pay now or later - defer their payments until after school or choose an in-school repayment option that fits their needs.³ Making payments while in school reduces the overall loan cost.
- ▶ **Cosigner release.** While a cosigner is equally responsible for the loan obligation when they cosign the loan, students can apply to release their cosigner once they graduate and make just 12 consecutive on-time payments of principal and interest.⁴
- ▶ **Increase peace of mind.** Sallie Mae's Tuition Insurance benefit covers up to \$5,000 of tuition and other expenses lost due to a covered medical withdrawal.⁵ This exclusive benefit is provided at no cost to the consumer with loans that first disburse July 1 and October 31, 2012.
- ▶ **Loan forgiveness when it's needed most.** If a student borrower dies or becomes permanently and totally disabled, then Sallie Mae will waive all remaining payments on the loan. Additionally, cosigners will not be responsible for loans waived as a result of the student borrower's death or total and permanent disability.⁶

For more information on the Smart Option Student Loan, please visit SallieMae.com/SmartCosigner

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This information is for borrowers attending degree-granting institutions only. Eligibility requirements apply.

¹ Cosigners will be required to make payments if the borrower is unable to do so for any reason.

² Recurring payment must be successfully deducted from designated account for rate reduction to apply. Benefit suspended during forbearances and deferments.

³ Unpaid interest will capitalize.

⁴ To qualify, borrower must be a U.S. citizen or permanent resident and meet the underwriting requirements when the release request is processed.

⁵ 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 7/1/12 and 10/31/12. 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 your 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. Coverage is underwritten by Markel Insurance Company, DEERFIELD, IL; ADMINISTRATIVE OFFICE: GLEN ALLEN, VA

⁶ Loan forgiveness is not available to borrowers residing in Alaska or Montana.

Information advertised valid as of February 27, 2012. Smart Option Student Loans are made by Sallie Mae Bank[®] or a lender partner.

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