

Smart Option Student Loan[®] for Undergraduate Students



Frequently asked questions for schools

General

Who is eligible for the Smart Option Student Loan?

- Undergraduate U.S. citizens and U.S. permanent residents
- Students who meet current credit and other eligibility criteria
- Students attending school full-time, half-time, or less than half-time, or taking prerequisite classes
- Students taking a full class load, just a few classes, enrolled in a winter or summer term, or studying abroad
- Students who still need funds after maximizing grants, scholarships, and federal student loans
- Students seeking a professional certification or enrolled in a continuing education program
- Students taking courses that do not qualify for federal student loans
- Undergraduate 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; this can include an unexpired foreign passport, an unexpired student visa, an alien registration card, or an employment authorization document.

How do students apply?

- Students or cosigners can start an application online at **salliemae.com**. It's fast and easy to apply.
- When applying, applicants will be able to choose a variable or fixed interest rate.
- After credit approval, applicants will be presented with their estimated monthly payment amounts, interest rates, and total of payments to aid them in selecting either in-school payments or deferring payments until six months after school.¹

Are there any cost saving features?

- Undergraduate students who select the interest repayment option instead of the deferred repayment option and enroll and make payments by auto debit can reduce their rate by up to 1.25 percentage points.
- Undergraduate students who elect to make monthly interest payments while in school will typically receive a rate that is one percentage point lower than those who choose to defer making payments. This may result in savings for the borrower over the life of the loan.¹
- Auto debit savings: There is a 0.25 percentage point interest rate reduction for borrowers who enroll in and make monthly payments by auto debit.²

What is the death and disability feature?

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

How is the Self-Certification Form submitted?

- It's completed as part of the online application process when a borrower applies for a Smart Option Student Loan; however, one is available from us upon request. The form must be completed and submitted prior to loan disbursement.
- You can help students complete the form by providing any cost of attendance amounts.
- We'll supply applicants with private education loan disclosures, as required by the Higher Education Opportunity Act (HEOA), during the application process.

Can the loan be used for a prior loan period?	<p>Yes, school-certified prior loan period requests must meet these conditions:</p> <ul style="list-style-type: none"> • 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.
Are there any loan limits?	<ul style="list-style-type: none"> • \$1,000 minimum • Maximum: Up to 100% of the school-certified expenses—no aggregate loan limit³ • Students can apply for the funds they need to cover all of their school-certified expenses for the entire school year including tuition, fees, books, supplies, housing, meals, travel, and even a laptop.³
What must applicants do to obtain the loan?	<ul style="list-style-type: none"> • Satisfy credit requirements • Execute an application, promissory note, and any other documents without alteration • Meet other customer identification requirements set forth by us • Meet the applicable age of majority requirements
Is a cosigner recommended?	<ul style="list-style-type: none"> • While not required for U.S. citizens or U.S. permanent residents, student borrowers are encouraged to apply with a creditworthy cosigner, as it may increase the likelihood of the loan being approved. • The cosigner must be a U.S. citizen or U.S. permanent resident.
Who makes a good cosigner?	<ul style="list-style-type: none"> • Very often, a student loan cosigner is a parent, but it doesn't have to be. We find that 27% of Smart Option Student Loan cosigners are someone other than the parent.⁴ A relative, guardian, friend, or spouse can all be a cosigner. • Only one person can cosign for a private student loan. For instance, if two parents are willing to be cosigners, only one will be able to do it. • The cosigner is equally responsible for repayment of the full amount of the loan, not just part of it. • The cosigner can live in a different state than the borrower. • A cosigner should be someone the borrower knows and trusts, and who is willing to fill out the application on their own.
How does a borrower apply for cosigner release?	<ul style="list-style-type: none"> • U.S. citizen or U.S. permanent resident borrowers with a Smart Option Student Loan may apply to have their cosigner released from the loan. We offer 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.⁵ • Borrowers should download the application from salliemae.com/cosignerrelease or call us at 800-4-SALLIE (800-472-5543) to initiate the request. • Releasing the cosigner will not adversely impact the loan's interest rate.
Are special military benefits available and where can that information be found?	<p>Yes, as a member of the military, borrowers may qualify for special benefits. Our specialized military customer service representatives are available at 855-534-2668, Monday to Thursday 8 a.m. to 9 p.m. / Friday 8 a.m. to 8 p.m. ET. Additional information is available at salliemae.com/military.</p>

Process

While the loan is being processed, when can amounts be changed? Who can make them and how will the school/borrower be notified?

- Loan amount changes can be requested by the borrower, cosigner, or school at various points in the application process.
- The borrower or cosigner can contact us to request to increase the loan amount.
- If you initially certified less than the borrower requested, you may increase the certified amount up to the borrower's requested amount at any time prior to full disbursement. If the final disbursement has been made, you can increase the certified amount up to the borrower's requested amount and add a disbursement to occur no later than the loan period end date. To increase your certified amount or add disbursements, please use your preferred process—OpenNet®, ELM, ScholarNet, etc.—or call School Assist to make the update.
- Loan amount decreases may be made by borrowers, cosigners, and schools at any point prior to the loan's full disbursement. Borrowers or cosigners must call us to reduce the amount. You can use our preferred process to submit a decrease online, such as ELM or OpenNet, or by CommonLine change transaction file. For decreases after the loan has been fully disbursed, you or the borrower can simply return the unused funds to us.
- After a loan amount change has been processed, a CommonLine response file will be sent to your chosen service provider, such as ELM or ScholarNet. You may import this file into a financial aid management system if desired. CommonLine files are generated once daily; therefore, you'll be notified of any loan amount changes within 24 hours. Additionally, OpenNet® will reflect loan amount changes in real-time.
- The borrower is notified of any loan amount change either in real-time by a Sallie Mae customer service representative or via email/mail.

What does Sallie Mae need for school certification?

- School name
- Eight-digit Department of Education code or school code
- Enrollment period
- Enrollment status
- Student borrower course of study/major
- Grade level
- Anticipated date of graduation
- Certified loan amount
- Disbursement amounts
- Requested date(s) of first and any subsequent disbursements

What are Sallie Mae's CommonLine codes?

- Program Code: 091 – Smart Option Student Loan
- Guarantor Code: 924 – SM

How long is the credit validity period?

- Credit reports and risk scores obtained during the application process on all applicants and cosigners will be valid for 365 days.
- Students and families will be able to apply up to 300 days prior to the loan period begin date.
- The loan will be terminated if the first disbursement isn't made within the credit validity period.

How are disbursement dates set?

- We accept the disbursement schedule provided by the school as part of the certification.
- Due in part to compliance with the HEOA regulations and the borrower right to cancel period, the earliest possible date to schedule the first disbursement is on the eighth business day from the date the certification is received, but no sooner than 30 days before the loan period begin date.*
- Day one starts the day after the certification is received and day eight is the first day the loan can disburse. This timeframe includes the three-day HEOA right to cancel period, mailing time, and time to set the disbursement in our systems.*
- Once you certify the loan, funds can be disbursed after the fourth or fifth business day (depending on your disbursement provider) for borrowers or cosigners who choose to receive disclosures electronically.

*Applicable to customers who choose not to receive their disclosures electronically.

Repayment

What if a borrower is having difficulty making payments?	If a customer is struggling to make loan payments, we'll work directly with them one-on-one to assess any options that may be available. We encourage borrowers to contact us directly to discuss what options may be available.
Are forbearances available?	<ul style="list-style-type: none">• The borrower can contact us to determine if they're eligible.• If a loan has been placed in a forbearance, future disbursements will be suspended.• Interest continues to accrue during forbearance and unpaid interest is added to the loan's principal amount at the end of a forbearance period, which will increase total loan cost.
What if loan funds are returned?	<ul style="list-style-type: none">• Full return: If loan funds are returned within 60 days of the first disbursement date, no interest or fees will accrue and the loan will be canceled. If loan funds are returned more than 60 days after the first disbursement date, the funds can be returned but the borrower and the cosigner, if applicable, are responsible for paying all accrued interest and fees.• Partial return: A partial return of loan funds will be treated as a payment and can be made regardless of the number of days that have passed since first disbursement. We will credit the return to the loan as a payment.
How does a borrower request the Graduated Repayment Period?*	<ul style="list-style-type: none">• Borrowers will be notified on their billing statement or in their online account that one or more loans qualify for the Graduated Repayment Period. This message will direct them to contact us. At the time of the Graduated Repayment Period request, the loan must be current (not past due).• Qualified borrowers can request this benefit by calling us and must do so during the six billing periods before and the 12 billing periods immediately after the loan first enters principal and interest repayment.• As part of the process, borrowers will be provided with a comparison of the estimates of their monthly payments for the Graduated Repayment Period and for standard repayment during that same time period, as well as the impact to total loan cost.• If approved for the Graduated Repayment Period, the monthly principal and interest payments after the year of graduated repayment will be higher and the total loan cost will increase. Graduated Repayment Period does not extend the term of the loan.
What if a borrower returns to school after the loan has entered the principal and interest repayment period?	Borrowers who return to school at least half-time will be given the same repayment option terms that applied to the loan during the initial in-school period, limited to 48 months. Unpaid interest is added to the loan's principal amount at the end of the deferment period, which will increase the total loan cost. Students can access the deferment request form via their online account.
What if a borrower enrolls in a residency or internship during the principal and interest repayment period?	To apply for this deferment, customers and an official from the internship, clerkship, fellowship, or residency program must complete and submit a deferment form. If approved, the loan will revert back to the same repayment option that applied during the in-school period for up to 12 months. Customers can apply for and receive a maximum of five 12-month deferment periods. 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.

To learn more

Schools: 844-8-ASSIST (844-827-7478)
Students: 800-4-SALLIE (800-472-5543)

We put customers first

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

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.

¹ Interest is charged starting at disbursement, during school and the separation/grace period, and until the loan is paid in full. With the Fixed and Deferred Repayment Options, the interest rate is higher than with the Interest Repayment Option and Unpaid Interest is added to the loan's Current Principal at the end of the grace/separation period. Payments may be required during the grace/separation period depending on the repayment option selected. Variable rates may increase over the life of the loan.

² Borrower or cosigner must enroll in auto debit through Sallie Mae to receive a 0.25 percentage point interest rate reduction benefit. This 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 and may be suspended during periods of forbearance or deferment, if available for the loan.

³ Loan amount cannot exceed the cost of attendance less financial aid received as certified by the school. Sallie Mae reserves the right to approve a lower loan amount than the school-certified amount. Miscellaneous personal expenses (such as a laptop) may be included in the cost of attendance for students enrolled at least half time.

⁴ Based on a rolling 12-month period from October 1, 2017 through September 30, 2018.

⁵ 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 November 22, 2019 review of national private loan programs offered by publicly-traded competitors.

⁶ 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.

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