



FOR IMMEDIATE RELEASE

PAYING IN SCHOOL PAYS OFF: LOWER RATES FOR SALLIE MAE CUSTOMERS WHO MAKE PAYMENTS WHILE IN SCHOOL

Undergrads Who Choose to Make Monthly Interest-Only Payments on a Sallie Mae® Smart Option Student Loan® Get a Rate One Percentage Point Lower and Freshmen Save 25 Percent on Total Loan Costs

NEWARK, Del., July 8, 2016 — Electing to make monthly payments while in school can reduce total loan costs and, for Sallie Mae Smart Option Student Loan customers, it can also mean lower interest rates. Today, the nation's saving, planning, and paying for college company, announced that undergraduates who choose to make monthly interest-only payments while in school will receive an interest rate one percentage point lower than those who choose to defer payments. In addition, undergraduates who choose an in-school fixed payment will receive an interest rate 0.5 percentage point lower than those who defer payments.

When factoring in the lower interest rate, a typical freshman customer who makes monthly interest-only payments on a Smart Option Student Loan while in school saves an average of 25 percent on total loan costs compared to students who defer payments until after school. A typical freshman customer who makes monthly fixed payments while in school saves roughly 12 percent on total loan costs, compared to those who defer payments until after school. Customers can also reduce their interest rate by an additional 0.25 percentage points by enrolling to make payments using [automatic debit](#).

“Our Smart Option student loan can be a responsible way to bridge any gap in college financing and we go further by rewarding customers who are taking steps to reduce overall debt,” said Kelly Christiano, senior vice president, Sallie Mae. “We consistently promote borrowing responsibly, and it’s especially encouraging to see so many of our customers doing just that and saving money along the way.”

Sallie Mae gives customers the flexibility to choose the loan that’s right for them. The Sallie Mae Smart Option Student loan offers a choice of fixed and variable interest rates, plus a choice of [three repayment options](#): monthly interest-only payments while in school; a fixed monthly payment while in school; or payments deferred until after school. More than half of Sallie Mae private student loan customers choose to make in-school payments.

Available to students attending degree-granting institutions, Sallie Mae’s Smart Option Student Loan offers competitive fixed and variable interest rates and no origination fees or prepayment penalties. Variable rates for undergraduates start from [2.50 to 9.59 percent APR](#), and fixed rates for undergraduates range from [5.74 to 11.85 percent APR](#).

In addition, the Sallie Mae Smart Option Student Loan offers:

- **Enhanced Customer Service:** Over the past two years, Sallie Mae has invested millions of dollars to enhance multiple aspects of the customer experience, from application through repayment. Unlike other lenders who may rely on third parties, Sallie Mae is the servicer for its private student loans and those customer service employees are based in the United States.
- **Graduated Repayment:** The Smart Option Student Loan offers a [Graduated Repayment feature](#), a transitional repayment plan that offers customers greater budget flexibility upon graduation. Students with

an eligible loan who graduate and maintain their Sallie Mae loans in good standing may request to make 12 interest-only payments before transitioning into full principal and interest payments.

- **Cosigner Release:** After they graduate, and once they have made 12 on-time principal and interest payments and meet certain other credit requirements, customers may apply to have their [cosigner released](#) from the loan.
- **Free Access to Credit Scores and Financial Literacy Resources:** Customers have access to their [FICO® Credit Score](#) on a quarterly basis, along with information about factors that affect credit scores and why monitoring credit scores is important. In addition, Sallie Mae partnered with FICO on a free [Guide to Understanding Credit](#).

Sallie Mae recommends students and families follow its 1-2-3 approach to paying for college: first, maximize money that does not need to be repaid, such as scholarships and grants; second, explore federal student loans; and, third, consider a responsible private student loan.

For more information on Sallie Mae's Smart Option Student Loan, or to apply, visit SallieMae.com/smartoption.

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Sallie Mae (NASDAQ: SLM) is the nation's saving, planning, and paying for college company. Whether college is a long way off or just around the corner, Sallie Mae offers products that promote responsible personal finance, including private education loans, Upromise rewards, scholarship search, college financial planning tools, and online retail banking. Learn more at SallieMae.com. Commonly known as Sallie Mae, SLM Corporation and its subsidiaries are not sponsored by or agencies of the United States of America.

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