



ALTERNATIVE LOAN FACT SHEET

Loan Program	CitiAssist® Loan	Signature Loan	Signature Loan	Academic Edge Loan	Key Alternative Loan
Lender	Citibank P.O. Box 6074 Sioux Falls, SD 57117-6074 (800) 967-2400	Bank One 1001 W. Southern Ave., Suite 130 Mesa, AZ 85210 (800) 695-3317	Chase P.O. Box 59012 Panama City, FL 32412-9015 (800) 242-7339 ext. 300	Chela Education Financing P.O. Box 8908 Mesa, AZ 85214-8908 (866) 352-4352	Key Education Resources P.O. Box 182736 Columbus, OH 43218-2736 (800) 539-5363
Loan Servicer	Citibank (800) 967-2400	Sallie Mae (888) 272-5543	Sallie Mae (888) 272-5543	Chela Education Financing (866) 982-4352	Great Lakes (800) 236-4300
Website	Apply and sign online at www.studentloan.com	www.StudentLoanNet.com/applyonline	www.salliemae.com/signature/chase	www.chelastudentloans.org	www.key.com/alternative
Eligibility of Borrower/Co-signer	<ul style="list-style-type: none"> - Flexible credit evaluation guidelines - Positive credit history - U.S. citizen or permanent resident - International students may apply with an eligible U.S. citizen or permanent resident co-signer - At least 18 years of age - May be enrolled less than half-time, half-time or full-time status - Satisfactory academic progress not required 	<ul style="list-style-type: none"> - Must be at least half-time and making satisfactory academic progress 	<ul style="list-style-type: none"> - Must be enrolled at least half-time and making satisfactory academic progress 	<ul style="list-style-type: none"> - Student must attend a Title IV school half-time or greater - Borrower must be a U.S. citizen or permanent U.S. resident alien - International students may obtain a loan with an eligible borrower, but will not be a signer on the loan 	<ul style="list-style-type: none"> - U.S. citizen, national or permanent resident or permanent non-citizen possessing an original I-151, I-551, or I-94 INS card - Both borrower and cosigner, if applicable, must meet credit criteria - Student must be enrolled at least half-time
Interest Rate	Excellent: Prime + 0.375%* Good: Prime + 1.00% or 2.00%* Fair: Prime + 3.00% or 4.00%* Based on credit review and co-signer presence	As low as Prime + 0.00% depending on credit rating and use of a co-borrower	Tiered based on borrower and/or co-borrower credit ranging from Prime + 0.00% to Prime + 5.00%	As low as 6.00%. Variable rate reset quarterly, based on 3-month LIBOR. Determined by borrower's credit history and repayment chosen.	Co-signed: 3 month - LIBOR index + 3.30% Non co-signed: 3 month - LIBOR index + 3.85% Rates vary and adjusted quarterly
Loan Fees	None	As low as 0.00% for both disbursement and repayment depending on credit rating and use of academic progress	As low as 0.00% depending on credit and use of co-borrower	As low as 0.00%. Ranges from 0.00% to 7.00% depending on credit history and repayment option chosen. Fees subtracted from loan amount.	None
Grace Period and Deferment Options	Grace: 6 months In-School Deferment: Undergraduate: 6 years Graduate: 4 years	<ul style="list-style-type: none"> - 6 months grace period - No payments while in school 	<ul style="list-style-type: none"> - 6 months grace period - No payments while in school 	Deferment - 5 years from the date of the last disbursement, provided the student remains in school half-time or greater	6 months
Borrower Benefits	<ul style="list-style-type: none"> - 0.25% E-Z Pay interest rate reduction for borrowers who have payments automatically deducted from a bank account.* - 0.50% interest rate reduction with CitiExtras™ Savings for borrowers who make their first 48 consecutive monthly payments on time.† - Co-signer release option is available. - Loans can be certified for balances incurred within the last 12 months. - Combined billing with Stafford Loans, if eligible. 	<ul style="list-style-type: none"> - Combined billing with Bank One FFELP Loans. - Co-borrower release after 24 on-time payments. - Life of Loan servicing. 	<ul style="list-style-type: none"> - Combined billing with Chase Stafford Loans. - No penalty for prepayment. - Co-borrower release option after making 24 consecutive on-time payments. 	<ul style="list-style-type: none"> - Interest only or full deferral repayment options. - 0.50% interest rate discount when borrower makes payment via automatic debit from checking or savings account. - Instant pre-approval for applications submitted by web or phone. - Co-borrower option with co-borrower release option. 	<ul style="list-style-type: none"> - 2nd Chance Appeal process to review credit. - Co-signer release option is available. - Borrower may apply up to 60 days after the end of the academic period for prior balances. - Instant credit decisions via online application. - Ability to download Promissory Note directly from website when credit approved. - Master Loan Note - sign one Note for all your loan needs. - Online applications and easy renewal applications. - Combined billing with Key Stafford Loans available. - Life of Loan Servicing. - Key Career Loan & Key Achiever Loan available.

***Annual Percentage Rate (APR) Example**

Interest Rate	Undergraduate			Graduate		
	APR	Principal Amount Entering Repayment	Monthly Payment	APR	Principal Amount Entering Repayment	Monthly Payment
Prime + 0.375%	4.27%	\$6,830.30	\$61.04	4.32%	\$8,786.60	\$66.63
Prime + 1.00%	4.87%	\$6,950.00	\$64.28	4.94%	\$8,900.00	\$70.38
Prime + 2.00%	5.82%	\$7,140.00	\$69.68	5.91%	\$9,080.00	\$76.62
Prime + 3.00%	6.75%	\$7,330.00	\$75.38	6.87%	\$9,260.00	\$83.23
Prime + 4.00%	7.68%	\$7,520.00	\$81.40	7.83%	\$9,440.00	\$90.21

Information printed in this document was gathered from publicly available sources and is believed to be correct as of this printing. It is intended for use as an approximate guide for comparison purposes only. To ensure fully informed borrowing, you should refer directly to each lender's loan application and promissory note for exact information regarding terms, assumptions, conditions, eligibility, definitions and **Annual Percentage Rate (APR)**. Check with your lender for details and conditions regarding eligibility. If you default on your loan and it is purchased by the insurer, any interest rate reductions will no longer be applicable.

Undergraduate (APR) Example: Each APR example is based on borrowing a \$6,000 undergraduate loan with a 38-month deferral period followed by a 144-month repayment. The Prime Rate is assumed to be constant at 4.00%.

Graduate (APR) Example: Each APR example is based on borrowing an \$8,000 graduate loan with a 27-month deferral period followed by a 180-month repayment. The Prime Rate is assumed to be constant at 4.00%.

The interest rate may vary and is indexed to the Prime Rate as published in *The Wall Street Journal*. Actual APRs may change over time. As of April 1, 2004, the published Prime Rate was 4.00%. The APR will increase if the Prime Rate increases and would result in higher monthly payments, an increase in the number of scheduled payments, or both.

Borrowers may apply online anytime. The three-minute credit response is for applications submitted from 7 a.m. - 11 p.m. E.T. daily. Additional documentation and data verification may be requested before final loan approval.

†CitiAssist® Loans with disbursements after 4/1/00 are eligible for E-Z Pay rate discount and CitiExtras™ Savings. Borrowers must receive their statements electronically to qualify for E-Z Pay rate discount.

Alternative Student Loan Information

What are alternative student loans?

Alternative student loans are offered by banks or lending institutions to help students and parents bridge the gap between the cost of education and the amount of financial aid received. These are private supplemental loans that are NOT guaranteed by the federal government. Terms and conditions can vary according to specific lender guidelines.

Which lenders offer alternative student loans?

Alternative loans are offered by a wide variety of lenders, and each lender offers different programs with varying terms. Most lenders have informative websites, and we encourage students to visit each lender's site.

Who can apply for an alternative student loan?

Students can apply for alternative student loans as a supplement to traditional federal and state sources of financial aid. Prescott College encourages all students to apply first for federal and state financial aid. Alternative loans may provide the resources for educational expenses not covered by received federal and state aid.

How much can a person borrow?

The actual amount varies according to each student's individual financial circumstance. Other variables include the cost of attendance, financial aid resources and loan limits imposed by the lender.

Are there strict requirements to obtain an alternative student loan?

Unlike federally guaranteed student loans, lending institutions that offer alternative student loans may impose certain requirements. In most cases a student must have a good credit history, a low debt-to-income ratio, and a co-signer may be required. Since a credit check is likely, not everyone is approved for an alternative loan.

How do I apply?

You can contact a lender directly. Depending on the loan program, lenders offer borrowers various ways to apply for an alternative loan. Many lenders offer you a pre-approval process so you can determine your eligibility for an alternative loan.



Prescott College

For the Liberal Arts and the Environment

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Glossary of Loan Terms

Accrued Interest: Interest that accumulates on the outstanding principal balance of a loan.

Capitalized Interest: The addition of unpaid interest to the principal balance of a loan which increases the total amount outstanding.

Consolidation: Combining multiple education loans into one new loan with a new repayment term and interest rate.

Co-Signer: A person who signs a Promissory Note in addition to the borrower and who is responsible for the loan obligation if the borrower does not pay.

Creditworthy: An individual with no negative credit history per the criteria established by the lender.

Default: Failure to repay a loan based on the terms of the promissory note which can cause the loan holder to demand full payment of the loan.

Deferment: An authorized period of time during which loan payments may be postponed.

Disbursement: The release of loan funds to the school for delivery to the borrower.

EFT (Electronic Funds Transfer): Transfer of funds from the lender to the school that is initiated through electronic means.

Forbearance: Temporary postponement of loan payments for circumstances of financial hardship.

Grace Period: A specified period of time between when a student graduates or drops below half-time status and the time loan repayment begins.

Insurance (guarantee) Fees: A fee charged by guaranty agencies which is deducted from loan proceeds and used to insure against defaulted loans.

Interest: An amount that is charged for borrowed money. It is calculated as a percent of the principal loan amount.

Origination fee: A fee charged by the federal government or private lender to offset administrative costs of the loan.

Principal: Amount borrowed.

Promissory Note: A legally binding agreement between a borrower/co-signer (if applicable) and a lender that includes all the terms and conditions under which the borrower/co-signer (if applicable) promise to repay the loan.

Servicer: An entity that administers any loan servicing requirements.

Variable Rate: The interest rate changes periodically and may be updated monthly, quarterly, semi-annually or annually.

Estimate Your Loan Amount

Your alternative loan amount plus financial aid should not exceed your cost of attendance. The following worksheet will help you determine the maximum alternative loan amount you should request.

A. Expenses (full year)

Tuition and Fees	\$ _____
Room (if applicable)	\$ _____
Board (if applicable)	\$ _____
Books (estimated)	\$ _____
Personal (estimated)	\$ _____
TOTAL	\$ _____

B. Financial Aid (full year)

PELL	\$ _____
SEOG	\$ _____
Perkins & Stafford Loans	\$ _____
Work Study	\$ _____
Scholarships/Grants	\$ _____
PLUS Loans	\$ _____
TOTAL	\$ _____

C. Alternative Loan Amount

(\$ "A" minus "B" equals "C")

Borrow Only What You Need

Remember, you are agreeing to repay your loan regardless of whether you complete your education, are satisfied with your education, or are able to find a job. If a student loan is your first borrowing experience, consider this responsibility seriously – your ability to borrow in the future depends on it.

Information courtesy of Citibank.

The Student Loan Corporation

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A PREFERRED LENDER for PRESCOTT COLLEGE
www.studentloan.com

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