

APPLYING FOR A LOAN WITH A COSIGNER



A college education is one of the most important investments someone could ever make. However, if you are a student with little or no credit history, it may be difficult for you to qualify for a Smart Option Student Loan[®] on your own.

Applying with a creditworthy cosigner may give you a better chance of approval.

FOR MORE INFORMATION VISIT
SallieMae.com/SmartCosigner
1-855-429-9759

FOR DEGREE-GRANTING INSTITUTIONS

LET'S MAKE COLLEGE HAPPENSM

BENEFITS OF HAVING A COSIGNER

A greater chance of getting approved for your Smart Option Student Loan. When you apply with a cosigner, Sallie Mae considers the income and credit histories of both you and your cosigner. Therefore, a cosigner with a long history of good credit may be able to help overcome your limited credit history and enable you to qualify for the loan.

An opportunity to build a credit history. By obtaining a loan and by making payments on time you will establish a payment history, which will put you on a path toward building a credit history. Having a good credit history may help you get favorable interest rates on a car, a home, and other purchases after you graduate.

Cosigner release available. After graduation a borrower may apply for their cosigner to be released from the loan once they have made 12 consecutive, on-time principal and interest payments and meet certain credit requirements.¹ Releasing the cosigner will not adversely impact the interest rate on the loan.

FINDING A COSIGNER

A wide range of individuals can be a cosigner as long as they are creditworthy, understand and accept the responsibilities of being a cosigner, and have demonstrated the following:

- **The ability to pay.** When Sallie Mae evaluates a cosigner, we look at their ability to pay which includes comparing the cosigner's total debt to their total income.
- **Stability.** We look at whether the cosigner has a stable job, and whether they have an established credit history.
- **Willingness to pay.** We consider the cosigner's credit score and their payment history on other types of credit, including credit cards, mortgages, and automobile loans to demonstrate their willingness to repay their financial obligations.

Note that a cosigner doesn't need to be a parent. In fact, 28% of cosigners on Smart Option Student Loan applications are an individual other than the borrower's parent.² It may be wise for students to consider creditworthy family members and other individuals who are willing to help them achieve their education goals.

FOR MORE INFORMATION VISIT

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Sallie Mae has helped more than 34 million Americans pay for college since 1972. We encourage students and families to supplement their savings by exploring grants, scholarships, and federal and state student loans, and to consider the anticipated monthly payments on their total student loan debt and their expected future earnings before considering a private education loan.

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. Federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, income-based repayment and income-contingent repayment plans, and loan forgiveness and deferment benefits, which other student loans are not required to provide. Federal loans generally have origination fees, but are available to students regardless of income.

¹ Only the borrower may apply for cosigner release. Borrower must provide proof of graduation (or successful completion of certification program), income, and citizenship (if it has changed since you applied). Borrower must also be a U.S. citizen or permanent resident; meet the age of majority in their state; be current on all Sallie Mae serviced loans and make 12 consecutive on-time principal and interest payments on each loan requested for release immediately before applying; not have been reported to a consumer reporting agency as 90+ days delinquent in the past 24 months; not be in hardship forbearance or a modified repayment program; have no student loan(s) in default; and pass a credit review that demonstrates a satisfactory credit history and the ability to assume full responsibility of the loan(s) individually when the release request is processed. Requirements are subject to change.

² Based on a rolling 12-month period from December 1, 2014 through November 30, 2015.

Smart Option Student Loans are made by Sallie Mae Bank or a lender partner. Applications are subject to a requested minimum loan amount of \$1,000. Credit criteria and eligibility requirements apply. Information valid as of January 25, 2016.

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