

K-12 Family Education LoanSM

Frequently Asked Questions for Schools

Who can borrow the K-12 Family Education Loan?

- Parents, family members, or other creditworthy individuals can borrow to assist students attending private elementary, middle, or high school.
- Borrowers who are U.S. citizens or permanent residents or meet applicable citizenship/residency requirements.

What must applicants do to obtain the loan?

- Satisfy credit requirements.
- Execute an application, promissory note, and any other documents without alteration.
- Meet other customer identification requirements set forth by Sallie Mae.

What are the student eligibility requirements?

- The student must meet the enrollment requirements of the private K-12 school.

Is there an application fee?

- No, Sallie Mae does not charge an application fee.¹

What are the repayment options?

- To keep payments more affordable, families can choose the repayment term that best fits their needs — from one year (12 months) up to three years (36 months).²
- Immediate payments of principal and interest are due each month. The minimum monthly payment amount is \$30.²
- There is no prepayment penalty.

How long is the credit validity period?

- There is a 180-day credit validity period during which the first disbursement must occur.
- Loan will be terminated if first disbursement isn't within the credit validity period.

What does Sallie Mae need for school certification?

- For school certification outside of Sallie Mae's online loan delivery platform, a borrower can provide a tuition bill or enrollment agreement which displays student's name, academic year, tuition amount, and school's name and address.
- School certifications received online via Sallie Mae's online loan delivery platform require:
 - School name
 - Enrollment period
 - Anticipated date of graduation or course completion date (if different from anticipated graduation date)
 - Certified tuition amount
 - Requested date(s) of first/subsequent disbursements*
 - Disbursement amounts*

Are there any loan limits?

- Minimum is \$1,000.
- Maximum is total cost of tuition as certified by the school.³

When should disbursement be made?

- First disbursement should not occur earlier than 90 days prior to the first day of enrollment period.
- Loans for past due balances: First disbursement no later than 180 days following last day of enrollment period.

Can the loan amount be changed?

- An increase to the loan amount can be requested. If approved, the borrower must re-sign the loan package that includes the application, promissory note, Truth-in-Lending Disclosure Statement, repayment schedule, and any applicable state notices.
- Loan amounts can be decreased as long as funds haven't been fully disbursed to the school/family. If the funds have been disbursed, the school should return the loan funds to Sallie Mae and request the loan be issued for a lesser amount.

What if loan money is returned?

- **A 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 is responsible for paying all accrued interest and fees. However, if the borrower hasn't endorsed the paper check, they will not be responsible for any accrued interest or fees.
- **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. Sallie Mae will credit the return to the loan balance; interest will accrue on the outstanding loan amount from that time forward.



How do families apply for the K-12 Family Education Loan?

- Sallie Mae offers an online application that makes the application process fast and easy for families. Families can apply online at www.SallieMae.com/K12.

For more information, please visit SallieMae.com/K12.

*Disbursement dates and amounts will be set according to the disbursement policy. Certain changes may require loan documents to be re-signed.

K-12 Family Education Loans are made by Sallie Mae Bank. Credit criteria and eligibility requirements apply.

¹ A disbursement fee of up to 3% may apply to approved loans.

² This informational repayment example uses typical loan terms available on the K-12 Family Education Loan and has a \$10,500 loan with one disbursement, 3% disbursement fee, no grace period, and a 12.80% variable APR: 35 payments of \$352.79 and one payment of \$352.78, for a total paid of \$12,700.43. Variable rates may increase after consummation.

³ Cost of attendance must be certified by the school. Sallie Mae reserves the right to approve a lower loan amount than what the school has certified.

Information valid as of April 25, 2014.

All institutions must be licensed or accredited by the department of education in the states in which they operate, if required by that state, or must be accredited by a recognized national education association.

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