

Smart Option Student Loan[®]

Frequently asked questions for schools



General

Who is eligible for the Smart Option Student Loan?

- Undergraduate students and career training students
- 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 taking eligible online courses
- 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 who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend a participating school in the U.S., apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident), and provide an unexpired government-issued photo ID to verify their 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 at **salliemae.com**. It's fast and easy to apply.
- When applying, applicants can choose a variable or fixed interest rate.
- After credit approval, applicants are given their interest rates and estimated monthly payments to help them choose to make either in-school payments or defer payments until six months after school.¹

Are there any cost saving features?

- Students who choose in-school monthly interest payments will typically receive an interest rate that is one percentage point lower than those who 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 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 give applicants their private education loan disclosures, as required by the Higher Education Opportunity Act (HEOA), during the application process.

<p>Can the loan be used for a prior loan period?</p>	<p>Yes, Loans are available to cover costs for a prior enrollment period if the last date of the enrollment period is no more than 365 days prior to the loan's first disbursement date.</p> <ul style="list-style-type: none"> • The student must have been enrolled for the full period covered by the loan. • When applying for the loan, the student must be enrolled in school or have graduated and must not have withdrawn with no intention of re-enrolling, as verified by the school. • Loans must be used only for expenses that are directly billed by the school and included in the school's cost of attendance.³
<p>Are there any loan limits?</p>	<ul style="list-style-type: none"> • \$1,000 minimum • Maximum: Up to 100% of school-certified expenses—no aggregate loan limit⁴ • 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 a laptop.⁴
<p>What must applicants do to obtain the loan?</p>	<ul style="list-style-type: none"> • Satisfy credit requirements • Execute an application, promissory note, and any other documents without alteration • Meet our additional customer identification requirements • Meet the applicable age of majority requirements
<p>Is a cosigner recommended?</p>	<ul style="list-style-type: none"> • While a cosigner is not required for students who qualify on their own, 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.
<p>Who makes a good cosigner?</p>	<ul style="list-style-type: none"> • Very often, a student loan cosigner is a parent, but it doesn't have to be. Last year, 28% of the cosigned Smart Option Student Loan applications were an individual other than a parent.⁵ • Only one person can cosign for a private student loan. For instance, if two parents are willing to be cosigners, only one will be allowed 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.
<p>How does a borrower apply for cosigner release?</p>	<ul style="list-style-type: none"> • 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.⁶ • 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.
<p>Are special military benefits available and where can that information be found?</p>	<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. ET, Friday 8 a.m. to 8 p.m. ET, and Saturday 9 a.m. to 6 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, 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 a day, so 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.

Post Approval increase

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, use your preferred process—OpenNet®, ELM, ScholarNet, etc.—or call School Assist to make the update.

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
- Borrower's cost of attendance and the difference between the borrower's cost of attendance and estimated financial assistance.

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 can 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 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 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.
How is the return of loan funds handled?	<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.<ul style="list-style-type: none">• If the student doesn't show up and there is no outstanding balance, then all funds must be returned to Sallie Mae.• 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?⁶	<ul style="list-style-type: none">• For borrowers looking for payment flexibility as they transition to their career, the Graduated Repayment Period can help. Qualified Smart Option Student Loan borrowers can elect to make 12 monthly interest-only payments after they finish school.• 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 during the six billing periods before and the 12 billing periods immediately after the loan first enters principal and interest repayment.• Borrowers will get a comparison of their estimated monthly payments for the Graduated Repayment Period and their standard repayments for that 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 receive 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?	Customers and an official from the internship, clerkship, fellowship, or residency program can complete and submit a deferment request 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)

Committed to superior service

Your satisfaction is important to us. That's why our account representatives, School AssistSM team, and U.S.-based customer representatives are dedicated to resolving problems and answering questions each time you or your students contact us.

Start smart. Learn big.SM

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.

Sallie Mae loans are subject to credit approval, identity verification, signed loan documents, and school certification. This loan is available to students at participating schools and is not intended for students pursuing a graduate degree. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident), and provide an unexpired government-issued photo ID. Requested loan amount must be at least \$1,000.

¹ Interest is charged starting when funds are sent to the school. 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 The 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. It may be suspended during forbearance or deferment.

³ Loans are available to cover costs for a prior enrollment period if the last date of the enrollment period is no more than 365 days prior to the loan's first disbursement date. The student must have been enrolled for the full period covered by the loan. When applying for the loan, the student must be enrolled in school or have graduated and must not have withdrawn with no intention of re-enrolling, as verified by the school. Loans must be used only for expenses that are directly billed by the school and included in the school's cost of attendance.

⁴ For applications submitted directly to Sallie Mae, loan amount cannot exceed the cost of attendance less financial aid received, as certified by the school. Applications submitted to Sallie Mae through a partner website may be subjected to a lower maximum loan request amount. Miscellaneous personal expenses (such as a laptop) may be included in the cost of attendance for students enrolled at least half-time.

⁵ Based on a rolling 12-month period from October 1, 2021 through September 30, 2022.

⁶ Only the borrower may apply for cosigner release. To do so, they must first meet the age of majority in their state and provide proof of graduation (or completion of certification program), income, and U.S. citizenship or permanent residency (if their status has changed since they applied). In the last 12 months, the borrower can't have been past due on any loans serviced by Sallie Mae for 30 or more days or enrolled in any hardship forbearances or modified repayment programs. In addition, the borrower must have paid ahead or made 12 on-time principal and interest payments on each loan requested for release. The loan can't be past due when the cosigner release application is processed. The borrower must also demonstrate the ability to assume full responsibility of the loan(s) individually and pass a credit review when the cosigner release application is processed that demonstrates a satisfactory credit history including but not limited to no: bankruptcy, foreclosure, student loan(s) in default or 90-day delinquencies in the last 24 months. Requirements are subject to change.

⁷ GRP allows interest-only payments for the initial 12-month period of repayment when the loan would normally begin requiring full principal and interest payments or during the 12-month period after GRP request is granted, whichever is later. At the time of GRP request, the loan must be current. The borrower may request GRP only during the six billing periods immediately preceding and the twelve billing periods immediately after the loan would normally begin requiring full principal and interest payments. GRP does not extend the loan term. If approved for GRP, the Current Amount Due that is required to be paid each month after the GRP ends will be higher than it otherwise would have been without GRP, and the total loan cost will increase.

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