



## **Student Loan Proposal for SUNY Buffalo State**

4/15/2016

Joelle Nowak  
Financial Aid Officer  
SUNY Buffalo State  
1300 Elmwood Ave  
Moot Hall 230  
Buffalo, NY 14222

Dear Joelle:

Thank you for the opportunity to demonstrate M&T Bank's capabilities to provide comprehensive education loan solutions for your students and their families. Our completed lender information is attached.

M&T Bank Corporation is a bank holding company headquartered in Buffalo, New York, which had assets of \$96.7 billion as of December 31, 2014. M&T Bank Corporation's subsidiaries include M&T Bank and Wilmington Trust, National Association. M&T Bank has more than 650 domestic banking offices, free account access at more than 1,500 M&T Bank ATMs and more than 15,800 employees in New York State, Pennsylvania, Maryland, Delaware, Virginia, West Virginia and the District of Columbia.

We understand that the vitality of the communities in which we do business, including higher education institutions like SUNY Buffalo State, is crucial to our continued success. M&T is committed to being an active participant in the communities we serve, and supporting our students as they work to fulfill their educational goals. Our @College Solutions program offers a variety of tools and programs to help our students and their families understand the options available to them as they develop their financial plan.

M&T Bank partners with Sallie Mae® to offer a private student loan program, and Sallie Mae will be the service provider for all loans. As a result of this partnership, your borrowers will receive the following benefits:

- A loan that allows students and their families to choose a variable or fixed interest rate and their repayment option during school and separation\*
- Borrower benefits
- Pricing that can be lower than PLUS for highly-qualified applicants\*
- A smooth and efficient online application process that includes all of the required HEOA disclosures
- Convenient, online loan management
- Default management and credit education capabilities
- Graduated Repayment Period\* where students who graduate and maintain their Sallie Mae loans in good standing can request to make 12 interest-only payments instead of full principal and interest payments after their separation period

*\*For additional information, please refer to the disclosures section at the end of this proposal.*

If you have any questions about M&T's responses or if you need additional information or clarification, please contact me at (585) 258-8309 or at [aandrews@mtb.com](mailto:aandrews@mtb.com). M&T Bank is

eager to partner with SUNY Buffalo State to help make your students' education as affordable as possible.

Sincerely,

*Anna Andrews*

Administrative Vice President  
Consumer Lending  
M&T Bank  
(585) 258-8309  
[aandrews@mtb.com](mailto:aandrews@mtb.com)

## Undergraduate Student Loan

### 1. Name of loan program/product

Smart Option Student Loan®

### 2. Years in student loan market

M&T Bank was a federal loan lender for over 40 years and has been a Sallie Mae referral private loan provider for six years.

Sallie Mae has been in the student loan business for more than 40 years.

### 3. Fixed and/or Variable

With Smart Option Student Loans, students can choose either a fixed or variable interest rate.

### 4. Interest rate spread for both fixed and variable (if applicable)

Smart Option Student Loan pricing\*

#### Undergraduate Student Pricing

Product	Variable Interest Rate	Fixed Interest Rate	Origination/Disbursement Fee
PLUS Loan*	Not applicable	6.84% (APR: 6.97% or 7.77%)	4.272%
Smart Option Student Loan Interest Repayment Option	LIBOR + 2.00% to LIBOR + 8.88% (APR: 2.50% to 9.36%)	5.75% to 11.88% (APR: 5.74% to 11.85%)	0%
Smart Option Student Loan Fixed Repayment Option	LIBOR + 2.50% to LIBOR + 9.38% (APR: 3.00% to 9.31%)	6.25% to 12.38% (APR: 6.08% to 11.43%)	0%
Smart Option Student Loan Deferred Repayment Option	LIBOR + 3.00% to LIBOR + 9.88% (APR: 3.40% to 9.59%)	6.75% to 12.88% (APR: 6.40% to 11.69%)	0%

4.272% PLUS loan fee applies to loans that first disburse on or after October 1, 2015 and before October 1, 2016.

\*Please refer to the disclosures for additional information.

## 5. Eligibility criteria

### a. SAP required?

No. SAP is not a requirement to obtain a Smart Option Student Loan. Sallie Mae will process credit-approved loans regardless of the student's SAP status, as long as you certify the loan.

### b. ½ time enrollment required?

No. Students enrolled full time, half time, and less than half time are eligible.

### c. Must the student be matriculated?

No. The Smart Option Student Loan is available to non-degree seeking students attending SUNY Buffalo State. The student must be eligible and credit-approved, and the loan must be certified by the school's financial aid office.

### d. Eligible if in certificate program?

Yes.

### e. Past due balances? If so, what are the criteria?

Yes. Your students who are currently enrolled, accepted for enrollment, or previously enrolled for a prior loan period can apply for loans for prior enrollment periods\*. Prior loan period requests must meet the following conditions:

- Less than 365 days have passed or will pass from the end of the prior enrollment period to the time of the first disbursement of the loan.
- At the time of the request, the borrower is enrolled, intends to enroll, or has graduated.
- The borrower was enrolled during the prior enrollment period for which the loan is requested and did not withdraw with no intention of re-enrolling, as verified by the school.

Smart Option Student Loan borrowers and cosigners can apply for loans for prior balances by indicating the prior loan period during the online application process at [SallieMae.com/smartoption/MandTBank](https://SallieMae.com/smartoption/MandTBank).

## 6. Minimum loan amount

Students can borrow a minimum of \$1,000 (as certified by the school), per loan.

## 7. Describe any and all fees associated with your loan product if applicable

Students will pay no application fees, guarantee fees, origination fees, disbursement fees, or repayment fees with the Smart Option Student Loan.

**Late fees:** A late fee of 5 percent of the amount of the past due payment is assessed if the current amount due (and past due amount, if any) has not been received within 15 days of the current amount due date. This fee is assessed on the 16th day of delinquency and may occur once monthly if delinquency continues. Late fees will not exceed \$25 for each loan and are not capitalized.

**Service Fees:** A fee may be charged for optional services, such as the express delivery of documents and convenience payment services.

**New Forbearance Request:** Borrowers will not be charged a fee for a forbearance request. There is a requirement to make a \$50 good faith payment per loan - applied directly to the loan like a normal loan payment for each request. For borrowers who request forbearance on multiple loans in a single forbearance request, the payment will not exceed \$150.

**Deferment Fee:** There are no deferment fees.

**Returned Check Fee:** *There may be a returned check fee of up to \$20 for each payment that is returned or refused even if the payment is not in the form of a check.*

*\*Please refer to the disclosures section for additional information.*

## 8. Back-end benefits

### Features

- **Cosigner release.** 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.\*
- **Death and disability safeguard.** This safeguard allows for a waiver of the loan's current balance in the event of the student borrower's death or total and permanent disability.\*
- **Coverage of past due balances.** Students who have graduated and those accepted for enrollment and currently enrolled may be eligible to use the Smart Option Student Loan to cover past due balances for up to 365 days from the enrollment period end date to the first disbursement date.\*
- **Broad eligibility.** Students can be:
  - attending school full-time, half-time, or less than half-time (enrolled in any program)
  - taking just a few classes or summer classes, seeking a professional certification, or enrolled in a continuing education or technical/trade program

- taking courses that do not qualify for federal student loans
- U.S. citizens or permanent residents enrolled in a foreign institution or study abroad program, or international students studying in the U.S. with a creditworthy U.S. citizen or permanent resident cosigner

### Benefits

- **Lower the interest rate.** Students can reduce their interest rate by a 0.25 percentage point simply by signing up to make their scheduled monthly payments by automatic debit.\*
- **Smart Reward® 2% cash back.** Borrowers can earn 2% of their scheduled monthly payment during the in-school and separation periods as a reward in their Upromise® account when the payment is made on time with the Interest and Fixed Repayment Options.\*
- **Quarterly FICO® Credit Scores are now available online for free.** Borrowers and cosigners can now view their FICO® Score by logging into their Sallie Mae account. They'll also receive access to the key factor(s) affecting their score and educational content to help them understand why viewing their FICO® Score is important.\*
- **Rewards for everyday spending.** Upromise Loan Link® lets customers transfer their rewards to their Sallie Mae student loan account to help pay down their eligible Sallie Mae student loans.\*

*\*Please refer to the disclosures for additional information.*

### 9. Co-signer release? If so, what are the terms?

Yes. Only the borrower may apply for cosigner release. Borrowers who meet the age of majority in their state may apply for cosigner release by providing proof of graduation (or completion of certification program), income, and U.S. citizenship or permanent residency (if your status has changed since you applied). In the last 12 months, the borrower must be current on all Sallie Mae serviced loans (including no hardship forbearances or modified repayment programs) and have paid ahead or made 12 on-time principal and interest payments on each loan requested for release. When the cosigner release application is processed, the borrower must demonstrate the ability to assume full responsibility of the loan(s) individually, and pass a credit review that demonstrates a satisfactory credit history including but not limited to no: open bankruptcy, open foreclosure, student loan(s) in default or 90 day delinquencies in the last 24 months. Requirements are subject to change.



## 10. Available repayment options

Students design their loan by:

- Choosing a fixed or variable interest rate.
- Paying now or deferring payments by selecting one of the repayment options below\*.

Interest Repayment	Fixed Repayment	Deferred Repayment
For students who are able to make monthly interest payments during school and for six months after school.	For students who are able to make fixed payments of \$25* each month during school and for six months after school.	For students who want to defer payments until six months after leaving school for budget flexibility.

- Getting the money they need to pay for school. Students can borrow up to 100% of school-certified cost of attendance.\*
- After their separation period, students can choose to start making full principal and interest payments, or request to make interest-only payments with the Graduated Repayment Period.\*

With the **Graduated Repayment Period**, students who graduate and maintain their Sallie Mae loans in good standing can request to make 12 interest-only payments instead of full principal and interest payments after their separation period.

*\*Please refer to the disclosures for additional information.*

## 11. Available repayment terms

The Smart Option Student Loan repayment term, during which principal and interest payments are required, is typically based on the cumulative outstanding Sallie Mae-owned or serviced private student loan balance, the in-school repayment option selected, and the student's grade level. The Fixed Repayment Option and Deferred Repayment Option may result in a longer repayment term; however, regardless of repayment option, the repayment term generally ranges from five to fifteen years.\*

*\*For financial calculations based on this loan program, please refer to disclosures section.*

## 12. Customer service for student/parents

### a. Phone numbers

Applicants can contact Sallie Mae toll-free at 877-279-7172 and borrowers with servicing inquiries can contact us toll-free at 800-472-5543.



***b. Hours***

Customer service representatives are available from 8 a.m. to 9 p.m. ET, Monday through Thursday, and 8 a.m. to 8 p.m. ET Friday. Outside of our call center hours, borrowers may use Sallie Mae's online loan management tool.

***c. Survey results (if applicable)***

Sallie Mae conducts customer satisfaction surveys on a regular basis. They perform comprehensive customer satisfaction surveys on a semiannual basis. Following each customer call to their call centers, Sallie Mae sends an email within 24-48 hours inviting the customer to complete a short survey online. Feedback from these surveys have a direct impact on how they serve your students. Recently, customer feedback led to the onshoring of their student loan customer service call centers and enhancements to their online loan payment website.

Sallie Mae's customer survey has recently been revised and they are collecting data from borrowers. We look forward to sharing results when they become available.

***13. Customer service for schools******a. Phone numbers***

You can contact Sallie Mae's School Assist<sup>SM</sup> team at 844-8-ASSIST or 302-451-4912.

***b. Hours***

You can contact Sallie Mae's School Assist team Monday through Friday from 8 a.m. to 8 p.m. ET.

***c. Survey results (if applicable)***

While Sallie Mae does not currently conduct regular surveys with schools, they obtain regular feedback from schools through their campus representatives on calls and visits.

***14. Do you participate in ELM NDN?***

Yes. Sallie Mae participates with the ELM NDN for Smart Option Student Loan disbursements.

***15. Do you offer a consolidation loan? If so, please provide details.***

We are not currently offering a private consolidation loan option.

***16. Are you affiliated with any other lenders? If so, please describe below in detail.***

Manufacturers and Traders Trust Company ("M&T Bank") is a New York State-chartered bank and trust company that is wholly owned (100%) by Wilmington Trust Corporation, a Delaware

bank holding company. Wilmington Trust Corporation is wholly owned (100%) by M&T Bank Corporation, a New York State-chartered bank holding company that is publicly traded on the New York Stock Exchange (NYSE:MTB).

***17. Copy of your most current Application/Solicitation disclosure for each loan product and the date of which it was last updated.***

To view the most recent Smart Option Student Loan LASD (Loan Application and Solicitation Disclosure), last updated on December 23, 2015, please go to [SallieMae.com/LASD](http://SallieMae.com/LASD).

***18. Are there any new products or services not otherwise addressed in this RFI of which you would like us to be aware?***

At M&T, we believe that it is our responsibility to educate our consumers to make sound financial decisions. In addition to sponsoring financial education programs conducted directly by employees, M&T Bank works with an extensive network of non-profit organizations providing consumers access to a broad array of financial education initiatives on myriad topics. These topics include personal finance and credit, homeownership, the fundamentals of banking, savings and investing, and starting and running a small business.

Partnerships to increase financial awareness in recent years include work with Operation HOPE, The B.E.S.T Program, Hillside Work Scholarship Connection, Boys & Girls Club of Binghamton, Broome County Urban League, and Mentoring to Manhood. Across its markets, M&T Bank also supports programs such as Junior Achievement and their goal of promoting financial literacy among students K-12.

M&T has a strong network of volunteers and a culture that encourages volunteerism. We are a leader in community development services by providing financial or volunteer assistance for over 3,500 events throughout our footprint including financial literacy seminars, and mortgage education programs and support for micro-enterprise. M&T employees also participated in 5,100 volunteer service events. Furthermore, M&T employees reported serving on the boards and committees of over 400 community development organizations by providing their financial expertise and assistance to these organizations.

Several highlighted examples of M&T's commitment to providing financial literacy programs in the communities that we serve are noted below:

The University at Buffalo School of Management and M&T Bank have partnered to bring MoneySKILL®, an innovative personal finance curriculum, into area high schools. MoneySKILL is a free, interactive, Internet-based curriculum designed to educate students to make informed financial decisions on a variety of personal finance issues, including income, money management, spending and credit, and saving and investing. Through this public/private collaboration, M&T and the UB School of Management are reaching out to local high schools to help them integrate MoneySKILL into their curricula. The UB School of Management and M&T Bank provide free teacher training and technical support for MoneySKILL, making it easy for teachers to use. And because the program can be completed online by students outside of regular class time, teachers don't have to change their daily lesson plans. In addition, a built-

in grade book electronically records each student's test scores and course grade, and MoneySKILL is regularly updated as tax regulations and financial products and services change. (Source: <http://mgt.buffalo.edu/about/community/highlights/moneyskill>)

M&T is a proud 2015 Platinum sponsor of Money Power Day® which is a free annual event providing Baltimore area families with quality financial services including: credit reports, credit counseling, customized financial planning, housing counseling, tax preparation, screening for public benefits, financial programs for youth, and the Tax Sale Prevention Clinic. Families who come to Money Power Day will be armed with the resources, tools, and support needed to change their financial futures. The many on-site services will allow participants to walk away with much more than a few brochures and business cards - they will have the tools to make the tough decisions needed to reach their financial goals. (Source: <http://www.baltimorecashcampaign.org/Money-Power-Day.aspx>)

Teach Children to Save Day is a national event sponsored by the American Bankers Association. In Delaware, the effort is coordinated by the Delaware Bankers Association and the University of Delaware's Center for Economic Education. Each year bankers teach an age-appropriate curriculum on the critically important message of savings in 3rd and 4th grade classrooms throughout Delaware. In 2014, M&T had 10 volunteers who taught in 15 classrooms reaching 350 students with this important financial literacy topic. In 2015, 18 M&T volunteers taught in 21 classrooms reaching 480 elementary students. Today, more than ever, cutting back on spending and saving money is a high priority. However, many people do not have the basic knowledge of how to manage personal finances effectively, which is why M&T Bank employees are volunteering their time to help teach children the importance of saving during Teach Children to Save Day. "When one child learns a useful saving strategy and shares it with another, or one student takes a new money game home to share with the family, we have made an impact," said M&T Bank President Mark Czarnecki. (Source: <http://www.prweb.com/releases/2010/04/prweb3932964.htm>)

## Graduate Student Loan

### 1. Name of loan program/product

Smart Option Student Loan

### 2. Years in student loan market

*M&T Bank was a federal loan lender for over 40 years and has been a Sallie Mae referral private loan provider for six years.*

Sallie Mae has been in the student loan business for more than 40 years.

### 3. Fixed and/or Variable

With Smart Option Student Loans, students can choose either a fixed or variable interest rate.

### 4. Interest rate spread for both fixed and variable (if applicable)

Smart Option Student Loan pricing\*

#### Graduate Student Pricing

Product	Variable Interest Rate	Fixed Interest Rate	Origination/Disbursement Fee
PLUS Loan*	Not applicable	6.84% (APR: 7.37% or 7.77%)	4.272%
Smart Option Student Loan Interest Repayment Option	LIBOR + 2.00% to LIBOR + 6.75% (APR: 2.50% to 7.24%)	5.75% to 8.38% (APR: 5.74% to 8.36%)	0%
Smart Option Student Loan Fixed Repayment Option	LIBOR + 2.50% to LIBOR + 7.00% (APR: 3.00% to 7.35%)	6.25% to 8.63% (APR: 6.16% to 8.42%)	0%
Smart Option Student Loan Deferred Repayment Option	LIBOR + 3.00% to LIBOR + 7.25% (APR: 3.45% to 7.51%)	6.75% to 8.88% (APR: 6.56% to 8.56%)	0%

4.272% PLUS loan fee applies to loans that first disburse on or after October 1, 2015 and before October 1, 2016.

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## 5. Eligibility criteria

### a. SAP required?

No. SAP is not a requirement to obtain a Smart Option Student Loan. Sallie Mae will process credit-approved loans regardless of the student's SAP status, as long as you certify the loan.

### b. ½ time enrollment required?

No. Students enrolled full time, half time, and less than half time are eligible.

### c. Must the student be matriculated?

No. The Smart Option Student Loan is available to non-degree seeking students attending SUNY Buffalo State. The student must be eligible and credit-approved, and the loan must be certified by the school's financial aid office.

### d. Eligible if in certificate program?

Yes.

### e. Past due balances? If so, what are the criteria?

Yes. Your students who are currently enrolled, accepted for enrollment, or previously enrolled for a prior loan period can apply for loans for prior enrollment periods\*. Prior loan period requests must meet the following conditions:

- Less than 365 days have passed or will pass from the end of the prior enrollment period to the time of the first disbursement of the loan.
- At the time of the request, the borrower is enrolled, intends to enroll, or has graduated.
- The borrower was enrolled during the prior enrollment period for which the loan is requested and did not withdraw with no intention of re-enrolling, as verified by the school.

Smart Option Student Loan borrowers and cosigners can apply for loans for prior balances by indicating the prior loan period during the online application process at SallieMae.com.

## 6. Minimum loan amount

Students can borrow a minimum of \$1,000 (as certified by the school), per loan.

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## 8. Back-end benefits

### Features

- **Cosigner release.** 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.\*
- **Death and disability safeguard.** This safeguard allows for a waiver of the loan's current balance in the event of the student borrower's death or total and permanent disability.\*
- **Coverage of past due balances.** Students who have graduated and those accepted for enrollment and currently enrolled may be eligible to use the Smart Option Student Loan to cover past due balances for up to 365 days from the enrollment period end date to the first disbursement date.\*
- **Broad eligibility.** Students can be:
  - attending school full-time, half-time, or less than half-time (enrolled in any program)
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### **c. Survey results (if applicable)**

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The University at Buffalo School of Management and M&T Bank have partnered to bring MoneySKILL®, an innovative personal finance curriculum, into area high schools. MoneySKILL is a free, interactive, Internet-based curriculum designed to educate students to make informed financial decisions on a variety of personal finance issues, including income, money management, spending and credit, and saving and investing. Through this public/private collaboration, M&T and the UB School of Management are reaching out to local high schools to help them integrate MoneySKILL into their curricula. The UB School of Management and M&T Bank provide free teacher training and technical support for MoneySKILL, making it easy for teachers to use. And because the program can be completed online by students outside of regular class time, teachers don't have to change their daily lesson plans. In addition, a built-in grade book electronically records each student's test scores and course grade, and MoneySKILL is regularly updated as tax regulations and financial products and services change. (Source: <http://mgt.buffalo.edu/about/community/highlights/moneyskill>)

M&T is a proud 2015 Platinum sponsor of Money Power Day® which is a free annual event providing Baltimore area families with quality financial services including: credit reports, credit counseling, customized financial planning, housing counseling, tax preparation, screening for public benefits, financial programs for youth, and the Tax Sale Prevention Clinic. Families who come to Money Power Day will be armed with the resources, tools, and support needed to change their financial futures. The many on-site services will allow participants to walk away with much more than a few brochures and business cards - they will have the tools to make the tough decisions needed to reach their financial goals. (Source: <http://www.baltimorecashcampaign.org/Money-Power-Day.aspx>)

Teach Children to Save Day is a national event sponsored by the American Bankers Association. In Delaware, the effort is coordinated by the Delaware Bankers Association and the University of Delaware's Center for Economic Education. Each year bankers teach an age-appropriate curriculum on the critically important message of savings in 3rd and 4th grade classrooms throughout Delaware. In 2014, M&T had 10 volunteers who taught in 15 classrooms reaching 350 students with this important financial literacy topic. In 2015, 18 M&T volunteers taught in 21 classrooms reaching 480 elementary students. Today, more than ever, cutting back on spending and saving money is a high priority. However, many people do not have the basic knowledge of how to manage personal finances effectively, which is why M&T Bank employees are volunteering their time to help teach children the importance of saving during Teach Children to Save Day. "When one child learns a useful saving strategy and shares it with another, or one student takes a new money game home to share with the family, we have made an impact," said M&T Bank President Mark Czarnecki. (Source: <http://www.prweb.com/releases/2010/04/prweb3932964.htm>)

## Disclosures

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This proposal is for degree-granting institutions only.

**Smart Option Student Loan Eligibility:** Borrowers must attend a participating school or have attended one in an eligible prior enrollment period. Borrowers must be a U.S. citizen or a permanent resident or a non-U.S. citizen borrower who is attending or has attended a school located in the U.S. applying with a creditworthy cosigner (who must be a U.S. citizen or permanent resident) and required U.S. Citizenship and Immigration Service (USCIS) documentation. U.S. citizens and permanent residents enrolled in eligible study abroad programs or who are attending or have attended schools located outside the U.S. are also eligible. Applications are subject to a requested minimum loan amount of \$1,000. Current credit and other eligibility criteria apply.

**Smart Option Student Loan Rate Availability:** Interest rates for the Fixed and Deferred Repayment Options are higher than interest rates for the Interest Repayment Option. Graduate student pricing on the Smart Option Student Loan is limited to students enrolling in a Masters/Doctorate level degree program. Graduate Certificate/Continuing Education course work is not eligible for graduate student pricing. Variable rates may increase after consummation. Interest is charged while you are in school and during the 6-month separation period. Unpaid Interest will be added to the Current Principal when you enter principal and interest repayment. LIBOR is the 1-month London Interbank Offered Rate rounded up to the nearest one-eighth of one percent.

SALLIE MAE RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES, AND BENEFITS AT ANY TIME WITHOUT NOTICE.

Students and their families should explore federal loans and compare to ensure they 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.

**Graduated Repayment Period:** Available for loans made to students attending a degree-granting institution. Graduated Repayment Period (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 (which typically begins six months after graduation) 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 and the borrower must have graduated with no interruption in enrollment and not be more than 30 days delinquent on any student loan. The borrower may request GRP only during the two billing periods immediately preceding and the two 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 will be higher than it otherwise would have been without GRP, and the Total Loan Cost will increase.

**Prior Enrollment Period:** If requesting a loan for a prior enrollment period, less than 365 days can pass from the end of the prior enrollment period to the time of the loan's first disbursement. At the time of the request, the borrower must be enrolled, intending to enroll, or have graduated. The borrower must have been enrolled during the prior enrollment period for which the loan is requested and must not have withdrawn with no intention of re-enrolling, as verified by the school.

**Cosigner Release:** Only the borrower may apply for cosigner release. Borrowers who meet the age of majority in their state may apply for cosigner release by providing proof of graduation (or completion of certification program), income, and U.S. citizenship or permanent residency (if your status has changed since you applied). In the last 12 months, the borrower must be current on all Sallie Mae serviced loans (including no hardship forbearances or modified repayment programs) and have paid ahead or made 12 on-time principal and interest payments on each loan requested for release. When the cosigner release application is processed, the borrower must demonstrate the ability to assume full responsibility of the loan(s) individually, and pass a credit review that demonstrates a satisfactory credit history including but not limited to no: open bankruptcy, open foreclosure, student loan(s) in default or 90 day delinquencies in the last 24 months. Requirements are subject to change.

**Upromise Loan Link:** Only the primary borrower can link Upromise and loan accounts. Cosigners, family and friends may direct their Upromise earnings to the Upromise account of the primary borrower to help them pay down their loans. Not all loans may be eligible for linking. To view details and how Upromise earnings are applied to loans please visit [www.Upromise.com/loanlink](http://www.Upromise.com/loanlink). Upromise account balances of \$10 or more will be transferred to help pay down linked loans on a monthly basis. If you have multiple eligible loans, allocation of your Upromise earnings will depend on the loan type and are at the sole discretion of Upromise and Sallie Mae. Access to Upromise is not limited to Sallie Mae loan customers.

**Upromise Terms and Conditions:** Terms and conditions apply to the Upromise service. Participating companies, contribution levels and terms and conditions are subject to change at any time without notice. Go to [Upromise.com](http://Upromise.com) to learn more.

**Smart Reward Benefit:** Primary borrower must enroll in Upromise to be eligible to earn a reward into his or her active Upromise account of 2% of the Current Amount Due in each month it is paid on-time during the in-school and separation periods. If paid ahead, the reward will be based on the regularly scheduled monthly payment amount. The loan must remain current to be eligible for the reward. The Smart Reward Benefit and Upromise membership are subject to the terms and conditions of the Upromise service, as may be amended from time to time. Terms and conditions apply to the Upromise service. Participating companies, contribution levels and terms and conditions are subject to change at any time without notice. Go to [Upromise.com](http://Upromise.com) to learn more. Upromise Accounts are not FDIC insured, carry no bank guarantee and may lose value.

**Death and Disability:** If a student dies or becomes permanently and totally disabled, Sallie Mae will waive all remaining payments on the loan.

**Auto Debit:** Either the borrower or cosigner (not both) must enroll in auto debit through Sallie Mae. The rate reduction benefit applies only during active repayment for as long as the

Current Amount Due is successfully deducted from the designated bank account each month and is suspended during forbearances and certain deferments.

**Quarterly FICO® Score:** Borrowers and cosigners may receive their FICO® Score quarterly after the first disbursement of their loan. FICO® Scores are delivered only to borrowers and cosigners who have an available score, are based on data from TransUnion, and may be different from other credit scores. This benefit may change or end in the future. FICO® is a registered trademark of the Fair Isaac Corporation in the United States and other countries.

**Smart Option Student Loan Financial Calculations:** The following loan examples use approximated numbers, are for informational purposes only, and are examples of typical loan terms available through the Sallie Mae Smart Option Student Loan. Undergraduate examples assume a \$10,000 loan with two disbursements made to a freshman student who is attending a four-year undergraduate program at a degree-granting institution with no origination fee. Graduate examples assume a \$10,000 loan with two disbursements made to a first-year graduate student who is attending a 2-year graduate program with no origination fee.

APRs and interest rates with the variable interest rate type are variable and may increase after consummation.

### Smart Option Student Loan - Undergraduate Student Examples

#### Fixed Interest Rate

*Interest Repayment Option:* The APR is 8.86%. Repayment consists of four interest payments of \$36.98 per month and 47 interest payments of \$73.96 per month during the in-school and separation periods, followed by 83 payments of \$160.83 per month and one payment of \$137.40. The total loan cost is \$17,110.33.

*Fixed Repayment Option:* The APR is 8.88%. Repayment consists of 51 fixed \$25 per month payments during the in-school and separation periods, followed by 119 payments of \$162.06 per month and one payment of \$120.30. The total loan cost is \$20,680.44.

*Deferred Repayment Option:* The APR is 9.16%. Repayment consists of 143 payments of \$167.15 per month, followed by one payment of \$104.17 after the 51-month in-school and separation periods (45 months in school and six months of separation). The total loan cost is \$24,006.62.

#### Variable Interest Rate

*Interest Repayment Option:* The APR is 7.24%. Repayment consists of four interest payments of \$30.21 per month and 47 interest payments of \$60.42 per month during the in-school and separation periods, followed by 83 payments of \$152.59 per month and one payment of \$135.54. The total loan cost is \$15,761.09.

*Fixed Repayment Option:* The APR is 7.44%. Repayment consists of 51 fixed \$25 per month payments during the in-school and separation periods, followed by 119 payments of \$143.06 per month and one payment of \$115.21. The total loan cost is \$18,414.35.

*Deferred Repayment Option:* The APR is 7.74%. Repayment consists of 143 payments of \$146.91 per month, followed by one payment of \$105.55 after the 51-month in-school and



separation periods (45 months in school and six months of separation). The total loan cost is \$21,113.68.

### Smart Option Student Loan - Two-Year Graduate Student Examples

#### **Fixed Interest Rate**

*Interest Repayment Option:* The APR is 7.49%. Repayment consists of four interest payments of \$31.25 per month and 23 interest payments of \$62.50 per month during the in-school and separation periods, followed by 59 payments of \$200.98 per month and one payment of \$185.42. The total loan cost is \$13,605.74.

*Fixed Repayment Option:* The APR is 7.59%. Repayment consists of 27 fixed \$25 per month payments during the in-school and separation periods, followed by 59 payments of \$221.13 per month and one payment of \$203.60. The total loan cost is \$13,925.27.

*Deferred Repayment Option:* The APR is 7.74%. Repayment consists of 71 payments of \$205.12 per month and one payment of \$183.92 after the 27-month in-school and separation periods (21 months in school and six months of separation). The total loan cost is \$14,747.44.

#### **Variable Interest Rate**

*Interest Repayment Option:* The APR is 6.24%. Repayment consists of four interest payments of \$26.04 per month and 23 interest payments of \$52.08 per month during the in-school and separation periods, followed by 59 payments of \$194.98 per month and one payment of \$182.82. The total loan cost is \$12,988.64.

*Fixed Repayment Option:* The APR is 6.40%. Repayment consists of 27 fixed \$25 per month payments during the in-school and separation periods, followed by 59 payments of \$209.46 per month and one payment of \$195.96. The total loan cost is \$13,229.10.

*Deferred Repayment Option:* The APR is 7.51%. Repayment consists of 71 payments of \$202.77 per month and one payment of \$182.62 after the 27-month in-school and separation periods (21 months in school and six months of separation). The total loan cost is \$14,579.29.

The PLUS APR is calculated using a Sallie Mae internal financial model and is provided for comparison purposes only. 4.272% PLUS loan fee applies to loans that first disburse on or after October 1, 2015 and before October 1, 2016.

Rates, fees, and availability of federal loan products are subject to change by the federal government.

Federal student loan information was gathered on 3/14/2016 from <http://studentaid.ed.gov/>. Check <http://studentaid.ed.gov/> for the most up-to-date information about federal loan products.

Assumptions for the 4-Year Undergraduate PLUS Loan APRs: \$10,000 loan with two disbursements; four-year in-school period; a 4.272% origination fee; and standard 10-year repayment term. The 6.97% PLUS Loan APR assumes the borrower defers payments during school and the six-month grace period and the 7.77% PLUS Loan APR assumes the borrower makes payments once the loan is fully disbursed.



Assumptions for the 2-Year Graduate PLUS Loan APRs: \$10,000 loan with two disbursements; two-year in-school period; a 4.272% origination fee; and standard 10-year repayment term. The 7.37% PLUS Loan APR assumes the borrower defers payments during school and the six-month grace period and the 7.77% PLUS Loan APR assumes the borrower makes payments once the loan is fully disbursed.

**Cost of attendance:** Sallie Mae reserves the right to approve a lower loan amount than the school certified amount.

## Disclaimer

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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.

Sallie Mae and M&T Bank agree only to the terms set forth in this proposal. Sallie Mae and M&T Bank reserve the right to revise this proposal at any time. To the extent that items included in this proposal differ from the Request for Proposal, this proposal constitutes a counter-proposal with respect to the terms that differ. All intellectual property resulting from performing any work in connection with this proposal belongs to Sallie Mae or M&T Bank. For purposes of this proposal, "Sallie Mae" means SLM Corporation and its subsidiaries, including Sallie Mae Bank.

Information advertised valid as of March 25, 2016.

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Sallie Mae Smart Option Student Loans are made by Sallie Mae Bank.

The Sallie Mae partner referenced is not the creditor for these loans and is compensated by Sallie Mae for the referral of M&T Bank customers.

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