



MEDLOANS Stafford and ALP 2003-04 Terms & Conditions

MEDLOANS Federal Stafford Loans

MEDLOANS Alternative Loan Program (ALP)

Eligibility	Enroll half time or more in an eligible school.	Enroll half time or more in an eligible school.
Loan Limits	<p>Meet other eligibility criteria in the Federal Stafford Loan Promissory Note.</p> <p>Annual: \$38,500*</p> <p>Aggregate: \$189,125</p> <p>*The unsubsidized loan limit is less any subsidized loan amount. (Subsidized limit: \$8,500) Limits may vary by school – see your Financial Aid Officer.</p>	<p>Meet established credit criteria, which include having prior student loans in good standing.</p> <p>Minimum: \$500</p> <p>Annual Maximum: Cost of education minus other financial aid.</p> <p>Aggregate Maximum: \$220,000 (Total educational indebtedness from all sources.)</p>
Interest Rates	<p>In School, Grace and Deferment: 91-day T-bill plus 1.7%, not to exceed 8.25%. Variable, adjusted annually.</p> <p>In Repayment: 91-day T-bill plus 2.3%, not to exceed 8.25%. Variable, adjusted annually.</p>	<p>Prior to Repayment: Prime Rate + 0%. Variable, adjusted quarterly.</p> <p>In Repayment: Prime Rate + 0.25%. Variable, adjusted quarterly.</p> <p>(Repayment interest rate assumes that the borrower takes advantage of MEDLOANS Direct RepaySM and MEDLOANS RewardsSM. Otherwise, the interest rate is Prime + 1%.) See Borrower Benefits.</p>
Capitalization (the point at which unpaid interest is added to the principal balance of your loan)	<p>Once at repayment on MEDLOANS Unsubsidized Stafford Loans following uninterrupted periods of grace and deferment.</p> <p>(Not applicable for Subsidized Stafford Loans.)</p>	<p>Interest may be deferred during school and during the three-year residency grace period. Unpaid interest is capitalized when repayment begins.</p>
Repayment	<p>Begins after a six-month grace period following graduation, leaving school or changing to less than half-time enrollment. Deferment and forbearance options are available for residency.</p> <p>Standard (level), Graduated (including Sallie Mae's exclusive Flex RepaySM Account), Income-Sensitive and Extended Repayment plans are available with 10-25 year repayment terms depending on eligibility.</p>	<p>Begins three years after graduation or nine months after changing to less than half time enrollment.</p> <p>20 years.</p> <p>Standard and alternative repayment plans are available.</p>
Borrower Benefits	<p>Healthier ReturnsSM: Receive a 3.5% credit on the original MEDLOANS Stafford Loan amount when you:</p> <ul style="list-style-type: none"> • Graduate; • Sign up to receive account information at a valid e-mail address; • Enroll in Sallie Mae's Manage Your LoansSM <p>MEDLOANS Stafford Cash BackSM: You may also receive a 4.5% rebate based on the MEDLOANS Stafford Loan amount (your choice of either cash or a loan credit) when you:</p> <ul style="list-style-type: none"> • Make initial 33 scheduled payments on time; • Sign up to receive account information at a valid e-mail address; • Enroll in Sallie Mae's Manage Your Loans 	<p>MEDLOANS Direct Repay: Have your payments automatically withdrawn from your bank account and receive an immediate 0.25 percentage point interest rate reduction.</p> <p>MEDLOANS Rewards: Maintain a schedule of on time payments and receive an immediate 0.5 percentage point interest rate reduction.</p>
Fees	<p>Guarantee Fee: 0%</p> <p>Origination Fee: 3% subtracted from loan proceeds.</p>	<p>Origination Fee: 0%</p> <p>Supplemental Fee: 0% to 6%, based on borrower's credit analysis at repayment. Supplemental fee will be lower if voluntary monthly payments of \$50 or more are made in residency.</p> <p>MEDLOANS ALP Annual Percentage Rate (APR) Example: If you were to borrow \$10,000, with an 81-month interim period, with the interim period rate of 4.75% and the repayment rate of 5.75%, and a Supplemental Fee of 0%, then your total APR, without benefits, would be 4.61%, and your monthly payment would be \$92.16 for 240 months.</p>



**Offers 8% in Discounts
on Federal Stafford Loans!**

**See How MEDLOANS 8% in Discounts +
MEDLOANS Interest Capitalization Policy
Translate into Total Savings:**

Healthier ReturnsSM @ 3.5%

You may receive a 3.5% credit based on your original MEDLOANS Stafford Loan amount. To qualify, complete three simple steps ...

- Graduate
- Enroll in Manage Your Loans SM [Sallie Mae's online borrower account management tool]
- Sign up to receive account information at a valid e-mail address

This credit may be applied to your account as early as graduation or as late as six years from graduation (provided you've met all eligibility criteria).

MEDLOANS Stafford Cash BackSM @ 4.5%

You may also receive a 4.5% rebate based on the original MEDLOANS Stafford Loan amount. Choose the rebate as either cash or as a loan credit. To qualify, complete three simple steps ...

- Make initial 33 scheduled payments on time
- Enroll in Manage Your Loans
- Sign up to receive account information at a valid e-mail address

MEDLOANS Interest Capitalization Policy Savings

MEDLOANS borrowers save money on their Unsubsidized Stafford Loans through MEDLOANS' interest capitalization policy savings. The unpaid interest on MEDLOANS' Unsubsidized Stafford Loans is added to the principal balance (capitalized) only one time after uninterrupted periods of grace and deferment. Other loan providers may add unpaid interest to the principal balance more frequently, such as at the end of grace and again at the end of the deferment period.

<i>NEW for 2003-04</i>	MEDLOANS	Lender "A"	Lender "B"
Amount Borrowed	\$100,000	\$100,000	\$100,000
Healthier Returns @ 3.5%	\$4,556	\$0	\$0
MEDLOANS Stafford Cash Back @ 4.5%	\$5,993	\$0	\$0
Interest Capitalization Policy Savings	\$506	\$0	\$511
Other Savings	\$0	\$6,653	\$9,278
Combined Benefit Savings	\$11,055	\$6,653	\$9,789

Above example assumes \$34,000 Subsidized Stafford and \$66,000 Unsubsidized Stafford Loan indebtedness. Interest rate used is 4.06% during repayment, 45 months in school, 36 months grace and deferment, 120 months in repayment and a standard repayment account. Assumptions for Lenders A and B are based on AY 02-03 offerings. Lender A assumptions include a 0.25 percentage point interest rate reduction for auto debit and a 2 percentage point interest rate reduction for timely payments. Lender B assumptions include one time interest capitalization after uninterrupted periods of grace and deferment and a 1.3% annualized rebate.

Healthier Returns is available on MEDLOANS Stafford Loans first disbursed May 1, 2001 through April 30, 2004. MEDLOANS Stafford Cash Back at 4.5% is available on MEDLOANS Stafford Loans first disbursed May 1, 2003 through April 30, 2004. Sallie Mae reserves the right to modify, continue or discontinue borrower benefit programs at any time without notice. Changes to these programs, if any, will not affect loans that previously qualified for these benefits. Terms and conditions apply.

MEDLOANS is a registered trademark of the Association of American Medical Colleges (AAMC).

Sallie Mae is a registered service mark and "Nobody lends you more support", Flex Repay, Manage Your Loans, Healthier Returns, MEDLOANS Stafford Cash Back, MEDLOANS Direct Repay, and MEDLOANS Rewards are service marks of Sallie Mae, Inc. SLM Corporation and its subsidiaries (other than the Student Loan Marketing Association), are not sponsored by agencies of the United States. Sallie Mae, Inc. is a wholly owned subsidiary of the SLM Corporation.