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# **Request for Information**

**Presented to:**

**Methodist University**

**February 3, 2012**



*Fifth Third  
Education Lending*

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## LENDER INFORMATION

**Lender Name:** Fifth Third Bank

**Lender ID:** 508780 – Private

**Address:** Fifth Third Education Lending  
11100 USA Parkway  
Fishers, IN 46037

**Telephone:** 800-222-7192 – Fifth Third “Hotline”  
888-272-4665 – CollegeServ® for school administrators  
888-272-5543 – Customer Service for borrowers.

**Website:** [www.53EducationLending.com](http://www.53EducationLending.com)

**Contacts:** **Phil Trocchia**  
Senior Account Executive  
904-996-0708 – Office  
904-707-6646 – Cell  
[Phil.Trocchia@53EducationLending.com](mailto:Phil.Trocchia@53EducationLending.com)

**Karen VanMeter**  
President  
Fifth Third Education Lending  
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## Mission Statement

***“Fifth Third Bank - a company that relentlessly meets today's needs while working hard to deliver a better tomorrow for our customers, our employees and our shareholders.”***

The Fifth Third Education Lending team views our commitment to fund education as an investment in a better tomorrow. That’s why we work closely with families to develop a college financing plan that meets their individual needs and works within their budget. When we fund a student’s education, we’re doing more than meeting a present need; we’re making an investment in that student’s future.

At Fifth Third, we help students and families make the right choices in financing their education today – so they can focus on tomorrow, and the road ahead.

*Fifth Third Bank and Sallie Mae® reserve the right to modify or discontinue products, services, and borrower benefits at any time without notice. Applicants should check the Fifth Third website ([www.53EducationLending.com](http://www.53EducationLending.com)) to obtain the most up-to-date product information.*

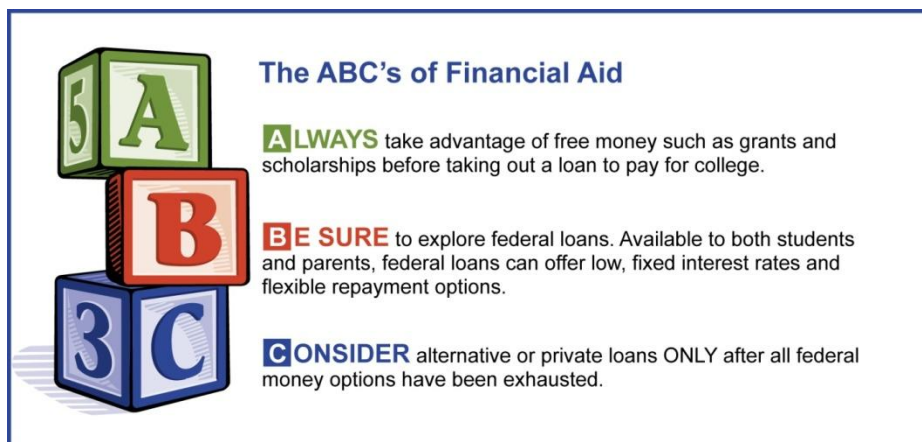
## History of Fifth Third Bank

Fifth Third traces its origins to the Bank of the Ohio Valley, which opened its doors in Cincinnati in 1858. Twelve years later, the first of many acquisitions began to shape what would later become Fifth Third Bank. The unusual name is the result of two organizations – Fifth National Bank and Third National Bank – uniting in 1908.

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. As of September 30, 2011, the Company had \$115 billion in assets and operated 15 affiliates with 1,314 full-service Banking Centers, including 103 Bank Mart® locations open seven days a week inside select grocery stores and 2,437 ATMs in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Pennsylvania, Missouri, Georgia and North Carolina.

## Private/Alternative Loans

Fifth Third endorses *the ABC's of Financial Aid*. These simple reminders are used to help guide students and families through the process of paying for college to ensure that when it comes time to pay for college, they have put together the most affordable financing available to them.

The graphic features three stacked blocks on the left. The top block is green with a white 'A' and a green '5' on its side. The middle block is red with a white 'B'. The bottom block is blue with a white 'C' and a blue '3' on its side. To the right of the blocks, the title 'The ABC's of Financial Aid' is written in blue. Below the title are three bullet points, each starting with a letter in a colored box: 'A' in green, 'B' in red, and 'C' in blue.

**The ABC's of Financial Aid**

- A** **LWAYS** take advantage of free money such as grants and scholarships before taking out a loan to pay for college.
- B** **E SURE** to explore federal loans. Available to both students and parents, federal loans can offer low, fixed interest rates and flexible repayment options.
- C** **ONSIDER** alternative or private loans **ONLY** after all federal money options have been exhausted.

Fifth Third Bank participated in the FFEL student loan program for over forty years and was a “Top 14” national student loan lender prior to the elimination of FFELP. Fifth Third continues its commitment to higher education by providing private student loans and has done so since 1995.

## Smart Option Student Loan<sup>®</sup> funded by Fifth Third Bank

The Smart Option Student Loan funded by Fifth Third Bank is a private, credit-based, school-certified education loan for undergraduate, graduate, and health professional students. Its three repayment options, no origination and repayment fee pricing, and borrower benefits make it the “smart option” for students and families who have maximized grants, scholarships, and federal loans.

### Choice of Repayment Option

With three repayment options, students can select the option that works best for them. Students can maximize savings on one loan by making payments during the in-school and separation periods, and defer payments on another loan to help maximize their cash flow.

- Deferred Repayment Option – offers students flexibility with their payments\***  
 Students have the option to defer payments while in school and for six months after school, to help them manage their cash flow. While they are in school, they will receive monthly statements to stay informed about their accruing interest, and have the option to pay any amount they want to help reduce the overall cost before their repayment term begins.
- Fixed Repayment Option – can save students over 10% compared with the Deferred Repayment Option\*** Students pay just \$25 a month in school and six months after school.\* This option allows students to budget a low, fixed amount each month while taking advantage of a shorter repayment term.\*
- Interest Repayment Option – can save students over 20% compared with the Deferred Repayment Option\***  
 Students pay interest in school and for six months after school, allowing them to take advantage of a shorter repayment term.

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

### Competitive Pricing

Regardless of repayment option selected, borrowers will pay **no origination fee and no repayment fee.**

#### SMART OPTION STUDENT LOAN FUNDED BY FIFTH THIRD BANK PRICING

Repayment Option	Interest Rate (without Cosigner)	Interest Rate (with Cosigner)	Origination/ Repayment Fees
Deferred Repayment Option	1-Month LIBOR + 3% to 9.875% (APR: 3.29% to 9.48%)	<b>The Cosigner Advantage</b> Borrowers will receive a 0.50 percentage point reduction in interest rate except when receiving our lowest rate.	0%
Fixed Repayment Option	1-Month LIBOR + 2.5% to 9.375% (APR: 2.88% to 9.20%)		0%
Interest Repayment Option	1-Month LIBOR + 2% to 8.875% (APR: 2.37% to 9.23%)		0%

APRs and interest rates are variable and may increase after consummation. The 1-Month LIBOR effective on January 25, 2012, is 0.375%. Smart Option Student Loans are funded by Fifth Third Bank. Interest rates on loans with the Fixed and the Deferred Repayment Options are higher than rates on loans with the Interest Repayment Option. Origination fees mean application or disbursement fee.

## THE COSIGNER ADVANTAGE

For Students	For Cosigners
<p><b>Lower rates:</b> Borrowers will receive a 0.50 percentage point reduction in interest rate except when receiving our lowest rate.</p> <p>An additional reduction in interest rate can occur when cosigners have better credit than student borrowers.</p>	<p><b>A shorter commitment:</b> Borrowers can apply for cosigner release* after they graduate and make <i>just 12 consecutive payments</i> of principal and interest. Most other loan providers require 24 to 48 consecutive payments of principal and interest.</p>
<p><b>Increased approvals:</b> By applying with a cosigner students can increase their chance for approval.</p>	<p><b>An easy application process:</b> The new online application allows cosigners and students to apply during the same online session, or at different times, whichever is more convenient.</p>

\* Please refer to the disclosures section.

## Death and Disability Safeguard

Fifth Third Bank's servicer, Sallie Mae's comprehensive protection for families also allows for a waiver of the remaining loan obligation in the event of the student borrower's death or total and permanent disability (i.e., if the student borrower is unable to work and earn money because of a condition that began or deteriorated after the date he/she obtained the Smart Option Student Loan). A cosigner will not be responsible for a loan that is waived for either death or disability. This feature is limited to the death or total and permanent disability of the primary borrower and is not available to residents of Alaska or Montana. Additional terms and conditions apply.

## Exclusive Borrower Benefits

- **New Tuition Insurance Benefit\*- exclusively with the Smart Option Student Loan**  
Fifth Third Bank's servicer, Sallie Mae's new Tuition Insurance Benefit with the Smart Option Student Loan covers up to \$5,000 of unrefunded tuition, room and board, and other fees if students need to withdraw from school for covered medical reasons such as:
  - Sports/athletic injury
  - Automobile accident
  - Unforeseen personal illness
  - Mental or nervous disability

This benefit is provided at no cost with Smart Option Student Loans first disbursed between 7/1/12 and 10/31/12.

Borrowers attending degree-granting institutions are automatically enrolled in the Tuition Insurance Benefit beginning on the day of the first loan disbursement. Benefit must be activated

in order to receive the full twelve months of coverage. Activation period ends four months after first loan disbursement. The Tuition Insurance Benefit covers up to \$2,500 per semester (\$5,000 total per policy) of payments of tuition, room and board, books, and fees that are lost if the student withdraws from school for a covered medical reason. Additional coverage is available for purchase.

- **0.25 percentage point interest rate reduction while enrolled to make scheduled monthly automatic debit payments.** Recurring automatic monthly payments must be successfully deducted from a designated bank account for rate reduction to apply. The benefit is suspended during periods of forbearance and certain deferments.
- **Smart Reward<sup>®</sup>** - A 2% reward in their Upromise<sup>®</sup> account just for making on-time payments while in school with the Interest Repayment Option and Fixed Repayment Option.\*

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

## More Opportunities to Qualify

Regardless of enrollment status or program of study, the Smart Option Student Loan is available to a wide range of creditworthy students who can be:

- Enrolled full time, half time, or less than half time
- Enrolled in any program at your school. Students can be enrolled in a technical/trade program, a continuing education program, or an undergraduate or graduate program
- International with appropriate U.S. Citizenship and Immigration Service documentation (with an eligible U.S. citizen or permanent resident cosigner)
- Studying at Title IV-participating schools outside of the U.S.

## Easy online application and fast credit decision

The application process has recently been enhanced so that students and their cosigners can now apply for a Smart Option Student Loan funded by Fifth Third Bank in the same online application session at [www.53EducationLending.com](http://www.53EducationLending.com). During the application process, students select whether they will complete the application on their own or apply with a cosigner. Students may apply with a cosigner in the same session or send an invitation to the cosigner to return later to complete and electronically sign the application. This enhancement makes for a more efficient application experience.

## Students can borrow up to 100% of school-certified cost of education

The minimum loan amount is \$1,000, and the program maximum is \$200,000. Student maximums (total debt level, including federal and private loans from all lenders) will vary by borrower and are determined through Fifth Third Bank's servicer, Sallie Mae's credit approval process based upon creditworthiness, including ability to repay.

## More Opportunities to be Approved

Fifth Third Bank and Fifth Third Bank's servicer, Sallie Mae, go the extra mile to assist loan applicants by researching their credit histories and any special circumstances that may be affecting their chances for loan approval. Loan applications sent to the judgmental application review department are reviewed thoroughly, one by one. This additional step is part of Fifth Third Bank's commitment to help as many students as possible achieve their education dreams.

## Prior Balances

A student borrower may request a loan for a prior loan period if the following conditions are met:

- Fewer than 180 days have passed or will pass from the loan period end date to the first disbursement of the loan  
***New for AY 2012/13: Loans for past due balances may be made if fewer than 365 have passed or will pass from the loan period end date to the first disbursement of the loan.***
- At the time of the request, the student borrower is enrolled or intends to enroll, or the student borrower has graduated
- The student was previously enrolled either half time or full time during the prior enrollment period for which the loan is requested and did not withdraw

Smart Option Student Loan funded by Fifth Third Bank borrowers and cosigners can apply for loans for prior balances by indicating the prior loan period during the online application process at [www.53EducationLending.com](http://www.53EducationLending.com).

## School Certification

The Smart Option Student Loan funded by Fifth Third Bank requires school certification.

## Satisfactory Academic Progress Requirements (SAP)

SAP is not a requirement to obtain a Smart Option Student Loan funded by Fifth Third Bank. Credit-approved loans will be processed regardless of the student's SAP status, as long as the school certifies the loan.

## Estimated time frame from submission of application to certification

Smart Option Student Loan borrowers and cosigners can apply online at [www.53educationlending.com](http://www.53educationlending.com). By applying online, borrowers can view their Application/Solicitation Disclosure online, receive a quick credit result during the same online session along with a Loan Approval Disclosure, complete their self-certification form, and sign their application, self certification, and promissory note electronically.

The applicant will be provided 30 calendar days from receipt of his/her Loan Approval Disclosure to decide whether to accept the terms of the loan offer, as required by the Higher Education Opportunity Act (HEOA) of 2008. As soon as the loan terms have been accepted by the applicant, and Fifth Third Bank's servicer, Sallie Mae, has everything needed from the borrower and/or cosigner, school certification will be requested.

## Process for handling Title X/Self Certification forms

Smart Option Student Loan funded by Fifth Third Bank borrowers and cosigners can apply online at [www.53educationlending.com](http://www.53educationlending.com). By applying online, borrowers can view their Application/Solicitation Disclosure online, receive a quick credit result during the same online session, and if approved, can review their Loan Approval Disclosure and accept the terms of their loan during this same online session (at their option). In addition, borrowers can complete their self-certification form, and sign their application, self certification, and promissory note electronically.

Fifth Third Bank's servicer, Sallie Mae, can collect the private loan self-certification form either online or by mail. For ease of processing, Sallie Mae is encouraging borrowers to submit and sign the self-certification form online, through an application developed to make the process easy for students and schools.

Alternatively, the school may submit the self-certification form on behalf of the borrower; however, the borrower must sign the form before it is submitted.

## Repayment

With the Smart Option Student Loan funded by Fifth Third Bank, borrowers have the option to defer payments, make interest payments, or make \$25/month fixed payments during school and for six months thereafter.\* Payments of full principal and interest begin following the last day of the separation period and continue during the remainder of the term.

The standard repayment term for the Smart Option Student Loan funded by Fifth Third Bank is based on the cumulative outstanding Sallie Mae-serviced private student loan balances, the 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 term generally ranges from five to fifteen years.\*

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

## Smart Option Student Loan Repayment Postponement Options

**Under the following conditions full principal and interest repayment may be deferred:**

- Under certain circumstances, temporary financial difficulty may postpone principal and interest payments through approval of a Hardship Forbearance. A minimum payment may be required on the same terms as the in-school repayment option originally applicable to the loan.
- Members of the National Guard or the Ready Reserves called to active duty for more than 30 days or a regular active-duty member of the Armed Forces may request postponement of principal and interest payments. If the borrower was in school or the grace/separation period when the military mobilization began, payment will be postponed for a minimum of 31 days and a maximum period of three years. If the private loans were in repayment when the military mobilization began, principal and interest payments will be postponed for a period up to two years. During this deferment, no minimum payments are required.

**Under the following conditions principal may be deferred:**

- Student borrowers who return to school after separation and meet enrollment status requirements may revert to their original in-school repayment option for a maximum of 48 months.
- Eligible students in an internship/residency program may revert to their original in-school repayment option while enrolled in the program for a maximum of 48 months.

## Customer Service

For students and parents, Fifth Third is pleased to offer the **Financial Aid Hotline** at 800-222-7192. This group of specially trained staff is available to assist students and parents by answering questions concerning the financial aid process, including the different loan types. The staff can also assist families with the application process. The Hotline is available from 8:00 am – 6:00 pm ET Monday through Friday.

Borrowers are also encouraged to contact Sallie Mae's Customer Service by phone Monday through Thursday, from 8:00 a.m. to 9:00 p.m. ET and Friday from 8:00 a.m. to 8:00 p.m. ET at 888-272-5543. Student loan account information is also available online at [SallieMae.com](http://SallieMae.com).

Fifth Third Bank's servicer, Sallie Mae, offers your school administrators access to CollegeServ®. Representatives from CollegeServ are thoroughly familiar with your school's process and are available to answer any day-to-day questions from members of your financial aid staff. The CollegeServ team is available Monday through Friday from 8 a.m. to 5 p.m. in each continental U.S. time zone at 888-272-4665. Origination information can be obtained at any time via the voice response unit and the Internet.

**Phil Trocchia**, your Fifth Third Senior Account Executive, is also able to assist as needed. Phil can be reached at 904-996-0708 or via email at [Phil.Trocchia@53EducationLending.com](mailto:Phil.Trocchia@53EducationLending.com).

## **Financial Literacy and Debt Management**

Fifth Third is a full service Bank with a long-term commitment to its communities and to higher education. Fifth Third has a full line of student banking products including checking and savings accounts. The Bank is also committed to financial literacy.

Fifth Third Bank has adopted a very detailed Financial Management Program. It introduces seminars and specific videos to help educate students on the importance of financial responsibility and give students the tools they need to build basic financial awareness skills. The seminars are age-appropriate, with engaging content, interactive discussions, entertaining videos, and activities to ensure retention.

These are very critical topics that will instill students with the basic information to help them create a solid foundation. By viewing these videos you can learn more creative ways to share the basics of Financial Literacy and awareness. You can view these videos and learn more at [www.53.com/students](http://www.53.com/students). The videos, especially, have been particularly well received by students as they learn more about money management.

Additionally, through Fifth Third Education Lending, we have begun working with colleges and universities throughout the country in helping to establish and/or build upon Financial Literacy programs for their campuses. We understand that building Financial Literacy programs can be time consuming and difficult – especially for one office. We anticipate that our support will help to provide colleges and universities additional options as well as employ financial aid offices to reach out to other campus areas for solutions.

Fifth Third's student loan Web site, [www.53EducationLending.com](http://www.53EducationLending.com) provides information on each of the private loan products the Bank provides. This includes information on how to earn repayment rewards, apply online, as well as information on scholarships and grants to help make education more affordable.

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## Disclosure Section

Savings are based on a typical loan to a freshman attending a degree-granting institution.

**Deferred and Fixed Repayment Options:** Unpaid interest will capitalize when the loan enters principal and interest repayment.

**Tuition Insurance Benefit:** Benefit is available with Smart Option Student Loans that first disbursed between 7/1/12 and 10/31/12. Borrowers attending degree-granting institutions are automatically enrolled in the Tuition Insurance Benefit beginning on the day of the first loan disbursement. Benefit must be activated in order to receive the full twelve months of coverage. Activation period ends four months after first loan disbursement. The Tuition Insurance Benefit covers up to \$2,500 per semester (\$5,000 total per policy) of payments of tuition, room and board, books, and fees that are lost if the student withdraws from school for a covered medical reason. Additional coverage is available for purchase. If the loan under which the benefit is provided is cancelled, the coverage provided by the Tuition Insurance Benefit will terminate. The Tuition Insurance Benefit is a group insurance policy with College Parents of America offered through Next Generation Insurance Group, LLC. Coverage is underwritten by Markel Insurance Company, Glen Allen, VA. The Tuition Insurance Benefit is provided at no charge to the borrower. Individuals cannot be enrolled in more than one Tuition Insurance Benefit at a time. In order to process and fulfill the Tuition Insurance Benefit, customer information will be shared with Next Generation Insurance Group, LLC, their underwriters, their service providers, and College Parents of America.

**Cosigner Release:** To qualify, borrowers must meet age of majority requirements, be a U.S. citizen or permanent resident, and meet the underwriting requirements when the release request is processed. Account must remain current while the request for cosigner release is processed.

**Smart Reward:** While a Upromise member, primary borrower (must be of age of majority - typically 18 years old) can earn reward into his or her Upromise account of 2% of the scheduled loan payment amount for each on time payment during the in school and separation periods. After two consecutive past due payments, the loan is no longer eligible for the reward. Benefit subject to the terms and conditions of the Upromise service (as may be amended from time to time), including without limitation, restrictions on conversion, transfer and redemption of rewards, reward denomination, including whether and under what circumstances the rewards have independent cash value, and terms relating to fees and/or the forfeiture of rewards. Upromise accounts are not FDIC insured, carry no bank guarantee and may lose value.

**Death and Disability:** Smart Option Student Loans waive the remaining loan obligation in the event of the student borrower's death or total and permanent disability (i.e., if the student borrower is unable to work and earn money because of a condition that began or deteriorated after the date he/she obtained the Smart Option Student Loan). A cosigner will not be responsible for a loan that is waived for either death or disability. This feature is limited to the death or total and permanent disability of the primary borrower and is not available to residents of Alaska or Montana. Additional terms and conditions apply.

**Auto Debit:** Recurring automatic monthly payments must be successfully deducted from designated bank account for rate reduction to apply. The benefit is suspended during periods of forbearance and certain deferments.

**Financial Calculations:** The following loan examples use approximated numbers, are for informational purposes only, and are examples of loan terms available through the Smart Option Student Loan funded by Fifth Third Bank. Examples assume a \$10,000 loan with two disbursements made to a freshman borrower at a degree-granting institution with no origination fee. Interest rates on loans with the Fixed and Deferred Repayment Options are higher than rates on loans with the Interest Repayment Option. APRs are variable and may increase after consummation.

**Deferred Repayment Option**

**Lower Interest Rate Scenario:** The APR is 3.29%. Repayment consists of 143 payments of \$96.28 per month, followed by one payment of \$95.20 after the 51-month in-school and separation periods (45 months in-school and six months of separation).

**Higher Interest Rate Scenario:** The APR is 9.48%. Repayment consists of 143 payments of \$171.86 per month, followed by one payment of \$162.96 after the 51-month in-school and separation periods (45 months in-school and six months of separation).

**Fixed Repayment Option**

**Lower Interest Rate Scenario:** The APR is 2.88%. Repayment consists of 51 fixed \$25/month payments during the in-school and separation periods, followed by 119 payments of \$95.05 per month and one payment of \$89.74.

**Higher Interest Rate Scenario:** The APR is 9.20%. Repayment consists of 51 fixed \$25/month payments during the in-school and separation periods, followed by 119 payments of \$166.67 per month and one payment of \$120.97.

**Interest Repayment Option**

**Lower Interest Rate Scenario:** The APR is 2.37%. Repayment consists of four full-interest payments of \$9.90 per month and 47 full-interest payments of \$19.79 per month during the in-school and separation periods, followed by 83 payments of \$129.46 per month and one payment of \$125.51.


**Higher Interest Rate Scenario:** The APR is 9.23%. Repayment consists of four full-interest payments of \$38.54 per month and 47 full-interest payments of \$77.08 per month during the in-school and separation periods, followed by 83 payments of \$162.76 per month and one payment of \$137.65.

## **Disclaimer Page**

*By submitting this proposal, Fifth Third Bank and Sallie Mae agree only to the terms set forth in this proposal. Fifth Third Bank and Sallie Mae reserve the right to revise this proposal at any time. All intellectual property resulting from performing any work in connection with this proposal belongs to Fifth Third Bank and Sallie Mae. For purposes of this proposal, "Sallie Mae" means SLM Corporation® and its affiliates and subsidiaries.*

*Fifth Third Bank is the lender for the Smart Option Student Loan. Smart Option Student Loan is a registered service mark of Sallie Mae, Inc.*

*Fifth Third and Fifth Third Bank are registered service marks of Fifth Third Bancorp. Member FDIC.*

 Equal Housing Lender.

We see our commitment to fund education as an investment in a better tomorrow. That's why we work closely with families to develop a college financing plan that meets their individual needs and works within their budget.

When we fund a student's education, we're doing more than meeting a present need; we're making an investment in that student's future.

At Fifth Third, we help students and families make the right choices in financing their education today—so they can focus on tomorrow, and the road ahead.

*We thank you for this opportunity.*

