
Request for Information

Presented to:

Methodist University

May 17, 2010



*Fifth Third
Education Lending*

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

Contacts: **Phil Trocchia**
Senior Account Executive
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Karen VanMeter
President
Fifth Third Education Lending
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Mission Statement:

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

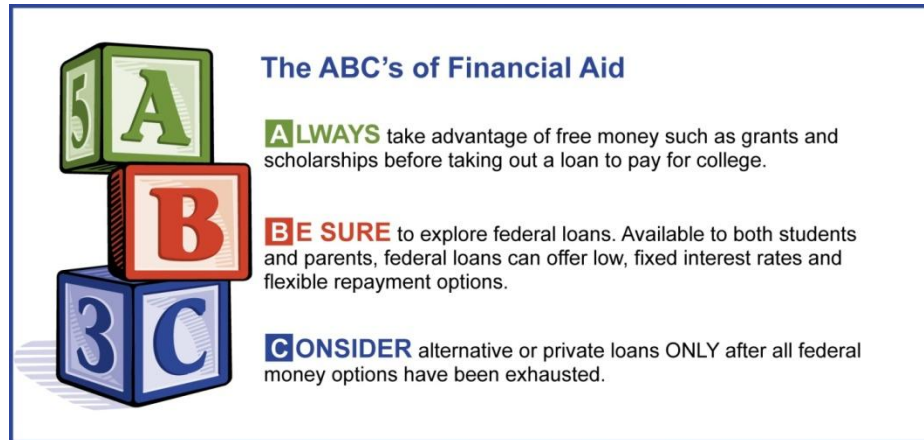
The Fifth Third Education Lending team views our commitment to fund education as an investment in a better tomorrow. That's why we work closely with families to develop a college financing plan that meets their individual needs and works within their budget. When we fund a student's education, we're 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 has participated in the Private loan program for more than 10 years.

Fifth Third Bank and Sallie Mae® reserve the right to modify or discontinue products, services, and borrower benefits (including interest rate reductions) at any time without notice. Applicants should check the Fifth Third website (www.53EducationLending.com) close to their loan application date and again prior to disbursement to obtain the most up-to-date information regarding products, services, and borrower benefits.

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.



Fifth Third Bank utilizes Sallie Mae for its originations and servicing. Fifth Third sells its loans to Sallie Mae shortly after disbursement.

Smart Option Student Loan[®] 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 professions students. The Smart Option Student Loan is an ideal solution for students who still need education funds after they have maximized grants, scholarships, and federal loans. With this private education loan, students can borrow up to the full cost of their education, less other aid received.

The innovative Smart Option Student Loan funded by Fifth Third Bank saves students money. Students have the option of making full interest or \$25/month fixed payments while in school and during a six-month separation period, before entering full principal and interest repayment.

Eligibility:

- Students must attend an eligible school and be enrolled in an eligible program (be enrolled at least half time in an undergraduate or graduate degree, technical/trade program, continuing education program).
- Less than half time attendance may be available at some schools for loan periods that do not exceed 130 days and for loan amounts that do not exceed the published cost of attendance at the school for all students.
- International students are eligible with a creditworthy cosigner (who must be a U.S. citizen or permanent resident) and appropriate U.S. Citizenship and Immigration Service documentation.
- U.S. citizens enrolled in eligible study abroad programs or studying at medical schools outside the United States are also eligible.
- Students must meet current credit and other eligibility criteria.

Borrowers may apply for the Smart Option Student Loan with or without a cosigner. If borrowers do not qualify on their own, they may add a creditworthy cosigner who is a U.S. citizen or non-citizen permanent resident to their application. Non-citizen permanent residents must submit applicable U.S. Citizenship & Immigration Service (USCIS) documentation. Borrowers must also apply with a cosigner if they are a foreign resident or do not meet the age of majority. Applying with a cosigner not only maximizes a student's ability to successfully pay off the loan and realize the benefits of a higher education but also provides the possibility of a lower interest rate. Our experience shows that loans with a cosigner have a default rate more than 50% lower than loans without a cosigner.

Features:

- **Easy online application and fast credit decision.** Students and their creditworthy cosigners can now apply for a Smart Option Student Loan in the same online application session at www.53EducationLending.com.
- **Pricing that rewards good credit.** Adding a creditworthy cosigner usually means a lower interest rate and a better chance of approval.
- **Cosigner Release:** To qualify for cosigner release, the borrower must have successfully completed school, made 12 consecutive on-time payments of full principal and interest, meet age of majority requirements, and meet the underwriting requirements when the request for cosigner release is processed. The borrower's account must remain current until the request for cosigner release is processed and the borrower must be a U.S. citizen or permanent resident at the time the cosigner release is processed.
- **Repayment Term.** The Smart Option Student Loan has a repayment term that is calculated based on the cumulative outstanding Sallie Mae-serviced private student loan balances, repayment option selected, and the student's academic grade level. The fixed \$25/month 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 Appendix A at the end of this document.*
- **Loan Forgiveness.** The Smart Option Student Loan has a new feature that waives 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 borrower and is not available to residents of Alaska or Montana. Additional terms and conditions apply.

Borrower Benefits:

- **0.25 percentage point interest rate reduction for automatic debit payments.** The benefit for enrolling in monthly recurring automatic debit is available for as long as the monthly payment amount is successfully deducted from the designated bank account. Borrowers can elect to make payments via automatic debit through Sallie Mae's online account management system. This benefit lowers your interest rate but does not change the amount of the monthly payment, and is suspended during periods of forbearance and certain deferments.
- **Smart RewardSM - A 2% reward in the borrower's Upromise account** each month—just for making on-time payments. The Smart Reward benefit is available during the borrower's initial in-school and separation period only. If all conditions are met, the primary borrower will earn 2% of the scheduled payment in Upromise rewards into his or her Upromise account for each payment made by the scheduled due date.

If the borrower leaves school but returns later, the reward will not be available for any subsequent in-school period. The Smart Reward benefit will be based only on the scheduled payment due

and cannot be earned on payments that exceed the scheduled payment amount. The primary borrower must be of the age of majority in his or her state of residence (typically 18 years old) and must enroll in Upromise at the time he or she applies for the loan or already be a Upromise member at the time of loan application. If the primary borrower is already a Upromise member at the time of loan application, the borrower must indicate that when applying for the loan and provide the requested information to confirm enrollment. To be eligible to receive the 2% reward, the borrower may not have had two consecutive scheduled payments past due on the loan for which the benefit is available. If the borrower has two consecutive scheduled payments past due, he or she will no longer be eligible for the reward on the loan.

The Smart Reward benefit is 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. The Smart Reward benefit is available on eligible loans first disbursed on or after June 1, 2010.

Deferment/Forbearance:

With the Smart Option Student Loan, full interest payments or \$25/month fixed payments are required while the student is in 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.

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

- Borrowers and/or cosigners experiencing financial difficulty may request to temporarily postpone full principal and interest payments through a hardship forbearance. A minimum payment on the same terms as the in-school repayment option may be required.
- 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 reassigned to another duty station due to military mobilization 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 back to their original in-school repayment option while enrolled in the program for a maximum of 48 months.

Choice of in-school repayment options:

Because even a small payment can make a difference, Fifth Third offers a choice of in-school repayment plans on the Smart Option Student Loan:

- **Fixed monthly payments of \$25 per month.** This option allows students to budget a low, fixed amount each month for their student loan payments
- **Full interest payments.** This option offers the greatest long-term savings and can help students avoid capitalized interest.

- **No Disbursement or Repayment Fees.** No matter which payment option students choose, they'll pay NO disbursement fee and NO repayment fee.

Interest Rates and Fees:

For the 2010-11 academic year, Fifth Third Bank is offering a lower range of interest rates, For Smart Option Student Loans, interest rates are variable and based on the 1-Month LIBOR. Interest rates will reset monthly if the 1-Month LIBOR changes. The 1-Month LIBOR effective on April 26, 2010, is 0.375%. Smart Option Student Loans are funded by Fifth Third Bank. Depending on the repayment option selected by the borrower, the interest rate ranges will vary as indicated below:

Academic year 2010-11			
Smart Option Student Loan Funded by Fifth Third Bank			
Pricing			
	Full-Interest Repayment Option*	Fixed \$25/Month Repayment Option*	Disbursement/Repayment Fees*
With a Creditworthy Cosigner	1-Month LIBOR + 2.5% to 1-Month LIBOR + 9.375%	1-Month LIBOR + 3.5% to 1-Month LIBOR + 10.375%	0%
Without a Creditworthy Cosigner	1-Month LIBOR + 2.5% to 1-Month LIBOR + 9.875%	1-Month LIBOR + 3.5% to 1-Month LIBOR + 10.875%	0%

* Smart Option Student Loan pricing for the full-interest repayment option is effective for loans credit-approved on or after May 10, 2010, and is subject to change. **The fixed \$25/month repayment option for the Smart Option Student Loan and its pricing is effective for new loan applications initiated on or after June 28, 2010, and is subject to change.** For financial calculations based on this loan program, please refer to Appendix A

Loan Limits:

- **Minimum Loan Amount:** Applications are subject to a minimum loan amount of \$1,000. For financial calculations based on this loan program, please refer to Appendix A at the end of this document
- **Annual Loan Limit:** Fifth Third will fund education expenses as provided by your school in the school certification process. The maximum loan amount covers one or more loans in a 12-month period.
- **Aggregate Loan Limit:** The Smart Option Student Loan funded by Fifth Third Bank has an aggregate limit of \$350,000 per borrower. However, Fifth Third Bank's servicer, Sallie Mae,

reserves the right to review any loan request. This review will include the borrower's total level of indebtedness (including FFELP loans), demonstration of responsible repayment behavior, and other eligibility factors. *For financial calculations based on this loan program, please refer to Appendix A at the end of this document.*

Separation Period:

With the Smart Option Student Loan, there is a six-month separation period, traditionally known as the "grace period," during which, depending on the repayment option applicable to the loan, either full interest payments or \$25/month fixed payments are required. Payments of full principal and interest begin following the last day of the separation period.

School Certification Requirements:

The Smart Option Student Loan funded by Fifth Third Bank must be certified by your school.

Loan Approval Criteria:

Fifth Third Bank's servicer, Sallie Mae's underwriting model considers numerous variables from the application and credit report of the student and cosigner (if applicable) to assess financial stability, ability to pay, and willingness to pay. Stability may be measured by time on the credit file, time at current residence, and time at current job. The ability to pay may be measured by income, while willingness to pay may be measured by demonstrated payment history on other debt obligations.

Satisfactory Academic Progress Requirements:

Students must be making satisfactory academic progress in order to be eligible for the Smart Option Student Loan funded by Fifth Third Bank. Sallie Mae relies on the school to adhere to its established SAP policy when certifying the Smart Option Student Loan.

ELM participation:

Fifth Third is an ELM participant and fully supports ELM loan delivery.

Schools may certify Smart Option Student Loans through ELM. For borrower-initiated loans, pre-approved certification requests may be received via a report or a CommonLine Response File. Schools may certify these loans on ELMNet or may return a file from their FAMS.

The certification request is loaded to ELM based on the school's preference. Fifth Third Bank's servicer, Sallie Mae, can send the certification request at the time the borrower applies and the record loads to its system, or Sallie Mae can wait for the application to be received and approved before sending the record to ELM.

Fifth Third participates with the ELM NDN for Private Loan disbursements. Disbursements are made to the NDN electronically. The NDN then disburses to the school in a consolidated manner based on the school's profile.

Higher Education Opportunity Act (HEOA)

Several changes related to the Higher Education Opportunity Act (HEOA) went into effect on February 14, 2010. These changes impact the way borrowers apply for and receive private student loans in the next academic year and beyond. Among the most significant changes imposed by the HEOA are the new disclosure obligations, which require lenders to disclose information on private education loans three

different times during the origination process. The HEOA also requires lenders to obtain a signed borrower self-certification form from each student borrower before funds can be disbursed.

The new disclosures are:

- **An Application and Solicitation Disclosure**, which must be provided with an application or a solicitation (i.e., an offer of credit that does not require the customer to complete an application). This disclosure will be presented to borrowers as part of the online application process. If the borrower is applying over the phone, the disclosure will be mailed to him or her within three business days of submitting the application. If the borrower is applying via paper application, a hard copy of the disclosure will be provided as part of the application packet.
- **A Loan Approval Disclosure**, which must be provided along with any notice of loan approval. This disclosure will be presented to borrowers electronically or mailed to them within three business days following approval. After receiving this disclosure, the applicant has up to 30 calendar days to accept the terms of the loan offer. The lender may not alter the terms of the loan offer during this 30-day period, other than to make certain very limited changes such as a change to the interest rate because of a change in the index.
- **A Final Disclosure**, which must be provided (either electronically or via postal mail) after school certification and prior to loan disbursement. The Final Disclosure allows for a three-business-day Right-to-Cancel period. Lenders are prohibited from disbursing funds until the expiration of this period of time.

Fifth Third Bank's servicer, Sallie Mae, will disburse the loan funds once the 3-business day right to cancel period in the Final Disclosure has expired (required by HEOA of 2008), assuming the borrower did not exercise his/her "Right to Cancel" the loan. The Final Disclosure will not be sent to the borrower until Sallie Mae has received all the necessary information from the borrower and the school has certified the loan.

Debt Management

Fifth Third's student loan Web site, 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

Fifth Third Bank's servicer, Sallie Mae, is committed to helping student borrowers understand their education debt and manage it successfully. To that end, Sallie Mae utilizes a variety of strategies such as affordable repayment plans, automated repayment tools, and other debt management tools that provide assistance to borrowers. Debt management professionals use state-of-the-art technology and techniques to create customized solutions for each student borrower, acting as the borrower's advocate and partner.

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.

After the application process, students are also encouraged to contact Sallie Mae's Customer Service by phone Monday through Thursday, from 7:00 a.m. to 8:00 p.m. CT 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.

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.

**Appendix A
Smart Option Student Loan Financial Calculation Page**

Fixed \$25/Month Repayment Option¹		
	Lower Interest Rate	Higher Interest Rate
Interest rate	1-Month LIBOR + 3.5%	1-Month LIBOR + 10.875%
Fees	0%	0%
Total Loan Amount	\$10,000	\$10,000
APR	3.85%	10.51%
<i>Fixed monthly payment (during school period and six-month separation period)</i>	51 payments of \$25	51 payments of \$25
Monthly principal and interest payments (follows separation period)	120 payments of \$103.69	120 payments of \$185.36

Full-Interest Repayment Option²		
	Lower Interest Rate	Higher Interest Rate
Interest rate	1-Month LIBOR + 2.5%	1-Month LIBOR + 9.875%
Fees	0%	0%
Total Loan Amount	\$10,000	\$10,000
APR	2.88%	10.25%
Monthly full <i>interest</i> payment (during school period and six-month separation period)	4 payments of \$11.98 (first disbursement) and 47 payments of \$23.96 (second disbursement)	4 payments of \$42.71 (first disbursement) and 47 payments of \$85.42 (second disbursement)
Monthly principal and interest payments (follows separation period)	84 payments of \$131.57	84 payments of \$167.31

¹ Smart Option Student Loan pricing for the full-interest repayment option is effective for loans credit-approved on or after May 10, 2010, and is subject to change.

²The fixed \$25/month repayment option for the Smart Option Student Loan and its pricing is effective for new loan applications initiated on or after June 28, 2010, and is subject to change.

The fixed \$25/month repayment option and full-interest repayment option examples are based on a single loan of \$10,000 made to a freshman borrower with two disbursements. The examples also assume the borrower makes all payments on time, and never requests a forbearance or deferment.

The interest rates are variable and based on the 1-month LIBOR. Interest rates will reset monthly if the 1-month LIBOR changes. For purposes of the above examples, we have assumed the interest rate does not change. These examples assume a 1-month LIBOR rate of 0.375% effective as of April 26, 2010.


Securing a creditworthy cosigner may increase the likelihood of being approved and may help the student obtain a lower interest rate. Electing to make full interest payments while in school and during the separation period may help the student obtain a lower interest rate.

Disclaimer Page

By submitting this proposal, Fifth Third Bank and Sallie Mae agree only to the terms set forth in this proposal. Sallie Mae and Fifth Third 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 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.

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We thank you for this opportunity.



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