

UNIVERSITY OF CALIFORNIA
PRIVATE LOANS¹
2011-12
UNDERGRADUATES

IMPORTANT NOTICE: Students should consider exhausting federal student loan eligibility before contemplating the use of private education loans. To apply for federal grants, loans and work-study submit a Free Application for Federal Student Aid (FAFSA). Completion of the FAFSA online at www.fafsa.ed.gov is recommended; however, you can also obtain a paper FAFSA by calling 1-800-4-FED-AID, or from the school's financial aid office. Information is available on the U.S. Department of Education grant and loan programs and their corresponding maximum annual award limits. Be aware that a private education loan may reduce eligibility for free or lower-cost federal, state, or school-based student financial aid. Students are not required to use any of the recommended private loan lenders listed below. Other lenders may offer different benefits that are better suited to the borrower's particular circumstances.

RANKING²	1st Place Variable Rate Loan	2nd Place Variable Rate Loan	3rd Place Variable Rate Loan	4th Place Variable Rate Loan	Best Fixed Rate Loan
Lender Name	Union Federal Savings Bank	Charter One, a division of RBS Citizens, N.A.	Wells Fargo Education Financial Services	Discover Bank	Charter One Bank
Loan Product Name	Union Federal Private Student Loan	Charter One TruFit Student Loan® (Variable Rate Option)	Wells Fargo Collegiate® Loan (Variable Rate Option)	Discover Undergraduate Loan	Charter One TruFit Student Loan® (Fixed Rate Option)
Toll-Free Customer Service	1-866-513-8445	1-800-721-3969	1-800-658-3567	1-877-728-3030	1-800-721-3969
Lender Website ³	www.unionfederalstudentloans.com	www.charterone.com/trufitstudentloan	www.wellsfargo.com/student	www.DiscoverStudentLoans.com	www.charterone.com/trufitstudentloan
Truth-in-Lending Disclosure Web Link	https://www.alternativeloan.com/CWA/ASD?link_id=UFPSL1	http://www.charterone.com/pdf/cob_App_Disc.pdf	https://wfefs.wellsfargo.com/terms/disclosure_summary.jsp	www.discoverstudentloans.com/about/student-loans-download-forms.aspx	http://www.charterone.com/pdf/cob_Fixed_App_Disc.pdf
Are repayments required while in school?	No	No. Borrowers may choose upon application whether to fully defer, pay interest only or pay principal and interest while in school.	No	No	No
Variable Interest Rate Loan Index & Spread ¹	Low-end of range: 3-month LIBOR + 2.60%	Low-end of range: 1-Month LIBOR + 2.70%	Low-end of range: Prime + 0.25%	Low-end of range: Prime Index +0.0%	Not applicable
	High-end of range: 3-month LIBOR + 8.99%	High-end of range: 1-Month LIBOR + 9.75%	High-end of range: Prime + 6.74%	High-end of range: Prime Index +6.25%	Not applicable
Variable Interest Rate Range ¹	Low-end of range: 2.87%	Low-end of range: 2.94%	Low-end of range: 3.50%	Low-end of range: 3.25%	Not applicable
	High-end of range: 9.26%	High-end of range: 9.99%	High-end of range: 9.99%	High-end of range: 9.50%	Not applicable
Frequency of Interest Rate Adjustment	Quarterly	Monthly	Monthly	Quarterly	Not applicable
Variable Interest Rates Effective Through:	6/30/2012	5/31/2012	5/31/2012	6/30/2012	Not applicable
Is there an interest rate cap?	Yes, 21%	Yes. TruFit Student Loans are governed by Rhode Island statutes, therefore interest rates are capped at the greater of 21% or prime + 9%.	No	Yes.18%.	Not applicable
Is there an interest rate floor?	No	No	Yes, 3.25% for variable rates	No	Not applicable
Fixed Interest Rate:	Not applicable	Not applicable	Not applicable	Not applicable	Low-end of range: 6.75%
	Not applicable	Not applicable	Not applicable	Not applicable	High-end of range: 12.75%

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Upfront Loan Fees	None	None	None	None	None
Minimum Loan Amount	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000
Annual Maximum Loan Amount	Certified Loan Amount or \$65,000 (whichever is less)	Cost of Attendance minus other Financial Aid received	Students can borrow up to the cost of education (tuition, room, board, books, etc.) minus other financial aid. The annual loan limit for temporary resident aliens is \$25,000.	Cost of Attendance minus other Financial Aid received	Cost of education less financial aid received up to the aggregate limit
Aggregate Maximum Loan Amount	\$150,000 inclusive of all education debt	Undergraduate: \$120,000 Graduate: \$150,000 Business and Law: \$175,000 Medical: \$225,000	\$120,000 including all other education debt.	Up to \$150,000	\$120,000 for undergraduates
Grace Period ⁴	6 months	6 months	Six months from the date borrower ceases enrollment for any reason including graduation, unless the borrower re-enrolls in another Title IV eligible school within that 6-month period.	6 months	6 months
Length of Repayment Term	5, 10, or 15 years (The 15 year term is only available for loan amounts of \$5,000 or more.)	Up to 15 years.	15 years	15 years	Up to 10 years.
Cosigner Required ¹	No	No. A cosigner is not required*; however, students are encouraged to apply with a creditworthy cosigner to increase their chances of approval and maximize the opportunity for a lower interest rate. * Students must meet the age of majority in their state of residency to apply without a cosigner.	Most undergraduate students will need to apply with a cosigner to meet our credit history, income and employment requirements. For the Wells Fargo Collegiate® Loan, the applicant must have an established, positive credit history and an acceptable debt-to-income ratio – or a cosigner who does. Permanent and temporary resident aliens must have a U.S. citizen cosigner.	No	No. A cosigner is not required; however, students are encouraged to apply with a creditworthy cosigner to increase their chances of approval and maximize the opportunity for a lower interest rate. Students must meet the age of majority in their state of residency to apply without a cosigner.
If borrower applies with a cosigner, will borrower's score, cosigner's score, best between the borrower's and cosigner's score, or their combined credit score determine/influence interest rate?	The borrower's and cosigner's score is equally evaluated to influence the interest rate. The Union Federal Private Student Loan utilizes a custom credit score which is not solely based on FICO.	The cosigner's credit score will determine/influence the interest rate.	Combined credit score determine/influence interest rate	A combined credit score will determine/influence the interest rate.	The cosigner's credit score will determine/influence the interest rate.

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Cosigner Release Option?	Yes, after 36 consecutive on-time principal and interest payments.	Yes. Borrowers may apply for co-signer release after making their first 36 consecutive payments on-time, provided that credit guidelines are met at the time of the application for release. International students may also apply for co-signer release by demonstrating U.S. citizenship or permanent resident status and making their first 36 consecutive payments on-time. Co-signers will also be eligible for release in the unfortunate event of the death or total and permanent disability of the student borrower.	Yes. The cosigner can be released after the borrower makes the first 24 consecutive on-time monthly principal and interest payments. The borrower must meet certain credit requirements at the time of the request and cosigner release is not available for permanent and temporary resident alien borrowers. Eligible borrowers will need to contact Wells Fargo Education Financial Services to request the cosigner release. After receiving the request to release the cosigner, we'll review the borrower's credit history to determine if he/she meets the creditworthiness criteria.	No	Yes. Borrowers may apply for co-signer release after making their first 36 consecutive payments on-time, provided that credit guidelines are met at the time of the application for release. International students may also apply for co-signer release by demonstrating U.S. citizenship or permanent resident status and making their first 36 consecutive payments on-time. Co-signers will also be eligible for release in the unfortunate event of the death or total and permanent disability of the student borrower.
Minimum Borrower Eligibility Requirements If Applying Without a Cosigner	<ul style="list-style-type: none"> · Be age of majority in state of residence, but at least 18 (19 years of age in Nebraska (wards of the state only) and Alabama, and 21 years of age in Mississippi and Puerto Rico) · Be enrolled in an eligible school, at least half-time · Have 24 months of continuous positive income · Have one reference · Have not filed for bankruptcy within the last 10 years · Be a U.S. citizen or permanent resident · Have resided at his/her current and immediately previous address for a period of equal to or exceeding 12 total consecutive months · Have no record of student loan default 	Students must be enrolled in a degree-granting program at an approved institution at least half-time as certified by the school of attendance to qualify. Students completing certificate programs are ineligible.	Established, positive credit history, an acceptable debt-to-income ratio, and a minimum income of \$12,000	<p>To be eligible for our Certified Private Loan, the student borrower must be:</p> <ul style="list-style-type: none"> • US citizen or a permanent resident • Enrolled in a 4- or 5-year undergraduate degree program or a graduate degree program <ul style="list-style-type: none"> • Degree-seeking • Making satisfactory academic progress (SAP), as defined per school • In good credit standing (i.e., pass a credit check) • The borrower must be at least 18 years old to be eligible to apply without a cosigner. <p>We recommend that students add a cosigner, which could improve their chances for approval and may reduce the interest rate for a loan.</p>	Students must be enrolled in a degree-granting program at an approved institution at least half-time as certified by the school of attendance to qualify. Students completing certificate programs are ineligible.
Is this loan available to students who are U.S. citizens or permanent residents who apply without a cosigner and do not have an established credit history?	No, applicants that apply on their own must meet the applicable credit criteria.	No	No	No. The borrower must have a credit history of at least three years to be considered for a loan without a cosigner.	No, borrowers must have established a credit history to be eligible for the TruFit Student Loan.
Is this loan available to students who are U.S. citizens or permanent residents who apply without a cosigner and have a poor credit history that does not involve student loan defaults or bankruptcy?	Applicants that apply on their own must meet the applicable credit criteria.	No, borrowers must have established a good credit history to be eligible for the TruFit Student Loan.	No	Yes. However, if the credit history is extremely poor a student may not be approved. In this case we recommend that students add a cosigner, which could increase their chances for approval and may reduce the interest rate for a loan.	No, borrowers must have established a good credit history to be eligible for the TruFit Student Loan.

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Is this loan available to international students who do not have a Social Security Number or ITIN but apply with an eligible U.S. citizen or permanent resident cosigner?	Yes	Yes. International students may apply for the Charter One TruFit Student Loan provided they have a qualified co-signer who is a U.S. citizen or permanent resident.	No	No	Yes. International students may apply for the Charter One TruFit Student Loan provided they have a qualified co-signer who is a U.S. citizen or permanent resident.
Is this loan available to international students who have a Social Security Number or ITIN and apply with an eligible U.S. citizen or permanent resident cosigner?	Yes	Yes	Yes	No	Yes
Is this loan available to an international student who has an SSN or ITIN and an established U.S. credit history but does not have a cosigner?	No	International students who have a SSN and an established U.S. Credit history will be able to apply without a co-signer.	No	No	International students who have a SSN and an established U.S. Credit history will be able to apply without a co-signer.
Is this loan available to international students who have a J1 or F1 visa (not working) or an H1 visa (working)?	This loan is available to international students who have a F1 visa.	<p>Yes. foreign student borrowers must submit a copy of their:</p> <ul style="list-style-type: none"> • Valid visa. If the student borrower is already in the United States and the expiration date on the student visa has occurred, an I-94 with an expiration date in the future will be required; or, • Current USCIS Form I-94 (Arrival/Departure Record) AND a copy of the valid passport that includes a photo or other identification that meets Patriot Act requirements must be submitted; • Current USCIS Form I-688 B or I-766 (Employment Authorization), which entitles the student borrower to work and attend school in the United States. 	Yes	International students are eligible, however must have a valid SSN and a US citizen or permanent resident cosigner.	<p>Yes. foreign student borrowers must submit a copy of their:</p> <ul style="list-style-type: none"> • Valid visa. If the student borrower is already in the United States and the expiration date on the student visa has occurred, an I-94 with an expiration date in the future will be required; or, • Current USCIS Form I-94 (Arrival/Departure Record) AND a copy of the valid passport that includes a photo or other identification that meets Patriot Act requirements must be submitted; • Current USCIS Form I-688 B or I-766 (Employment Authorization), which entitles the student borrower to work and attend school in the United States.
Is this loan available to Extension Program students who attend less than half time?	No	No	Yes	No	No

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Is this loan available to Extension Program students who are enrolled in a certificate program?	No	No	Yes	No	No
Are non-degree seeking students eligible if they attend University of California Extension Programs that don't have an OPE ID number?	No	No	Yes	No	No
Must students be making satisfactory academic progress in order to qualify for the loan?	No	No	No	Yes	No
Can proceeds of this loan be used for prior outstanding charges owed to the school?	Yes	Yes, loan applications received up to 180 days after the borrower's last date of attendance will be processed provided that the student borrower is enrolled at least half-time and is working toward his/her degree or has recently graduated.	No	No	Yes, loan applications received up to 180 days after the borrower's last date of attendance will be processed provided that the student borrower is enrolled at least half-time and is working toward his/her degree or has recently graduated.
Interest rate reduction for automatic payment withdrawals ⁵	Yes, 0.25%	Yes, a 0.50% interest rate reduction is offered for Charter One TruFit Student Loan borrowers who elect to have monthly loan payments deducted electronically from an eligible Charter One account and a 0.25% interest rate reduction for student loan borrowers who elect to have monthly loan payments deducted electronically from any eligible bank account.	Yes, 0.25%	Yes, 0.25%.	Yes, a 0.50% interest rate reduction is offered for Charter One TruFit Student Loan borrowers who elect to have monthly loan payments deducted electronically from an eligible Charter One account and a 0.25% interest rate reduction for student loan borrowers who elect to have monthly loan payments deducted electronically from any eligible bank account.
Can interest rate reduction be lost permanently?	Yes	Yes. This benefit will be lost if the borrower has one (1) instance of insufficient funds or discontinues ACH payments.	No	Yes	Yes. This benefit will be lost if the borrower has one (1) instance of insufficient funds or discontinues ACH payments.

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Other Front-End Benefits:	None	We consider our borrower benefit of an interest rate reduction for automatic payments to be "back-end" and "earned." However, borrowers who elect to begin repayment immediately or choose to pay interest only can take advantage of it right away.	Students may qualify for a relationship discount if they or their cosigner hold any of the following Wells Fargo products at the time of application: <ul style="list-style-type: none"> • Wells Fargo PMA® Package — 0.50% interest rate discount • A qualifying Wells Fargo deposit account — 0.25% interest rate discount • A prior federal or private student loan made by Wells Fargo — 0.25% interest rate discount Only one qualifying relationship discount will apply and they will automatically receive the highest applicable discount. For variable interest rate loans, if the qualifying relationship ends, the interest rate may be reset to reflect the removal of the discount. All loans are eligible for this benefit.	None	We consider our borrower benefit of an interest rate reduction for automatic payments to be "back-end" and "earned." However, borrowers who elect to begin repayment immediately or choose to pay interest only can take advantage of it right away.
Other Back-End Benefits ⁶ :	Yes <u>On-Time Payments</u> : 0.25% interest rate reduction for borrowers who have made on-time monthly principal and interest payments (received within 10 days of the due date) for a minimum of the first 36 consecutive months. The borrower must call the loan servicer and request this additional 0.25% interest rate reduction AND the borrower must have elected to use the automated electronic payments prior to the 36th payment.	Charter One offers its school clients and borrowers print and online materials, financial literacy workshops, informational seminars and tips for students and parents on a variety of pertinent topics. Our enhanced Web site, www.citizensbank.com/edu , provides a single location where students and their families can go for financial wellness resources and detailed information on the financial aid process. With our loan repayment calculator, informational videos, tips on preparing for college, and Money Help SM , we aim to provide information on every question a student or parent can have surrounding the financial aid process.	<ul style="list-style-type: none"> • Wells Fargo Student Graduation BenefitSM program - students will get 0.25% off their interest rate when they graduate¹. • ACH benefit - students will get an additional 0.25% off their interest rate when they choose automatic payments². 1. Verification of graduation or the completion of a multi-course certificate or license is required. 2. Reduced interest rate requires continued automatic payment from a personal checking or savings account. If the automatic payment is cancelled at any time after repayment begins, the discount will be lost until automatic payment is reinstated. The 0.25% interest rate reduction is effective the day after the first payment is made using automatic withdrawal during the repayment period. The automatic payment interest rate reduction is separate from the graduation reward interest rate reduction and available to both borrowers who graduate and those who do not.	Graduation Reward: An eligible borrower receives a cash reward, calculated as 2% of the outstanding principal balance of the loan on the last day of the month of graduation.	Charter One offers its school clients and borrowers print and online materials, financial literacy workshops, informational seminars and tips for students and parents on a variety of pertinent topics. Our enhanced Web site, www.citizensbank.com/edu , provides a single location where students and their families can go for financial wellness resources and detailed information on the financial aid process. With our loan repayment calculator, informational videos, tips on preparing for college, and Money Help SM , we aim to provide information on every question a student or parent can have surrounding the financial aid process.
On-Time Payment Requirement - If a certain number of on-time payments are required, do non-payment periods such as "deferments" or "forbearance" or agreed-upon interest-only payment periods make the borrower ineligible to receive the back-end benefit?	The ACH rate reductions may not be available during forbearance and deferment periods.	Borrowers who elect to defer payments or make interest only payments will still be eligible to receive back-end benefits. However, interest only payments will not count toward the required number of payments to be eligible for co-signer release. Borrowers who receive forbearance will not be eligible for co-signer release.	Not applicable	Not applicable.	Borrowers who elect to defer payments or make interest only payments will still be eligible to receive back-end benefits. However, interest only payments will not count toward the required number of payments to be eligible for co-signer release. Borrowers who receive forbearance will not be eligible for co-signer release.

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Describe any other factors that disqualify a borrower from receiving or maintaining the back-end benefit ⁶ .	Not Applicable	Not applicable	<ul style="list-style-type: none"> • Wells Fargo Student Loan Relationship Discount - Only one qualifying relationship discount will apply and they will automatically receive the highest applicable discount. For variable interest rate loans, if the qualifying relationship ends, the interest rate may be reset to reflect the removal of the discount. • Wells Fargo Student Graduation Benefit program - One of the great features of the graduation reward is that if a student makes a late payment or returns to further his or her education, the reward is not affected. The reduction also remains in effect during all periods of forbearance. Once confirmed, borrowers keep the Wells Fargo Student Graduation Benefit reward as long as they do not consolidate their loans. • Automatic payment benefit - If the automatic payment is cancelled at any time after the account is open, the discount will be lost until automatic payment is reinstated. This interest rate reduction is not effective during periods of deferment or forbearance. 	If borrowers default on their loan or consolidate or refinance the loan with another lender prior to redeeming the Graduation Reward, they will not be eligible for a Graduation Reward.	Not Applicable
If disqualified, can eligibility for the benefit be restored or regained? If so, what are the conditions?	The benefit will not be discontinued if, after receiving the benefit, the borrower discontinues automated electronic payments.	No. Once benefits are lost, they cannot be regained.	<ul style="list-style-type: none"> • Wells Fargo Student Loan Relationship Discount - For variable interest rate loans, if the qualifying relationship ends, the interest rate may be reset to reflect the removal of the discount. • Wells Fargo Student Graduation Benefit program - The reduction remains in effect during all periods of forbearance. Once confirmed, borrowers keep the Wells Fargo Student Graduation Benefit reward as long as they do not consolidate their loans. • Automatic payment benefit - If the automatic payment is cancelled at any time after the account is open, the discount will be lost until automatic payment is reinstated. 	No	No. Once benefits are lost, they cannot be regained.
Lender's Loan Servicer	American Education Services (AES)	Loan origination services including application processing, credit underwriting, and disbursement are performed in house at Charter One. The loan is transferred to Firstmark Services, a subsidiary of Nelnet, Inc., upon disbursement for repayment servicing.	Wells Fargo Education Financial Services	Great Lakes Educational Loans Services, Inc. (Great Lakes)	Loan origination services including application processing, credit underwriting, and disbursement are performed in house at Charter One. The loan is transferred to Firstmark Services, a subsidiary of Nelnet, Inc., upon disbursement for repayment servicing.

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¹The University of California cannot predict the loans, interest rates, and fees for which a student may qualify as lenders have different criteria for both loan eligibility and loan rates. However, students who apply with an eligible cosigner may 1) increase their chances of being approved for the loan and 2) qualify for more attractive loan rates.

²The University of California solicited quotations on numerous private education loan products. The evaluation of the loans was based on an analysis of borrower loan costs (with a cosigner) on approved loans over a specific period of time. The borrower loan costs took into account the weighted average interest rates and loan fees as reported by the lenders. The lenders were asked to report data on all approved loans for private education loan borrowers from all higher education institutions as well as any borrower benefit discounts. It was assumed that not all borrowers would qualify for each type of discount, so a probability factor was applied for each benefit type. The lenders selected through this evaluation process are listed above, in the order in which they were ranked by the University of California. The first four columns contain variable rate loans. The fifth column was reserved for the best of the fixed rate loan products that were evaluated. The fixed rate loan option was not compared to the variable rate options in cost and should not be considered either superior or inferior to the variable rate loan products. Be aware that the basis on which the loans were selected may not be representative of the rates and fees for which most students/cosigners will qualify. However, the University of California used the best possible data available on which to rank the loans.

³All borrowers must complete a self-certification form and submit it to their lender prior to receiving a private education loan. Most lenders provide the form as part of their online loan application. If the lender does not provide the self-certification form it is available here: <http://www.ifap.ed.gov/dpccletters/attachments/GEN1001A-AppSelfCert.pdf>.

⁴Deferring payments while in school and during the grace period will increase the overall loan costs. Unpaid interest that accrues while in school and in the grace period will be capitalized (i.e., added to the loan amount). The frequency of capitalization may vary by loan program and repayment option selected.

⁵This benefit typically remains available during active repayment for as long as the borrower's monthly payment is successfully deducted from the borrower's account. Also, the interest rate reduction typically does not lower the monthly payment amount but reduces the interest that accrues, thereby reducing the total amount repaid.

⁶Back-end benefits are not typically automatic, and require action from the borrowers. For example, in order to obtain a graduation benefit, borrowers must provide documentation of their graduation as prescribed by the lender and within the specified timeframe. Similarly, a benefit for good grades at graduation presumes that borrowers will provide transcripts, or other approved documentation, that demonstrates the required GPA was achieved. Students in programs that do not assign GPAs may not qualify for the good grades benefit.

NOTE: Additional conditions may apply, and lenders may change loan benefits without notice. Borrowers should rely solely on the information each lender provides regarding loan terms, interest rates, and benefits and are encouraged to seek details about them. There are significant differences in lender policies.