

# PEPPERDINE UNIVERSITY

Graduate School of Education and Psychology

6100 Center Drive • Los Angeles, CA 90045

## Preferred Lenders

We recommend the lenders listed below. Please compare fees, interest rates, loan limits and repayment terms.

### Federal Stafford Loan Comparison Chart

Lender	Citibank*	Nellie Mae	Wells Fargo
Phone	(800) 967-2400	(877) 332-7028	(800) 658-3567
Website	studentloan.com/schools/pepperdine/gsep	www.nelliemae.com/schools/pepperdinepsych/pepperdinepsych.html	www.wellsfargo.com/student
Lender Code	826878	829076	807176
Origination Fees	None	None	None
Interest Rate	For loans disbursed prior to 7/1/06, the interest rate is an annual variable rate. For loans with first disbursements on or after July 1, 2006, the interest rate is fixed at 6.80%.	For loans disbursed prior to 7/1/06, the interest rate is an annual variable rate. The current in school rate is 4.70%. For loans with first disbursements on or after July 1, 2006, the interest rate is fixed at 6.80%.	For loans disbursed prior to 7/1/06, the interest rate is an annual variable rate. The current in school rate is 4.70%. For loans with first disbursements on or after July 1, 2006, the interest rate is fixed at 6.80%.
Repayment Incentives	<ul style="list-style-type: none"> <li>• Zero Origination Fees.</li> <li>• <b>Zero payments for the last six months</b></li> <li>• 1.00% interest rate reduction for borrowers who make their first 36 consecutive monthly payments on time.</li> <li>• An additional 1.00% interest rate reduction for borrowers who make their first 48 consecutive monthly payments on time.</li> <li>• 0.25% interest rate reduction with Citibank E-Z Pay for borrowers who have their Stafford Loan payments automatically deducted from their bank accounts and receive their statements only electronically.</li> <li>• Life of loan servicing at Citibank.</li> <li>• Free Access Checking Account for all Pepperdine University Graduate School of Education and Psychology borrowers in school and in repayment.</li> </ul>	<ul style="list-style-type: none"> <li>• Zero Origination Fees on loans guaranteed on or after May 1, 2006.</li> <li>• 3.30% cash back after the first 33 monthly on time payments. To qualify, prior to entering repayment, borrowers must sign up for <i>Manage Your Loans</i><sup>SM</sup> to receive account information at a valid e-mail address.</li> </ul>	<ul style="list-style-type: none"> <li>• Zero Origination Fees.</li> <li>• 2.00% interest rate reduction for borrowers who make their first 36 consecutive monthly payments on time and use our convenient electronic billing statement feature, this is effective for new loans guaranteed on or after April 1, 2006.</li> <li>• 0.25% interest rate reduction when you make automatic payments from a checking or savings account.</li> </ul>

### Private Loans

Loan Program	CitiAssist®	Education Finance Partners Alternative Loan	GradEXCEL Custom Loan	Wells Fargo Graduate Loan
Lender Name	Citibank**	Education Finance Partners	Nellie Mae	Wells Fargo
Customer Service Number	(800) 967-2400	(866) 308-1070	(800) 634-9308	(800) 658-3567
Interest Rate	Prime minus 0.50% to Prime + 4.00%	Starting at LIBOR + 1.80%	Monthly Variable: Prime Rate minus 0.50% Annual Variable: Prime Rate + 2.50%	Prime + 0.00% to Prime + 3.50%
Disbursement Fees without Co-borrower	0.00%	Starting at 0.00%	5.00%	0.00%
Disbursement Fees with Co-borrower	0.00%	Starting at 0.00%	0.00%	0.00%
Repayment Fees without Co-borrower	0.00%	0.00%	0.00% – 2.00%	0.00%
Repayment Fees with Co-borrower	0.00%	0.00%	0.00% – 2.00%	0.00%
Co-borrower Release	48 months	24 months	24 months	Co-signer release option available after making the first 24 consecutive on time payments
Grace Period	6 months	6 months	6 months	6 months
Repayment Schedule	Up to 15 years	20 years	Up to 30 years based on loan balance	15 years
Interest Rate Reduction at Repayment	<ul style="list-style-type: none"> <li>• 0.25% interest rate reduction for auto-debit.</li> <li>• 0.50% interest rate reduction for 48 consecutive on time payments.</li> </ul>	<ul style="list-style-type: none"> <li>• 0.25% interest rate reduction for auto-debit.</li> </ul>	<ul style="list-style-type: none"> <li>• 0.25% interest rate reduction for auto-debit.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce your interest rate by 0.50% when you make automatic payments from a Wells Fargo checking or saving account. (0.25% from a non-Wells Fargo account)</li> <li>• 0.50% interest rate reduction after 48 consecutive on time payments.</li> </ul>

Please see reverse side for additional program details.

# YOUR GUIDE TO BORROWING MONEY FOR GRADUATE SCHOOL

## Federal Stafford Loans

If you demonstrate sufficient financial need, you can qualify for a Subsidized Federal Stafford Loan – which means the federal government will pay the interest that accrues while you are in school, during a six-month, post-school grace period or in any authorized period of deferment. If you fail to show sufficient need, you can still qualify for an Unsubsidized Federal Stafford Loan. With an unsubsidized loan, you will be responsible for paying the interest that accrues during school, grace and deferment periods. If you choose not to make interest payments while in school, the interest will be “capitalized,” which means that the lender will add the accrued interest to the principal balance of the loan. Future payments will be based on both the principal (original amount borrowed) plus any capitalized interest.

**This information will help you understand and complete the forms necessary to borrow from the Subsidized and Unsubsidized Federal Stafford Loan Program.**

### The Stafford Master Promissory Note (MPN)

- The MPN is a legal document. By signing it, you must promise to repay your Stafford Loans.
- Students who use an MPN are notified each academic year of their loan eligibility by the school.
- You may choose to reduce or cancel your loan amount once you are notified.
- Be conservative – borrow only what you need.

### Applying for a Stafford Loan

- You should complete and sign your MPN online.
- You must complete entrance and exit counseling as determined by your school's Financial Aid Office.

### Disbursement of Funds

- Funds are disbursed directly to school.

### Eligibility and Borrowing Limits

- Your school determines your eligibility by conducting a needs analysis based on the information you provided on your Free Application for Federal Student Aid (FAFSA).
- The FAFSA is used to apply for federal student financial aid, including grants and loans.
- Completing the FAFSA is the first step in the financial aid process. You should submit your application as soon as possible after January 1.
- Completing the FAFSA on the Web at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) is the fastest way to apply for financial aid.

- Pepperdine University's Federal School Code is 001264.
- You must be an undergraduate, graduate or professional student, a U.S. citizen or eligible non-citizen, enrolled at least half-time with no unresolved defaults or overpayments owed on Title IV educational loans or grants.
- Your Award Notification Letter will provide you with eligibility details and the maximum amount you can borrow.

### Interest Rates and Fees

- For loans disbursed before 7/1/06, the rate is variable and adjusted annually on July 1. The interest rate cap is 8.25%.
- For loans first disbursed on or after July 1, 2006 the interest rate is fixed at 6.80%.
- Loan fees may be deducted at the time of disbursement and may consist of an origination fee up to 3.00% and a guarantee fee of up to 1.00%, depending on the lender that you choose.

### Repayment

- Stafford Loan repayment begins six months after you graduate or leave school.
- The loan repayment term is up to 10 years. You can pre-pay the loan in whole or part without penalty.

### Choosing a Lender

- Students who have previously borrowed a Federal Stafford Loan are encouraged to use the same lender.
- We recommend you choose one of the lenders on our preferred lender list. (See comparison chart.)

\*The Zero Payments for the Last Six Months offer is valid for Stafford Loans serviced by Citibank with first disbursements on or after July 1, 2006. The borrower's minimum aggregate balance of Stafford and PLUS Loans at repayment must be \$4,500. Citibank will waive only the amounts due on the final 6 regularly scheduled payments based on the original repayment period (e.g. payments numbered 115 through 120 on a 10-year repayment period). Prepayments on a loan may affect the amount of the benefit. For example, prepayments may eliminate one or more of the regularly scheduled payments and thus reduce the number of monthly payments which Citibank would waive. The Zero Origination Fee Stafford Loan is valid for Stafford Loans serviced by Citibank. Citibank will pay the origination fee that is typically charged to the borrower.

Information printed in this document was gathered from publicly available sources and is believed to be correct as of this printing. It is intended for use as an approximate guide for comparison purposes only. To ensure fully informed borrowing, you should refer directly to each lender's loan application and promissory note for exact information regarding terms, assumptions, conditions, eligibility, definitions and **Annual Percentage Rate (APR)**.

\*\*For CitiAssist Loans, the interest rate charged is based on the applicant's credit rating and the presence of a co-signer. The Prime minus 0.50% rate is available for loan applications received after April 1, 2006. Co-signers may be released from a loan if the borrower has made the first 48 consecutive monthly payments on time, is creditworthy and is a U.S. citizen or permanent resident at the time the release is requested. Interest rate reductions and other benefits terminate upon loan delinquency or default. Borrowers must continue to make monthly payments by the scheduled payment due date to retain the applicable benefit. Borrowers may apply online at any time. The three-minute credit response is for applications submitted Monday to Friday from 7:00 a.m. to 11:00 p.m. E.T. Additional documentation and data verification may be requested for final loan approval. Visit [studentloan.com](http://studentloan.com) for other terms and conditions that may apply.

**Graduate (APR) Example:** Each APR example is based on an \$8,000 graduate loan with a 27-month deferral period followed by a 180-month repayment period and assuming a constant Prime Rate of 7.50%. Based on an interest rate of Prime minus 0.50% the APR would be **6.87%** with a \$83.23 monthly payment. Based on an interest rate of Prime + 4.00%, the APR would be **11.14%** with a \$117.64 monthly payment.

Interest rates may vary and are indexed to the Prime Rate as published in *The Wall Street Journal*. As of March 2, 2006, the published Prime Rate was 7.50%. The APR will increase if the Prime Rate increases and would result in higher monthly payments, an increase in the number of scheduled payments, or both.

Interest rate reductions and all borrower benefits including these offers terminate upon loan delinquency or default. We reserve the right to modify or discontinue benefit programs at any time without notice. Any termination or modification of the program will not affect the terms of loans previously made. Additional terms and conditions.

*Printing courtesy of Citibank.*

The Student Loan Corporation

A PREFERRED LENDER for PEPPERDINE UNIVERSITY

[studentloan.com/schools/pepperdine/gsep](http://studentloan.com/schools/pepperdine/gsep)

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