

Introduction

For many families, the "How do I pay for college?" question is ultimately as important as "Where am I going to college?" Few families today can afford to pay for college out of discretionary income. Even after a financial aid package, the "How do I pay for the rest of it?" question often looms large.

This brochure is designed to help with the "How do I pay for college?" question. For many families, some of the cost of college may come from income or assets, some may come from financial aid, and some may need to be financed in order to spread payments over time, fit payments into a monthly family budget, etc. This brochure provides information about financing options that can help families meet college costs.

In addition to **Stafford Loan** and **PLUS Loan** options that are used by many families to cover a portion of college costs, there is information about other alternative loans which are offered at very attractive interest rates and with flexible repayment options. **The Muhlenberg College Monthly Payment Plan** also helps many families manage their own cash flow in meeting educational costs.

We hope you will take a moment to consider these financing options. You may find, as many families have, that they are very helpful in making the Muhlenberg educational experience affordable.

Muhlenberg College Monthly Payment Plan

Phone Number: (800) 895-9061

Website: www.afford.com

Application Fee: \$50.00
(\$100.00 after 8/1/05)

Payment Length: 10 months

Payments Begin: June 2005

For more information contact:

Office of Financial Aid
Muhlenberg College

2400 Chew Street

Allentown, PA 18104

(484) 664-3175

fnaid@muhlenberg.edu

(800) 891-1413

Lender Code: 802218

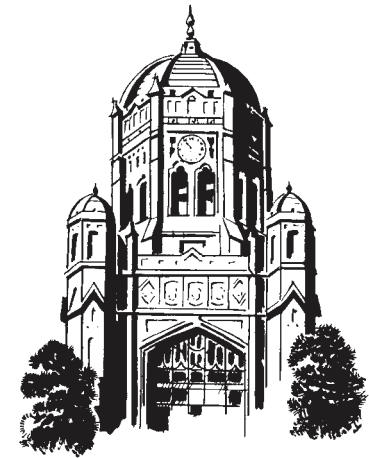
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MUHLENBERG
COLLEGE



Financing Options

Alternative Loan Fact Sheet

Loan Program	Unsubsidized Federal Stafford Loan	Additional Unsubsidized Federal Stafford Loan	PLUS Loan	Sallie Mae Education Trust® Signature Student Loan®	Education Finance Partners Private Loan																																																				
Loan Servicer	Varies	Varies	Varies	Sallie Mae®	ACS Education Services																																																				
Phone	Contact the FAO at (484) 664-3175	Contact the FAO at (484) 664-3175	Contact the FAO at (484) 664-3175	800.891.1413	1.866.308.1071																																																				
Website	N/A	N/A	N/A	SallieMaeEdTrust.com	EducationFinancePartners.com/Muhlenberg																																																				
Borrower	Student	Student	Parent	Student and/or creditworthy cosigner	Student and/or creditworthy co-borrower																																																				
Eligibility of Borrower or Co-signer	<ul style="list-style-type: none"> Students who have completed the financial aid application process and do not demonstrate need for a Subsidized Federal Stafford Loan. Or may not qualify for the maximum loan amount through the subsidized portion - may receive the remainder in the Unsubsidized Federal Stafford Loan. 	<ul style="list-style-type: none"> Students whose parents have been denied for a PLUS Loan 	<ul style="list-style-type: none"> Parent of full or half-time dependent undergraduate student Positive credit history U.S. Citizen or permanent resident 	<ul style="list-style-type: none"> At least half-time enrollment at an approved degree-granting school and pursuing a degree U.S. citizen or permanent resident Age of majority in the student's state of residence Borrower must meet credit criteria requirements or provide a creditworthy cosigner International students are eligible with a cosigner who is a U.S. citizen or permanent resident 	<ul style="list-style-type: none"> Student must be pursuing an education Borrower or co-borrower must be a U.S. citizen or permanent resident At least 18 years of age International students are eligible with a co-borrower who is a U.S. citizen or permanent resident. Loan approval can be granted prior to INS documentation 																																																				
Annual Limits: Maximum Minimum	Freshmen: \$2,625 Sophomores: \$3,500 Juniors: \$5,500 Seniors: \$5,500 None	Freshmen: \$4,000 Sophomores: \$4,000 Juniors: \$5,000 Seniors: \$5,000 None	Cost of attendance less financial aid Varies by lender	Cost of attendance minus other financial aid \$500	Total cost of education minus aid None None																																																				
Aggregate Limit	\$23,000 between Subsidized and Unsubsidized Stafford Loans	\$23,000 between Subsidized and Unsubsidized Stafford Loans	N/A	Undergraduate without a cosigner: \$100,000* Graduate without a cosigner: \$150,000* Borrow more with a cosigner. *Includes all student loan debt, federal and private	None																																																				
Interest Rate	The fixed interest rate in effect for Federal Stafford Loans disbursed on or after July 1, 2006 is 6.8%.	The fixed interest rate in effect for Federal Stafford Loans disbursed on or after July 1, 2006 is 6.8%.	The fixed interest rate in effect for Federal PLUS Loans disbursed on or after July 1, 2006 is 8.5%.	Prime - 0.25% to Prime + 6% Based on credit review and cosigner presence. (*See APR Example below.)	Starting at 3-month LIBOR + 1.80% (adjusts quarterly) (6.30% as of 1/06)																																																				
Loan Fees	0.00% to 4.00% Guarantee/Origination Fee	0.00% to 4.00% Guarantee/Origination Fee	3.00% to 4.00% Guarantee/Origination Fee	Disbursement: None Repayment: 0-3%, based on credit	Starting at 0.00%																																																				
Repayment Period	10 years; student may pay interest only while enrolled at least half-time OR interest may be capitalized.	10 years; student may pay interest only while enrolled at least half-time OR interest may be capitalized.	10 years	15 - 30 years based on loan balance at repayment	20 years • No payments required while enrolled • Interest capitalized once at repayment • Students may make interest-only or principal & interest payments if desired while in school																																																				
Grace Period	6 months (from the time a student ceases to be enrolled at least half-time)	6 months (from the time a student ceases to be enrolled at least half-time)	None, repayment begins within 60 days after final disbursement of the loan	6 months	6 months																																																				
Borrower Benefits	Varies by lender	Varies by lender	<ul style="list-style-type: none"> Select lenders (including Sallie Mae Education Trust, Citibank, College Credit, PNC, and Citizens) may offer interest only payments for 4 years. Most other lenders require principal & interest payments within 60 days after final disbursement 	<ul style="list-style-type: none"> Flexible Repayment Options Cosigner release option available after 24 on-time payments of principal and interest (borrower credit check applies) No income requirement or debt-to-income check No hassle, secure online application with electronic signature and account management 24 x 7, free online account access and bill payment through Sallie Mae's Manage Your LoansSM available at SallieMae.com 	<ul style="list-style-type: none"> 0.25% interest rate discount for automatic payments from a checking or savings account Co-borrower release option available after only 24 consecutive payments Can borrow for balances up to 12 months in the past 																																																				
Sample Repayment	Interest Rate: 6.8% <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Loan Amount</th> <th># of Payments</th> <th>Monthly Payment</th> <th>Total Interest</th> </tr> </thead> <tbody> <tr> <td>\$2,625</td> <td>63</td> <td>\$50</td> <td>\$499</td> </tr> <tr> <td>\$3,500</td> <td>90</td> <td>\$50</td> <td>\$971</td> </tr> <tr> <td>\$5,500</td> <td>120</td> <td>\$63</td> <td>\$2,096</td> </tr> </tbody> </table>	Loan Amount	# of Payments	Monthly Payment	Total Interest	\$2,625	63	\$50	\$499	\$3,500	90	\$50	\$971	\$5,500	120	\$63	\$2,096	Interest Rate: 6.8% <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Loan Amount</th> <th># of Payments</th> <th>Monthly Payment</th> <th>Total Interest</th> </tr> </thead> <tbody> <tr> <td>\$3,000</td> <td>74</td> <td>\$50</td> <td>\$677</td> </tr> <tr> <td>\$4,000</td> <td>107</td> <td>\$50</td> <td>\$1,344</td> </tr> <tr> <td>\$5,000</td> <td>120</td> <td>\$58</td> <td>\$1,905</td> </tr> </tbody> </table>	Loan Amount	# of Payments	Monthly Payment	Total Interest	\$3,000	74	\$50	\$677	\$4,000	107	\$50	\$1,344	\$5,000	120	\$58	\$1,905	Interest Rate: 8.5% <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Loan Amount</th> <th># of Payments</th> <th>Monthly Payment</th> <th>Total Interest</th> </tr> </thead> <tbody> <tr> <td>\$6,000</td> <td>120</td> <td>\$77</td> <td>\$3,180</td> </tr> <tr> <td>\$8,000</td> <td>120</td> <td>\$102</td> <td>\$4,240</td> </tr> <tr> <td>\$10,000</td> <td>120</td> <td>\$128</td> <td>\$5,300</td> </tr> <tr> <td>\$12,000</td> <td>120</td> <td>\$153</td> <td>\$6,360</td> </tr> </tbody> </table>	Loan Amount	# of Payments	Monthly Payment	Total Interest	\$6,000	120	\$77	\$3,180	\$8,000	120	\$102	\$4,240	\$10,000	120	\$128	\$5,300	\$12,000	120	\$153	\$6,360	Current Prime Rate: 7.50%, adjusts monthly Please see APR Examples below.	Interest Rate: 6.30% (Assumes 3-month LIBOR = 4.50%, 60 months in-school deferment (including 6 month grace) and 20 year repayment term) \$5,000 Interest-only: \$26.25 P & I: \$50.00* *minimum payment, paid off in 217 months \$10,000 Interest-only: \$52.50 P & I: \$96.50 \$15,000 Interest-only: \$78.75 P & I: \$144.75 \$20,000 Interest-only: \$105.00 P & I: \$193.00
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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).

* Signature Student Loan APR Examples: For Signature Student Loan, APR range is between 6.90% and 12.64%, depending on credit. Assumes a repayment term of 15 years. For a \$10,000 loan, the monthly payment will range between \$118 and \$207. The APR will increase if the Prime Rate increases. Assumes the March 2, 2006 Prime Rate of 7.50%.