TERI® Alternative Loan Program - Undergraduates

Make your education dream a reality. The TERI® Alternative Loan offers generous borrowing limits and flexible repayment terms.
Who is Educaid®?

Educaid® is one of the leading student loan providers in the United States. We offer government and alternative loans designed for parents, undergraduate and graduate students, continuing students, and students studying abroad. Our borrowers enjoy fast access to funds, great ways to save on repayment, and super-friendly customer service.

TERI at a Glance!
The Education Resources Institute (TERI) is a private, not-for-profit organization that offers loans based on creditworthiness, not income limitations. These loans are guaranteed and administered nationwide by TERI, and funds are made available through Educaid and other participating lenders.

Advantages of the TERI Alternative Loan for Undergraduates

- Low interest rate
- Available with no fee
- Fast and convenient processing
- Funding in as little as five days from receipt of completed application
- Borrow up to the cost of your education less financial aid received
- Defer payments until after graduation
- Use for a previous academic year balance
- Ample repayment options
- Cost-saving repayment incentive
You qualify if you are:

• An undergraduate student age 18 years or older in a degree or certificate program
• Enrolled at least half time as determined by your school
• Attending a TERI-approved school
• Making satisfactory academic progress as determined by your school

You must also meet the credit guidelines below (or have a co-borrower that meets these requirements):

• A satisfactory credit history, residence, and employment history of at least two years
• Sufficient current income
• If self-employed, to have been in business for at least two years
• A U.S. citizen or permanent resident and have resided in the U.S. for the previous two years
• An international student with a U.S. citizen or permanent resident co-borrower
Loan Amount

For current/upcoming year:
Annually borrow from $1,000 up to the cost of your education, less any other aid. The financial aid office at your school is required to certify loan amounts for cost less aid received. The amount you receive will be the amount certified by your school or the amount you’ve requested, whichever is less.

For a previous year:
The TERI Alternative Loan can be used to cover past-due balances from a previous academic year. Simply apply for a past-due balance loan separately from any current/upcoming year loan and provide a copy of your past due tuition bill. Current enrollment is not required.

Interest Rates and Fees

Pick the loan program you need
TERI Education Loans allow you to choose the features that best suit your needs. Regardless of which option you choose, Educaid’s interest rates are among the most competitive you can find.

No Fee
Take advantage of zero up-front fees! This option does come with a slightly higher interest rate and makes sense if you will only need a few loans during your education or if you plan to repay within a few years. Our variable interest rates are based on the Prime Rate + 0.50%, as published in The Wall Street Journal.
Low Rate
Opt for a reduced interest rate! While this option comes with a lower interest rate, you will pay competitive loan fees. This option makes sense if you plan to take out multiple loans over a period of years or if you repay your loans over an extended period.
Our variable interest rates are based on the Prime Rate + 0%, as published in The Wall Street Journal. If you choose to begin immediate repayment of principal and interest (or immediate interest-only repayment), an origination fee of 5% will be financed and added to the loan amount at disbursement. If you prefer to defer principal and interest until after graduation, an origination fee of 6.5% will be added.

Repayment Choices
Choose the option that best suits your needs:

Option 1: Immediate Repayment
Pay principal and interest in a fixed monthly amount beginning 30-45 days after funds are disbursed.
Advantage: Provides maximum savings over the life of the loan.

Option 2: Interest-Only Repayment
Defer principal and make interest-only payments while you are enrolled in school for up to four consecutive years.
Advantage: Reduces payments during school and helps to reduce overall debt.

Option 3: Deferred Principal & Interest Repayment
Make no payments while in school for up to four consecutive years. Repayment begins six months after graduation.
Advantage: Provides the convenience of no payments during school.
### Repayment Examples

#### $10,000 for 10 Years - Low Rate Option

<table>
<thead>
<tr>
<th></th>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APR</strong></td>
<td>5.36%</td>
<td>5.32%</td>
</tr>
<tr>
<td><strong>Principal at Repayment</strong></td>
<td>$10,526.32</td>
<td>$10,526.32</td>
</tr>
<tr>
<td><strong>Origination Fee</strong></td>
<td>$526.32</td>
<td>$526.32</td>
</tr>
<tr>
<td><strong>Monthly Interest Payment</strong> (while in school)</td>
<td>same as below</td>
<td>$41.66</td>
</tr>
<tr>
<td><strong>Monthly Principal and Interest Payment</strong></td>
<td>$68.02</td>
<td>$81.88</td>
</tr>
<tr>
<td><strong>Total Finance Charge</strong></td>
<td>$6,325.65</td>
<td>$6,737.43</td>
</tr>
</tbody>
</table>

#### $10,000 for 10 Years - No Fee Option

<table>
<thead>
<tr>
<th></th>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APR</strong></td>
<td>5.75%</td>
<td>5.75%</td>
</tr>
<tr>
<td><strong>Principal at Repayment</strong></td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>Monthly Interest Payment</strong> (while in school)</td>
<td>same as below</td>
<td>$47.91</td>
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<tr>
<td><strong>Monthly Principal and Interest Payment</strong></td>
<td>$70.21</td>
<td>$83.04</td>
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<tr>
<td><strong>Total Finance Charge</strong></td>
<td>$6,850.00</td>
<td>$7,246.88</td>
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</tbody>
</table>
**Repayment Incentive Program**

Save on repayment with an interest rate reduction of 0.50%! To be eligible, borrowers simply need to make consecutive scheduled payments on time directly from a bank account using auto debit.*

*Educaid may modify or discontinue this benefit program at any time without notice. Changes will not affect loans that qualify for the benefit prior to the time of the change.

<table>
<thead>
<tr>
<th>Option 3</th>
<th>5.12%</th>
<th>$12,980.78</th>
<th>$695.19</th>
<th>Deferred</th>
<th>$83.88</th>
<th>$10,132.37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 3</td>
<td>5.53%</td>
<td>$12,586.93</td>
<td></td>
<td></td>
<td>$88.37</td>
<td>$11,208.99</td>
</tr>
</tbody>
</table>
How to Apply

Choose a method for applying

Log on: www.educaid.com
Select “Apply Now” to find a link to the online TERI application.

Once your application has been submitted, check status and download your promissory note online at www.teriloans.com. No lines, no waiting, simply ready when you are.

Call: 1-877-888-9646
Select “2” for Customer Service.

Fax: 1-888-FAX-TERI (1-888-329-8374) Complete the enclosed application and fax.

Mail: Complete the enclosed application and mail to:
TERI
P. O. Box 312
Boston, MA 02117-0312
Delivery of Funds

Upon conditional pre-approval, TERI will send you a pre-printed application/promissory note. (If you apply by web or phone, your pre-approval can be sent via email within minutes.)

Complete, sign, and return your application/promissory note to TERI with required attachments for final approval. At the same time, a certification form will be sent to your school for verification of attendance and loan amount.

If you use the web or fax and your school verifies enrollment status promptly, disbursement can take as little as five days!

Wachovia Bank of Delaware, National Association will fund your TERI Alternative Loan.
Footnotes

1. The repayment examples use a variable interest rate, based on the Prime Rate as published in *The Wall Street Journal*. For the Low Rate option the rate is Prime + 0% (4.75% as of 9/1/02) and the No Fee option rate is Prime + .50% (5.25% as of 9/1/02).

2. Annual Percentage Rate (APR) is the effective interest rate when the origination fee (if applicable) and interest charges are included. The APR is variable, and may increase or decrease if the interest rate changes.

3. Principal at repayment reflects the principal amount disbursed (loan amount plus any applicable origination fee) and interest that accrues during the deferment term (assumed to be 48 months for option 2 and 54 months for option 3). Deferred interest is capitalized into the principal amount upon entering repayment.

4. An origination fee of 5% will be added and financed with the loan amount at disbursement with Option 1 or 2, and a 6.5% origination fee will be added and financed with Option 3.

5. The amount shown here is the payment that will be made during the deferment term if the student elects to defer principal and make interest-only payments while in school. The monthly interest payment will increase if the interest rate increases. Interest-only payments during deferment do not reduce the principal balance of the loan. After deferment, full principal and interest repayment begins and continues throughout the life of the loan.

6. Monthly payments on Option 1 remain fixed throughout the life of the loan. Monthly payments of principal and interest on Option 2 or Option 3 will be fixed when the loan goes into repayment and will then remain fixed for the remaining years of the loan. If principal or principal and interest is deferred, the monthly payment amount will increase if the interest rate increases, and will be computed based on the interest rate applicable at the time repayment begins. Any increase in the interest rate during repayment will be reflected in an increase in the number of payments, not in the monthly amount, unless an increase in the monthly amount is needed to keep repayment within the 25-year program maximum. Minimum monthly payments will be at least $50.

7. Finance charge is interest paid over the life of the loan, including the origination fee.