



Private CitiAssist® Loan Programs and Services

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1. Company Overview

Discover Financial Services (Discover®) has acquired The Student Loan Corporation (SLC), which manages CitiAssist® Loans and was previously a subsidiary of Citibank, N.A. Moving forward, our combined company will serve you and your students with affordable loan options, high quality customer service, and innovative resources that help simplify the student loan process.

For the 2011-2012 peak season, Discover will be offering Discover Student Loans **and** CitiAssist Loans — both with competitive rates, borrower benefits and the excellent service that you have come to expect from us.

CitiAssist is one of the longest standing private loan products in the industry. Our experience supports our ability to offer a full suite of competitively priced private loan products for undergraduate, graduate and professional students. We remain dedicated to helping you educate your students and families on their financial aid options, as well as assisting them in selecting the right student loan for their needs.

CitiAssist Loans help students in covering educational costs that are not covered by other sources of financial assistance. We are pleased to offer your students CitiAssist Undergraduate and Graduate Loans, for students attending school less than half-time, half-time or full-time, as well as certificate programs.

2. Customer Service for Schools



Dedicated to Your School's Success

Our team of professionals is committed to being a trusted resource to you and your students from application through repayment.

Dedicated Account Manager

- Laura Worley, your school's dedicated Account Manager, is your advocate within our organization. She is your main point of contact for communication regarding new processes, products and initiatives and escalation of outstanding issues.

Priority Services Representatives

- Representatives have an average of 10 years experience in student loans
- Experienced staff is cross trained to avoid use of temporary staff during peak season
- Provide assistance with online services (including faaonline.com)

Servicing Standards

- Schools calling the Priority Services Unit always speak with a live representative
- Phone calls to Priority Services are answered in 25 seconds on average
- E-mails received from schools are answered within one day on average
- Our overall customer satisfaction rating for the past 3 years has remained around 90%

Marketing Materials

- Brochures specific to undergraduate, graduate and professional students available online at www.studentloan.com/brochures
- Tools available on www.studentloan.com including calculators, loan advisors and loan comparison guides

FAAOnline

- View and update certification information
- Information and reports on alternative loan certification, and pending disbursements
- Information on products and services, as well as industry and business updates

3. Customer Service for Borrowers



Dedicated to Your Students' Success

We realize that your students have worked very hard to get to where they are and their unique needs require special attention. We provide personalized support and financing solutions that are designed to meet all of their needs, now and in the future.

Customer Service Representatives

- Available Monday through Friday 8:00 a.m. to 11:00 p.m. ET at 1-(800)-STUDENT. Accessible via e-mail at student.loans@citi.com
- Representatives have an average of 7 years experience in student loans
- Experienced staff is cross trained to avoid use of temporary staff during peak season
- Bilingual Customer Service Representatives for Spanish speaking students and families

Servicing Standards

- The majority of e-mails are responded to in less than 48 hours
- During our last peak season, calls were answered within 16.7 seconds on average
- Our overall customer satisfaction rating for the past 3 years has remained around 90%

Fast and Easy Online Processes at Studentloan.com

- Online application and E-signature for CitiAssist Loans
- Online statements, account management and pay online capabilities
- Variety of payment and financing calculators for borrowers to determine the costs of education
- Repayment information including steps to repayment, methods of repayment, debt management information, auto debit and pay online details
- Online advisors designed to provide a succinct overview of the student loan and repayment processes in an interactive and engaging manner

4. Information Security/Privacy Policy/Marketing Practices



Dedicated to Your Student's Security

We have administrative, technical and physical safeguards in place to protect the security, confidentiality and integrity of our customer's information.

Security Policy Initiatives

- Controls access to and use of information to authorized individuals
- Protects information, regardless of format (electronic, paper-based, etc.)
- All web sites are secured using Secure Sockets Layer encryption
- All information is kept strictly confidential

Sharing of Customer Information

- Customer contact information (public information only) may be sold to contracted vendors for the purpose of marketing relevant third party products/services
- In instances where direct marketing campaigns do involve sharing of customer information with a third party, all customers who have restricted Non-Affiliate Information Sharing are excluded

Continuation of Business

- Continuity of business procedures are regularly tested and monitored by auditors and regulatory compliance experts
- Loan data, reports, and critical information are backed up in remote locations to reduce the risk of data loss
- All critical functions have multiple levels of redundancy to minimize business disruption

Privacy Notice

- New customers are provided with a Privacy Notice as a standard part of the application process
- After loans are purchased by Discover Bank, customers will also receive the Discover Bank Privacy Policy
- The Privacy Notice allows customers the option to opt out of information sharing and solicitation

Marketing Practices

- Special product offers are marketed to our customers based on relevancy to their future financial needs
- Borrowers are advised of additional banking resources through e-mail, web banners, statement inserts and/or telemarketing
- Once a customer opts-out of our marketing promotions, their name will not be sold or shared with an affiliate party

5. Debt Management and Financial Literacy



Dedicated to Financial Management

We remain committed to supporting you and your students with affordable student loan options. A critical part of this is providing financial literacy and default management programs to help educate borrowers on fiscal responsibility from the time they take out a loan through repayment.

Pre-repay Calling Initiative

We know how important it is to help students successfully navigate repayment in order to help keep their credit intact and to prevent defaults. The Education Unit focuses on assisting CitiAssist Loan borrowers entering repayment for the first time, or coming out of a deferment or forbearance period, and proactively educates them on repayment and repayment options.

Financial Literacy

We offer a variety of information and tools for CitiAssist borrowers that can be accessed directly from www.studentloan.com:

The *Pay For College* as well as the *Pay Your Loans* sections help educate students and their families about financial aid options and the importance of managing credit wisely. Topics include:

- *How to Pay for College*: Explore financial aid options to help pay for college. This section includes (1) Types of Free Financial Aid, (2) The Financial Aid Process and (3) Federal Education Loans
- *Private College Loans 101*: Get the facts about private college loans which are used to help pay for college expenses. This includes information on (1) College Loan Interest Rates, (2) Determine How Much to Borrow and (3) Choosing a Private Student Loan Lender
- *Financial Aid Calendar*: Students and parents can stay on course with our easy-to-follow calendar of financial aid and student loan deadlines
- *Tips from the Experts*: Explores actions to keep student debt manageable

We also have interactive tools that walk visitors through the student loan and repayment process.

School Assistance

- Your Account Manager is available to provide debt counseling to students
- We monitor and contact CitiAssist Loan borrowers who may be at risk of becoming delinquent or defaulting on their loan(s)

6. Private Loan Programs

CitiAssist® Undergraduate and Graduate Loans

CitiAssist Loans offer students a variety of private loan solutions with competitive rates, money-saving benefits and a great variety of features to make repayment easier.

Borrower Eligibility

- For full-time, half-time or less than half-time students
- International students are eligible with a U.S. citizen or permanent resident cosigner
- Satisfactory academic progress not a condition of lending

Cosigner Requirements

- Cosigner required for students who are not at least 18 years of age (19 in Alabama and Nebraska, 21 in Mississippi and Puerto Rico)
- For students meeting these age requirements, cosigners are not required, but students who do not have an established credit history can apply with a qualified cosigner to assist with approval and potentially qualify for a lower interest rate
- We strongly recommend students apply with a qualified cosigner to assist with approval and potentially qualify for a lower interest rate

Cosigner Release Option

- Cosigners may be released from the loan if the borrower has made the first 24 consecutive monthly principal and interest payments by the due date and the loan remains current while the request is processed. The borrower must meet credit underwriting requirements and be a U.S. citizen or permanent resident at the time the release is requested.

Competitive Interest Rates and Zero Origination Fees¹

- The interest rate may vary and is indexed to the 3-month London Interbank Offered Rate (LIBOR), as published in the "Money Rates" section of The Wall Street Journal, rounded up to the nearest one-eighth of one percent, plus or minus a margin. The variable rate is determined quarterly on the first day of January, April, July, and October based on the published LIBOR Index 15 days prior to those dates.
- Interest rates ranges are as follows:

Loan Type	Interest Rates
Undergraduate	3-month LIBOR + 3.25% to 3-month LIBOR + 9.00%
Graduate	3-month LIBOR + 3.75% to 3-month LIBOR + 7.50%

- Based on the applicants' credit scores
- No pre-payment penalties
- Please check www.studentloan.com for most current interest rates and fees

¹ For applications received on or after April 1, 2011

Borrower Benefit²

- 0.25% interest rate reduction for borrowers who have their loan payments automatically withdrawn through our auto-debit payment program and agree to only receive electronic statements
- Borrowers need to complete and submit an application for the CitiAssist auto-debit program and continue to make payments through the auto-debit program to retain this benefit
- Borrowers must make and have their payments posted to their account no later than the scheduled due date. Payments posted after the due date will result in the termination of the benefit.
- For the latest information on our CitiAssist Loan borrower benefits, please visit www.studentloan.com

School Certification

- Required for Undergraduate and Graduate Loans
- Schools have a choice as to when the certification request will be generated, including a 'Cert Last' option which ensures all activities have been completed and required documentation received before the school certification request is issued

Private Loan Reauthorization

- We supports federally mandated regulations including providing students with three new disclosures: Application Disclosure, Approval Disclosure and Final Disclosure
- Borrowers must complete a self-certification form and submit it to the lender prior to disbursement
- As stated in the regulations, lenders must provide a three-business day 'right to cancel' period after customer receipt of final disclosure. Loan funds will be disbursed after the end of the cancellation period.

APR

- Monthly payment and APR examples can be found at www.studentloan.com in our interest rate section

Loan Minimum

- CitiAssist Loans have a one time minimum of \$1,000. The \$1,000 minimum applies to the first CitiAssist Loan only. No minimums apply on subsequent CitiAssist Loans.
- For our current CitiAssist Loan borrowers, loan requests below the \$1,000 minimum will be honored -- as long as their CitiAssist Loans (New Request + Previous Loans) meet or exceed the \$1,000 minimum

Annual and Aggregate Loan Limits

- On an annual basis, students can borrow up to the total cost of education less any financial aid they may have received
- The aggregate limits for CitiAssist Loans are as follows:

Loan Type	Aggregate Loan Limit
Undergraduate	Up to \$120,000
Graduate	Up to \$150,000

Fast Application Processing

- Borrowers and cosigners (if applicable) applying online at www.studentloan.com will receive a response in less than 3 minutes³

² The interest rate reduction does not apply during periods of deferment or forbearance and automatically terminates upon loan delinquency, default or for payments returned due to insufficient funds or other reason.

³ The three-minute response is for applications submitted Monday to Friday from 7:00 a.m. to 11:00 p.m. E.T.

Flexible Repayment Options

- Borrowers have the choice to make payments while in school or during grace without any penalty for prepayment. We encourage borrowers to make payments prior to repayment as a way to reduce the total amount of interest and the total cost of the loan.
- CitiAssist Loans have the following repayment terms:

Loan Type	In-school Period	Grace Period	Standard Repayment Term
Undergraduate	Up to 10 years	6 months	15 years
Graduate	Up to 4 years	6 months	20 years

Interest Capitalization

- Interest is capitalized once at repayment and at the end of any deferment or forbearance period

International Student Services

- International students are eligible with a U.S. citizen or permanent resident cosigner
- All applications are considered prior to submission of immigration documentation
- International students must have a U.S. address in order to apply online at www.studentloan.com
- International students can make loan payments online, regardless of their location globally

7. Loan Processing and Servicing

Processing and Servicing Options

Citi offers a single point of contact for the school and borrowers and best in class customer service.

Loan Process Flows

- We support a variety of borrower initiated processing flows for CitiAssist Loans
- We can work with your school to analyze your current process for optimum loan processing. Please contact your Account Manager to discuss options.

Fund Transfer Methods

- CitiAssist Loan funds can be disbursed through EFT
- Schools can initiate return of funds directly or via their data router
- Return of funds can be handled via auto debit, wire transfer or paper check

Delivery Systems

- We can exchange CommonLine files directly with schools
- We are a founding member of ELM Resources, a not-for-profit, mutual benefit corporation. A member of our management team is on the ELM Board and works closely with ELM to insure school needs are being met. We exchange data files with ELM continuously throughout the day.
- In addition, we work with Great Lakes Higher Education Corporation ScholarNet System, ILink, HESC Web File Transfer, Sallie Mae's OpenNet File Management system, and other electronic systems

Servicing and Selling of Loans

- As part of Discover Bank's recent acquisition of The Student Loan Corporation, Citibank has agreed to sell the CitiAssist Loans it originates to Discover Bank
- CitiAssist Loans will continue to be serviced by Citibank (South Dakota), N.A.

8. Lender Contact Information and Online Connections

Lender Name: Citibank, N.A. Lender Code: 826878

Contacts for Borrowers	
Customer Service P.O. Box 6191 701 East 60th Street, North Sioux Falls, South Dakota 57117	
Phone	1-(800) STUDENT
Fax	1-(605) 357-2013
E-mail	student.loans@citi.com
Web	www.studentloan.com
Hours	M-F 8:00 to 11:00 p.m. ET

Information	Website URLs
General Information	www.studentloan.com
Undergraduate Student Loans	www.studentloan.com/privatestudentloans/undergraduatecollegeloans.htm
Graduate Student Loans	www.studentloan.com/privatestudentloans/graduatecollegeloans.htm
Interest Rates and APR Examples	https://www.studentloan.com/studentloans/genericAPRExamples/GenericAPRExamples.do?actionValue=Generic
College Planning	www.studentloan.com/pay_for_college/index.htm
Student Loan Advisor	www.studentloan.com/studentloanadvisor/index.htm
Private Student Loan Guide	www.studentloan.com/privatestudentloan/index.htm
Online Applications	www.studentloan.com/privatestudentloans/applynow.htm
Online Calculators and Other Tools	www.studentloan.com/budgettools.htm
Payments	www.studentloan.com/pay
Account Management	www.studentloan.com/manage
Information for Financial Aid Officers	www.faaonline.com
Marketing Brochures	www.studentloan.com/brochures
Code of Conduct	www.studentloan.com/codeofconduct.htm
Application Disclosure Forms	www.studentloan.com/appdisclosures

Appendix A: General Terms and Conditions

We reserve the right to modify or discontinue benefit programs as well as loan terms and conditions at any time. Any termination or modification of the benefit programs or loan terms and conditions will not affect the terms of loans previously made.

For CitiAssist Loans, the interest rate charged is based on the applicants' credit scores and academic factors. Students may apply for a loan on their own. However, if they do not have an established credit history, they may apply with a qualified cosigner to increase chances for approval and potentially receive a lower interest rate. International borrowers must always apply with a U.S. citizen or permanent resident cosigner. Cosigners may be released from the loan if the borrower has made the first 24 consecutive monthly principal and interest payments by the due date and the loan must remain current while the request is processed. The borrower must meet credit underwriting requirements and be a U.S. citizen or permanent resident at the time the release is requested. The three-minute 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 loan approval. Visit studentloan.com for up-to-date product information.

Our auto-debit payment program provides a 0.25% interest rate reduction during repayment when a borrower enrolls in the program and agrees to receive only electronic statements. To retain this borrower benefit and avoid late fees, borrowers must make and have payments posted to their account no later than the scheduled due date. Any payment posted after the due date will result in the termination of such benefit. The interest rate reduction does not apply during periods of deferment or forbearance and automatically terminates upon loan delinquency, default or for payments returned due to insufficient funds or other reason.

Subject to maximum allowed aggregate borrowing limits and payment-deferral periods.

Specific terms and conditions apply, visit studentloan.com or call us at 1-800-STUDENT.

Private CitiAssist loans are originated by Citibank, N.A.

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Appendix B: Private Loan Application Disclosure Forms

In compliance with the Title X of the Higher Education Opportunity Act, lenders are required to provide schools with whom they have a Preferred Lender Arrangement, information that is contained on their Private Loan Application and Solicitation Disclosure forms. We are providing this information so that you will have it available should your school choose to have (or determine that they have) a Preferred Lender Arrangement for which disclosure is required.

If you have a preferred lender arrangement, our updated Application and Solicitation Disclosure forms can be found at www.studentloan.com/appdisclosures. This URL links directly to our most current forms. We encourage you to use this link as it will provide you and your students with current forms, alleviating the need for a school to post disclosure forms.

A Preferred Lender Arrangement is not required, but having an arrangement can assist your students by eliminating confusion, and helping them to narrow their choices to those lenders that provide the best loan programs and services for them.