

Office of Financial Aid
Supplemental Loan Options – US Citizens and permanent residents

Students who are citizens or permanent residents of the US are able to borrow a maximum of \$20,500 through the Subsidized/Unsubsidized Direct Loan program each academic year. Many students rely on this loan program to help fund their education expenses while at Haas. However, since the fees and tuition at Haas exceed the amount of the Subsidized/Unsubsidized Loan, students often borrow additional funds through either a Federal Direct Grad PLUS Loan or a private loan. Funds from these supplemental loan programs may be used to meet the budgeted cost of attendance, less any other financial aid received.

It is recommended that students utilize the federal loan programs first, as these loans have fixed interest rates as well as repayment terms that are not always found in private loans. Additionally, in the case of the Grad PLUS Loan the credit criteria is less stringent than with private loans, and there is no aggregate borrowing limit. UC Berkeley only processes federal loans through the Direct Loan program, which means that loans are made directly through the US Department of Education as opposed to banks or other financial institutions.

Students may choose to borrow a private education loan instead of the Federal Grad PLUS Loan. Private loans are loans made to a student by a lender based on credit history. Private loans are not federal loans: the government does not guarantee the loan, guarantee approval, or regulate processing. Many lenders offer special benefits to borrowers. The Haas School’s Office of Financial Aid encourages you to compare the benefits offered by different lenders so that you can make an informed choice.

To make the selection process easier, the Haas School’s Office of Financial Aid has identified three lenders that have consistently provided competitive pricing and outstanding service for the students at Haas, and compiled a comparison chart of their private loan programs. If you select a lender from this list, you can be assured that you will receive fair pricing as well as outstanding customer service.

- **Sallie Mae / UC Graduate Business Loan**

This loan program was selected through a competitive bidding process conducted by the University of California’s Office of the President. The terms offered provide the lowest cost loan to the greatest number of students, while ensuring that there is a loan available to all students, regardless of credit history. The credit tiers used in determining the pricing is as follows:

UC Loan Programs	
Categories	FICO Scores
Tier One	FICO 670+
Tier Two	FICO 610-669
Tier Three	FICO 570-609
Tier Four	FICO 569 or below or no FICO

The above credit tiers and FICO scores were decided upon by the UC Office of the President. As part of the UC Loan program, Sallie Mae agreed to honor UC’s credit tiers and FICO scores. Please note that these tiers/scores only apply to the Sallie Mae / UC Graduate Business Loan—and not to other loan programs that may be offered by the lender.

- **Citibank’s CitiAssist Loan**
- **Chase’s Chase Select Loan**

While we do not have the FICO scores available for the credit tier breakdown, the CitiAssist Loan and the Chase Select Loan are competitive with other private loan products on the market.

Both of the private supplemental loan options are credit based and have variable interest rates. Because the specific interest rate and any associated fees are determined by the borrower's credit score, we encourage you to obtain a copy of your credit report and review it for potential issues prior to applying for a loan (this can be done at no charge by using the federal government's site <http://www.annualcreditreport.com>). *Please note that with the Sallie Mae UC Preferred Loan, using a co-signer might secure you better terms on the loan.*

Borrowers are welcome to choose any lender, regardless of whether the lender appears on our comparison chart; however, we urge students to use the comparison chart as a tool in determining whether or not a loan program they are considering is as competitive as those that are listed. If choosing a lender that is not identified on the comparison chart, please notify our office by email so that we can ensure timely processing of the loan with your lender.

In determining which lender/loan program to borrow from, we strongly urge you to compare the terms of these loan products (including the Federal Grad PLUS Loan) to ensure that you choose the one that best suits your needs. The following are suggested points to consider when evaluating supplemental loan options:

- What is the interest rate?
- What are the credit criteria (if any)?
- What is the grace period (time between leaving school and beginning repayment)?
- What is the aggregate limit (if any)?
- Are there any fees associated with the loan?
- How likely are you to qualify for the "borrower benefits" (e.g., interest rate reduction after a number of consecutive on-time payments)?

The Haas School's Office of Financial Aid does not receive, and will not accept, inducements from lenders in exchange for inclusion in the private loan comparison chart; nor does the Haas School share in the profits from student loans.

While cost is an important factor to consider in choosing a loan, it should not be the only consideration. You are about to enter into a long-term relationship with your lender—one which generally spans your years in school and anywhere from ten to twenty years of repayment after graduation. As such, it is very important that you select a reputable lender with a demonstrated track record of excellent customer service.

Loans are disbursed in two equal disbursements: one for the fall semester and one for the spring. Please note that no disbursement can be made prior to your loan application being submitted to the lender and subsequently approved.

The Haas School's Office of Financial Aid has always and will continue to conduct its work in the best interest of our students, maximizing the amount of aid available, using competitive processes to secure the best rates on private loans, and striving for the highest level of service for students from our staff and our lenders.

If you have questions regarding the supplemental loan application process, or would like to provide us with feedback on our comparison chart, we welcome you to contact us. Please send an email to finaid@haas.berkeley.edu, or call us at (510) 643-0183.

Sincerely,

debi fidler, Director
Charles W. Conn, Assistant Director
Laquel Wright, Financial Aid Specialist

Haas School of Business
Office of Financial Aid

SUPPLEMENTAL LOAN COMPARISON CHART FOR MBA, EWBA, AND MFE *DOMESTIC* STUDENTS WITH *No* CO-SIGNER



	Direct Loans	Sallie Mae	Chase	Citibank
Loan Product	<i>Federal Grad PLUS</i>	<i>Sallie Mae/UC Graduate Business Loan</i>	<i>Chase Select Loan</i>	<i>CitiAssist Loan</i>
Interest Rate	7.9%	Without Co-signer <ul style="list-style-type: none"> • Tier 1: Prime - .75% • Tier 2: Prime + 3.5% • Tier 3: Prime + 5.5% • Tier 4: Prime + 6.5% 	Without Co-signer <ul style="list-style-type: none"> • Tier 1: Prime - 0.50% • Tier 2: Prime + 0.00% • Tier 3: Prime + 1.50% • Tier 4: Prime + 3.00% • Tier 5: Prime + 4.50% 	Without Co-signer <ul style="list-style-type: none"> • Tier 1: Prime - .50% • Tier 2: Prime + 2.0% • Tier 3: Prime + 4.0% • Tier 4: Prime + 6.0%
Fixed or Variable Rate	Fixed	Variable, adjusted monthly	Variable, adjusted quarterly	Variable, adjusted quarterly
Interest Rate Index as of 02/28/2008	N/A	Prime = 6.00%	Prime = 7.5%	Prime = 7.5%
Loan Origination Fee	2.5% (4.0% fee with 1.5% rebate at time of disbursement)	Without Co-signer <ul style="list-style-type: none"> • 0% for Tier 1 • 5% of principal for all others 	No Origination Fee (with <u>or</u> without co-signer)	No Origination Fee (with <u>or</u> without co-signer)
Loan Repayment Fee	No Repayment Fee	Without Co-signer <ul style="list-style-type: none"> • 0% for Tier 1 • 5% of outstanding principal balance (at repayment) for all others 	No Repayment Fee (with <u>or</u> without co-signer)	No Repayment Fee (with <u>or</u> without co-signer)
Different Loan Terms if Co-signer used	Co-signer option available only when requested by Direct Loans	Yes; Co-signer must be US Citizen or US permanent resident	Yes; Co-signer must be US Citizen or permanent resident	Co-signer must be US Citizen or US permanent resident
Annual Loan Limits	<ul style="list-style-type: none"> • Minimum: \$500 • Maximum: Up to cost of attendance less financial aid received 	<ul style="list-style-type: none"> • Minimum: \$500 • Maximum: Up to cost of attendance less financial aid received 	<ul style="list-style-type: none"> • Minimum: \$500 • Maximum: Up to cost of attendance less financial aid received 	<ul style="list-style-type: none"> • Minimum: \$500 • Maximum: Up to cost of attendance less financial aid received
Aggregate Limits	None	<u>Without Co-signer</u> <ul style="list-style-type: none"> • \$175,000 	\$180,000	\$150,000
Grace Period	None. Loan placed in automatic in-school deferment; after completing program of study can apply for 6-month general forbearance	6 months	6 months	6 months

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	Direct Loans	Sallie Mae	Chase	Citibank
Loan Product	<i>Federal Grad PLUS</i>	<i>Sallie Mae/UC Graduate Business Loan</i>	<i>Chase Select Loan</i>	<i>CitiAssist Loan for UC Students</i>
Deferment or Forbearance	Yes. Same options as other federal loans	* Contact lender for details	* Contact lender for details	* Contact lender for details
Repayment Period	10 – 25 years based on repayment option selected and balance owed	Up to 30 years, depending on balance owed	Up to 20 years (25 years for loans of \$30,000 or more)	Up to 20 years
Repayment Incentives	Yes .25% reduction for ACH (auto-debit from borrower's checking/savings account)	No	Yes. See website for details www.chaseselectloans.com	Yes. See website for details www.studentloan.com/schools/uc/berkeley-haas
Eligible for Federal Consolidation	Yes	No	No	No
Application Process	Complete Grad PLUS Request Form, available at www.haas.berkeley.edu/mba/finaid	Online: www.salliemae.com/universityofcalifornia	Online: www.chaseselectloans.com	Online: http://www.studentloan.com/schools/uc/berkeley-haas
Customer Assistance	For assistance, contact the Haas School's Office of Financial Aid: finaid@haas.berkeley.edu	(888) 272-5543 M – TH: 8 am – 8 pm, PT F: 8 am – 5 pm, PT	(866) 306-0868 M – F: 5 am – 6 pm PT	(800) 967-2400 M – F: 5 am – 7 pm, PT

UC Berkeley participates in the Federal Direct Loan Program. As a result, all students utilizing the federal loan programs at UC Berkeley are required to borrow their federal loans through the US Department of Education (as opposed to federal loans offered by private lenders).

If choosing a private loan to supplement education financing, students have the right to select the lender of their choice, and are not required to use a lender on this chart. While the lenders that do appear on this comparison chart have been evaluated on their performance, customer service, cost and borrower benefits, students are encouraged to conduct their own consumer research. No student will be penalized for choosing a lender not on this list.

This comparison chart is not an exhaustive listing of all available private loan options; nor does inclusion on this list represent an endorsement by the University of California or the Haas School of Business. The Haas School of Business does not receive, and will not accept, inducements from lenders in exchange for inclusion on the private loan comparison chart; nor does the Haas School share in the profits from student loan.