

Your guide to private student loans

Together we'll go far



When it's time to pay for college...

the money can come from many sources: grants, scholarships, family contributions, and student loans. When taking out a student loan, you should carefully compare all your options, including both private and federal student loans.

Private student loans are becoming ever more competitive with federal student loans and they provide a chance to work with a bank that can help you manage your ongoing financial needs.



What is a private student loan?

A private student loan helps students and their families cover costs related to education. Features vary from lender to lender.

Wells Fargo private student loans* provide:

- Borrowing limits designed to cover eligible education expenses including tuition, living expenses, or books
- Competitive interest rates, including fixed rate options
- Options to lower your interest rate
- Deferred payments while in school on most loans
- Easy application process

Some private loans, like the ones from Wells Fargo, are available even if you are attending less than half-time, or seeking a license or multi-course certificate. Some loans allow you to postpone payments if you return to school.

* Wells Fargo private student loans are subject to credit qualification, completion of a loan application/consumer credit agreement, verification of application information, and if applicable self-certification form, school certification of loan amount, and student's enrollment at a Wells Fargo-participating school.



What you need to know

There are several **terms** that you should understand before you borrow a private student loan:

Most private loans are **credit-based** which means your interest rate will be based on several factors, including your and/or your cosigner's credit profile — better credit typically means a better rate.

You may also have the choice of a fixed interest rate or a variable interest rate loan. With a **variable interest rate** loan the interest rate is subject to change with the market. Your rate can go up or down until the loan is completely paid off.

With a **fixed interest rate** the interest rate remains the same over the life of the loan.

Interest is added to the amount of money that you borrow as soon as the first loan check is sent, this is called **interest accrual**.

Since the majority of private student loans are credit-based, most undergraduate students will likely need a cosigner to qualify. **A cosigner** is a person who agrees to assume equal responsibility for repayment of your private student loan. A cosigner may improve your chance of approval for your loan, and may also help you secure a lower interest rate. Your cosigner doesn't have to be a parent; it can be anyone willing to help you pay for your education.



Do your research

Because private student loans differ from lender to lender, it's important to ask questions when looking for a private student loan so you can compare loans and choose the one that best fits your needs.

Here is a checklist of things to consider:

- What is the interest rate? The APR?
- Do I have a choice between fixed or variable rates?
- Prime Rate or LIBOR?
(Both are interest rates that lenders base your loan on. To see the difference, check out the money rates table published in *The Wall Street Journal*: **wsj.com**.)
- Will I need a cosigner? Can the cosigner be released?
- Are there any fees?
- What are the enrollment requirements? Do I have to be at enrolled at least half-time?
- What are the program requirements? Is my program eligible? Do I need to be degree-seeking?
- Will I need to make payments while I'm in school?
- Is there a minimum or maximum amount I can borrow?
- Does the lender offer interest rate reductions or other incentives to borrowers?

Budgeting for repayment

You'll want to plan ahead when taking out student loans so you know how much to budget for repayment. You should compare your estimated monthly payment with your estimated monthly income. Ideally, student loan payments should be 10 - 15 percent or less of your net monthly income. The chart at the below outlines monthly payment amounts for private student loans, based on the total amount you borrow and the interest rate.

Balance	Number of payments	Annual Percentage Rate		
		5.00%	9.00%	14.00%
\$5,000	129 [†]	\$50.19	\$60.63	\$75.17
\$20,000	180	\$158.16	\$202.86	\$266.35
\$50,000	180	\$395.40	\$507.14	\$665.88
\$100,000	180	\$790.80	\$1,014.27	\$1,331.75

Calculations above are based on standard principle and interest payments and do not include fees or repayment benefits. The chart and interest rates listed are not specific to any Wells Fargo student loan product.

[†] Because there is a \$50 minimum payment, a loan of \$5,000 will only have 129 payments.



Before you sign

Before signing the student loan promissory note, carefully consider these rights and responsibilities. It's to your benefit to clearly understand all aspects of the loan and its repayment requirements. Contact your lender with questions concerning these rights and responsibilities.

- **A promissory note or credit agreement** — This is an agreement to repay your loan. When you apply for a private student loan, keep a copy for your records. If you sign your promissory note using an electronic signature, print a copy of the signed document for your files.
- **Disclosure statements** — Your lender will provide an Application Disclosure, Approval Disclosure, and Final Disclosure. The forms include information on interest rate, fees, and repayment examples.
- **A repayment schedule** — You will receive this information shortly before your first loan payment is due. It will provide specific repayment information on the loan — balance owed, estimated total interest, number of monthly payments, amount of each payment, and the date the first payment is due.



Tip:

Keep all of the documents you receive about your student loan including the agreement and disclosures together in a safe place.



Your responsibility as a borrower

As a student loan borrower you have a number of responsibilities. Failure to meet these responsibilities can seriously affect your ability to obtain credit in the future. **You are responsible for:**

- Repaying the loan as agreed (including any fees deducted from the loan at disbursement and any accrued interest) even if you do not complete your education, are unable to find employment, or are dissatisfied with the education you received
- Repaying the loan even if a bill is not sent; failure to receive a bill does not relieve you of the obligation to repay your loan(s) on schedule
- Opening and reading all mail related to your student loan

You must immediately notify the lender or servicer of your loan in the event of:



- Change in name, address, phone number, or Social Security number
- Dropping below half-time enrollment status
- Graduation, withdrawal, or transfer to another school
- Inability to meet the repayment terms agreed upon
- The need to apply for a deferment or forbearance

It pays to learn about private student loans

When choosing a student loan, make the choice that works for you by carefully comparing all your options. No one loan is right for everyone. Compare features, services, interest rates, discounts and benefits. When you do, you'll see that Wells Fargo provides a variety of ways for you to cover your costs, and work with a full-service bank.

What you'll get with Wells Fargo's private student loans:

- No payments while you're in school[‡]
- Competitive interest rates
- Fixed and variable interest rate options
- Option to lower your interest rate by up to 1.00%[§]
- Easy online application with fast credit approval

Want to learn more? Ready to apply?

Start at **wellsfargo.com/student**

Call 1-877-401-6978



[‡] Maximum in-school periods apply and vary by loan program. Repayment begins after funds are disbursed for the Wells Fargo Student Loan for Parents and the *Wells Fargo Private Consolidation*SM Loan.

[§] You may reduce interest rate by a total of up to 1.00% depending on a combination of the following discounts, as applicable: you or a cosigner have a qualifying Wells Fargo relationship at the time of application 0.25%-0.50%, depending on the relationship; you qualify for the *Wells Fargo Student Graduation Benefit*SM program — 0.25% discount; or you authorize automatic payments from any personal checking or savings account — 0.25% discount (this rate reduction will be effective the day after the first automatic withdrawal is made). Different discounts may be combined for a total not to exceed 1.00%. You will automatically receive the highest applicable relationship discount (federal student loans originated through Wachovia Bank, N.A. do not qualify for the discount for having a prior student loan relationship). For variable interest rate loans, if the qualifying relationship resulting in the discounts ends, the interest rate may be reset to reflect the removal of the discount. Wells Fargo retains the right to discontinue or modify our discounts for future loans at any time without notice. For details, including eligibility requirements, visit us at **wellsfargo.com/student** or call 1-800-378-5526.

Contact us

- ▶ Visit us online
wellsfargo.com/student

- ▶ Call us
1-877-401-6978

Our dedicated student loan specialists are available for questions or to take applications from 7:00 a.m. to 10:00 p.m., Central Time, Monday – Friday; 7:00 a.m. to noon on Saturdays.