

No Fee
vs.
Low Rate

TERI On Track

May 2001

A Newsletter for Providers of Education Assistance

TERI Education Loans Introduce No Fee or Low Rate

No Fee or Low Rate, it's a matter of choice. TERI introduces No Fee and Low Rate options for our popular college loan programs. Undergraduate, graduate and part-time students can borrow using either option.

The No Fee line is available at a competitive rate of prime plus 1% (prime is currently 7.5%) with absolutely no fees.

Low Rate loans are offered at rates as low as prime minus .50% with fees ranging from 5-11% depending on grade level and deferment. At TERI, fees are always financed and added to the principal amount, the student never has to write a check. Refer to the information box for a list of participants and their terms for No Fee and Low Rate.

If students are unsure about which option to select, our friendly customer service team will explain why one or the other option might be preferred. For example, if a student plans to enter repayment rapidly and completely repay the loan

within a few short years, the No Fee option might be the way to go. Conversely, if a student plans to borrow greater amounts or take longer to repay, the Low Rate approach could be preferred. In that scenario TERI's traditional, fee-based, Low Rate loan is actually cheaper (based on APR examples). And then there are personal preferences. Some students prefer the No Fee approach while others will select Low Rate. The point is, the student (and school) has the choice.

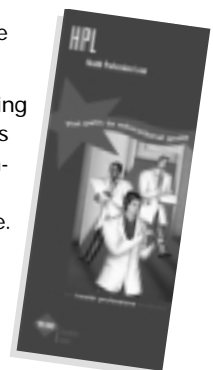
No Fee or Low Rate means convenience. TERI Education Loans offers the most convenient ways to apply – by the web, phone or paper. Students can also check status on the web and telephone. Students who use the web may apply and check status 24 hours a day, 7 days a week.

New Product Information

TERI introduces the **Health Professions Loan (HPL)**. Designed for students studying in health care disciplines, the HPL features:

- ✓ Low rates and fees (in some cases there are no fees).
- ✓ Credit-ready borrowing for degree programs that transition seamlessly from undergraduate to graduate.
- ✓ A residency option.
- ✓ Generous deferment options.

Call Priority Service at (800) TERI-FAO for details.



No Fee

Lenders

Charter One Bank,
Citizens Bank and Educaid

Interest Rate

Prime + 1%
Currently 8.5%

Fees

None!

Grade Levels

Part-time, Undergraduate
and Graduate
(credit-worthy only)

Low Rate

Lenders

Fleet and Charter One Bank

Interest Rate

Prime -.50%
Currently 7%

Fees

5-11%

Grade Levels

Part-time, Undergraduate
and Graduate

Bank One, Bank of America,
Citizens Bank, Educaid,
National City Bank
and PNC Bank

Prime only
Currently 7.5%

5-11%

Part-time, Undergraduate
and Graduate


TERI and Financial Aid Officers go back a long way

Financial Aid officers have worked with TERI as long as alternative education loans have been around. But the relationship has, in many cases, had nothing to do with loans. Why? TERI operates an Education Information Service division that concentrates on information dissemination; through this division we pay particular attention to minorities, under served populations, adult learners and students who are the first in their families to attend college. In addition, TERI has been replicating its Higher Education Information Center nationally. Currently sites have been established in many major cities. Most recently TERI has been tapped to lead the Pathways to Education Program—a national effort dedicated to expanding education opportunities. We are proud of this work and will continue to expand it in the future. Convenience is important for Aid officers. TERI Education Loans offers conveniences unmatched in the industry. Our web site has become a national model for ease of use. To prevent over-borrowing, loan certification is important and TERI offers online certification. When certifications are pending,

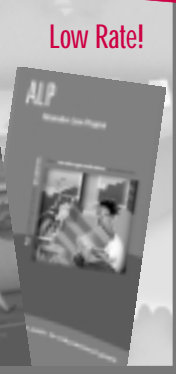
More Advantages... from TERI Education Loans

From TERI Education Loans comes No Fee or Low Rate

No Fee!




Low Rate!



You have the Choice!

- ✓ **No Fee!** If students plan to repay their loan within a few years the No Fee option could be for them. Borrowing is worry-free with the new No Fee product line from TERI.
- ✓ **Low Rate!** Students who have to borrow higher amounts and thus take more time to repay might prefer the Low Rate option. Paying fees allows borrowing at lower interest rates and lower long-term costs.

With either option you get the reliability of **TERI Education Loans**, a leader in non-governmental education loans. www.teri.org
1-800-TERI-FAO



participating schools receive an e-mail with a convenient link to TERI's certification site. After entering school code and password, certification begins. Simply clicking on "submit" will deliver certifications to TERI. In addition, schools can check status online. Just enter the student social security number and date of birth and an up-to-the-minute status will appear.

Support is critical to today's financial aid officer. TERI Education Loans offers support on many

levels. First, our Priority Service team is available during regular business hours at (800) TERI-FAO. Representatives can sign-up schools for online certification and answer questions. The second level of support comes from our regional representatives. Knowledgeable, supportive people are located in each region of the country to assist. Get contact information about the representative closest to you and other helpful insight at www.teri.org.

In the Lender's Corner

Why it makes sense to offer TERI Education Loans products and services

- ✓ Well known (and well liked) product set at school level.
- ✓ TERI assets are fully guaranteed significantly limiting lender risk.
- ✓ TERI is rated by national agencies—secondary market options are enhanced.
- ✓ No Fee or Low Rate, lenders that participate in both product lines give schools wider choice.
- ✓ Participation of not-for-profit TERI assures that loans can not be discharged in bankruptcy.

Interest Rates
(as of 5/1/01)

Prime Rate 7.50%
91 Day T Bill 5.864%

Program Enhancement
PEP annual credit-ready borrowing limit increased to \$18,500