



WHAT IS A CREDIT SCORE?

A credit score is a number that indicates how likely you are to pay on a loan or credit card as agreed. It is one piece of information lenders use when evaluating your application for credit. The way you have handled credit in the past has a strong link to how you will probably manage credit in the future.

WHY DO LENDERS USE CREDIT SCORES?

Before the widespread use of credit scoring, a loan officer could make only a subjective interpretation of how likely you were to repay as agreed. Personal judgement could (and often did) influence whether or not people got the credit they applied for. The availability of credit scores has changed that. Scoring models are objective evaluators, a real plus for consumers.

HOW CAN I IMPROVE MY SCORE?

The key to improving your score is to consistently pay bills on time. Credit scores are based on your general payment "patterns," the mix of credit cards and loans you have, and any indications that you are actively looking for more credit. Your score will improve as you continue to handle your credit obligations responsibly.

Think of a score as a "snapshot" of credit risk – it reflects your risk picture at a specific point in time. A snapshot doesn't change, but when you take another one you will probably look a little different. Similarly, when your credit information changes, your score changes to reflect that. That's why lenders obtain your most recent score whenever you apply for credit.

WHERE DO SCORES COME FROM?

Statistical models located at the major credit bureaus weigh and measure many pieces of information in order to generate a score. A credit score is a composite based on a large number of complex calculations. Scoring models can weigh and balance these varying factors much more quickly and precisely than a human trying to evaluate the same information without the benefit of computerized models.

GIVE YOURSELF CREDIT

Lenders use credit scores to make fast and objective decisions on which applicants are likely to repay their loans on time. Credit scoring is calculated using many pieces of your past payment history (number and types of accounts, late payments, outstanding debt, and the age of your accounts). The way you have handled credit in the past is often a good indication of how you will manage credit in the future. Therefore, your credit score is like a snapshot of your level of credit risk at a particular point in time: when your credit information changes, so does your credit score. Give yourself the credit you deserve. Pay your bills on time, pay down any outstanding debt, and avoid taking on new debt or applying for too many new credit cards.

Try to review your credit report from each credit reporting agency at least once a year and especially before making a large purchase, like a house or a car. You should make sure that the information in your credit report is correct and you should also verify that the accounts on your credit report are accounts that you own.

Below is a listing of the credit reporting agencies:

| | | |
|-------------|--------------|--|
| EQUIFAX | 800-685-1111 | www.equifax.com |
| EXPERIAN | 888-397-3742 | www.experian.com |
| TRANS UNION | 800-916-8800 | www.transunion.com |

For more information about FICO scores, please visit www.myFICO.com and go to the "Credit Education" and "Frequently Asked Questions (FAQ)" sections.



OFFICE OF FINANCIAL AID

10455 Pomerado Road • San Diego, CA 92131
 Phone 1-858-635-4559 • FAX 1-888-635-4848
 Web site StudentLoanNet.com/custom/alliant

GUIDE TO ALTERNATIVE LOANS

From time to time students find themselves in need of loan funds in order to meet their cost of attendance. In addition to the Federal Stafford Loan, the Financial Assistance Office makes available loan information and application materials for various credit-based loans offered by lenders to students attending Hope International University. Students with remaining unmet need and who meet the lenders eligibility requirements may be eligible to borrow additional loan funds.

In general, one of two types of credit checks are conducted by lenders to determine eligibility. These two types are:

- **Credit-ready:** The borrower or cosigner has a satisfactory credit history with no adverse credit.
- **Creditworthy:** The borrower or cosigner has a satisfactory credit history with no adverse credit. The debt to income ratio is within the limitations of the lender. (Usually no higher than 40%). The borrower or cosigner can provide information showing a steady employment history and minimum income.

Terms and conditions vary between loan products and may vary when borrowing with a cosigner. *This pamphlet has been designed for your information only.* This does not constitute or apply to any portion of the promissory note that is actually signed by students and cosigners.

Students and cosigners are encouraged to research each loan program individually, taking into consideration all terms to the loan, before making a decision to borrow.

The figures included in this pamphlet are estimates, and no guarantee is made to their accuracy or utility. This report may be useful when comparing different loans in an abstract sense.

The 0.25% rate reduction is available to borrowers who arrange with the loan servicer to automatically deduct monthly payments from their bank account. The interest rate reduction will begin when automatic principal and interest loan payments start, and will remain in effect as long as automatic payments continue without interruption. The reduced interest rate will return to contract rate if auto payments are cancelled, rejected or returned for any reason. Cosigner release is subject to certain conditions, including (i) the borrower must make 48 consecutive on-time principal and interest payments, and (ii) the borrower must be creditworthy at the time of the request to release the cosigner. The lender and servicer reserve the right to modify, continue or discontinue borrower benefit programs at any time without notice. Call for details about current benefit offerings.

Campus One Undergraduate Loan APR/Repayment Example: LIBOR Index + 2.95% (5.48% APR) Assumes a student borrowed \$10,000; all payments were fully deferred for 48 months; an origination fee of 1.5%; a repayment period of 240 months; and the interest rate was 5.52% (APR 5.48%) as of 4/1/05. In this example, the student would make 240 payments of \$85.04. Interest rate and APR may increase during the term of the loan. Additional APR and repayment examples are available at campusone.com

1-877-CAMPUS1 • www.StudentLoanNet.com
 e-mail us at: studentloans@chase.com



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| Lender | Bank One | Wachovia Education Finance | College Board—Charter One Bank, N.A. | Bank of America | Wells Fargo | Sallie Mae Education Trust | Citibank |
|---|--|--|--|---|--|---|--|
| Loan Name | Campus One™ Loan | Wachovia Education Loan | Connect Loan™ for Undergraduates Connect Loan™ for Graduates/Students Connect Loan™ for Continuing Education | Undergraduate or Graduate TERI Loan | Wells Fargo Graduate Loan | Signature Student Loan® | CITIASIST Rates same for BOTH Undergraduate and Graduate Loans |
| Telephone number/ Web site | 1-877-CAMPUS1 www.campusone.com | 1-800-338-2243 www.educaid.com | 1-866-232-9574 http://loans.collegeboard.com | 1-866-270-3182 www.bankofamerica.com/teri/loans | 1-800-658-3567 http://wfs.wellsfargo.com/jump/ca/alliant.html | 1-800-695-3317 http://www.salliemae.com/signature/slmov www.salliemae.com/signature/ams | 1-800-967-2400 www.studentloan.com |
| Borrower Eligibility | <ul style="list-style-type: none"> Undergraduate/Graduate students enrolled at least half-time in a degree or certificate program Continuing Education students enrolled less than half-time Health Professions Loan, undergraduate or graduate students enrolled at least half-time in an approved health care disciplines U.S. citizen, permanent resident International students or students who do not meet credit, income, and employment guidelines will need to apply with an eligible U.S. cosigner | <ul style="list-style-type: none"> Students must have an acceptable residence, employment history, and a satisfactory credit history. If you personally cannot meet our residence, employment, income and credit requirements, you may want to apply with an eligible cosigner to increase your chances of receiving this loan If you're a graduate or professional student with a limited credit history and no cosigner, you're still welcome to apply! You may qualify for a loan with competitive fees | <ul style="list-style-type: none"> The student borrower must be enrolled on at least a half-time basis The Continuing Education Loan Program is available to students enrolled less than half-time in an undergraduate or graduate program or enrolled in a certificate or technical training program (specific approval may be needed) The student must be at least the age of majority at the time of the loan application In order to qualify for subsequent loans, the borrower must maintain satisfactory academic progress according to the institution's policies The borrower must be a U.S. Citizen or hold a Permanent Residency Status | <ul style="list-style-type: none"> Undergraduate: 18 yrs of age or older; enrolled at least half-time; attending TERI-approved school; making satisfactory academic progress; cosigner typically required-satisfactory credit, residence and employment history of at least two years; proof of income; US citizen or permanent resident and resided in US for previous two years; international must have a qualified creditworthy US citizen or permanent resident cosigner Graduate: Grad student; Enrolled at least half-time; TERI-approved school; making satisfactory academic progress; both creditworthy and credit-ready; basis, for a creditworthy loan you will need satisfactory credit, residence and employment history of at least two years; income sufficient to make required payments; if self-employed, must have been in business at least two years; US citizen or permanent resident and resided in US for previous two years; international must have a qualified creditworthy US citizen or permanent resident cosigner. For credit-ready loan, you need good or no credit history and must be a US citizen or permanent resident alien | <ul style="list-style-type: none"> Are enrolled at an eligible school and making satisfactory academic progress Are enrolled in an eligible program (students in health professions disciplines are not eligible for the Wells Fargo Graduate Loan, but may be eligible for the MedCAP™ Alternative Loan for Health Care Professionals) Have already applied for a Federal Stafford Loan Have established positive credit histories, and if cosigner is required, must have an acceptable debt-to-income ratio, and a minimum income of \$12,000 Are U.S. citizens, permanent residents, or temporary residents. For permanent and temporary residents, a U.S. citizen cosigner is required | <ul style="list-style-type: none"> U.S. citizen or permanent U.S. resident International students with a U.S. citizen or permanent resident cosigner Must meet credit criteria Enrolled at least half-time Must be making satisfactory academic progress (SAP) | <ul style="list-style-type: none"> Students can be enrolled full-time, half-time or less than half-time No requirement for satisfactory academic progress School must certify that the student is enrolled and demonstrates need <p>US RESIDENTS</p> <ul style="list-style-type: none"> Borrower must meet credit and income requirements or provide a creditworthy cosigner <p>INTERNATIONAL STUDENTS</p> <ul style="list-style-type: none"> International students must apply with a U.S. citizen or permanent resident co-signer who meets the same criteria |
| Loan Limits Maximum/Minimum | <ul style="list-style-type: none"> MINIMUM: \$1,000 MAXIMUM: Undergraduate: Cost of education less any other aid Graduate: Creditworthy borrowers, cost less aid up to \$45,000 annually. Credit-ready borrowers, up to \$20,000 annually Continuing Education: \$15,000 annually. Cumulative program limit \$30,000 Health Professions Loan: Creditworthy borrowers, cost less aid up to \$45,000 annually. Credit-ready Graduate borrowers, up to \$25,000 annually Residency Loan - Up to \$12,500 | <ul style="list-style-type: none"> Borrow from \$500 to \$45,000 annually with no aggregate limit | <ul style="list-style-type: none"> MINIMUM: \$1,000 (excluding origination fees) MAXIMUM: up to but no greater than amount certified by the school (excluding origination fees) | <ul style="list-style-type: none"> Undergraduate: cost of education minus aid; 3 different repayment options, including deferral until 6 months after graduate or leave school; can use to pay for past due balances; funding in as little as 5 days; 20 year repay (up to 25 years for loans \$40,000 or more) Graduate: low interest rates; borrow cost of education for creditworthy borrowers and cosigners (\$45,000 annual cap). Borrow \$20,000 annually with no income or employment requirements (no cosigner needed); defer payments until 6 months after graduation; past due balances; funding in as little as 5 days; 20 year repay (up to 25 years for loans of \$40,000 or more) | <ul style="list-style-type: none"> MINIMUM: \$1,000 MAXIMUM: Cost of attendance minus other financial aid | <ul style="list-style-type: none"> MINIMUM: \$500 MAXIMUM: Cost of Education as determined by school, minus other aid received AGGREGATE LOAN LIMITS: (includes all student loan debt): None with a cosigner. Without cosigner: \$100,000 for Undergraduate students; \$150,000 for Graduate students and \$200,000 for defined health professions | <ul style="list-style-type: none"> ANNUALLY: Up to the cost of education less any financial aid received AGGREGATE LOAN LIMITS: \$120,000 for undergraduate and \$150,000 for graduate students |
| Interest Rate | <ul style="list-style-type: none"> Undergraduate: As low as LIBOR Index + 2.95% Graduate: Creditworthy - As low as LIBOR Index + 3.10% Credit-ready - LIBOR Index + 4.25% Continuing Education: LIBOR Index + 3.60% Health Professions Loan: Creditworthy – As low as LIBOR Index + 3.10%. Credit-ready - LIBOR Index + 3.80% | <ul style="list-style-type: none"> Prime Rate + 0% | <ul style="list-style-type: none"> Tiered Interest Rate calculated by adding a margin to the LIBOR index based upon creditworthiness of borrower and/or cosigner. (Note: The LIBOR index is 3.03% for the second business quarter 2005) Undergraduate: Creditworthy Borrower with Cosigner: End Quarter 2005 Interest Rates: From 6.03% to 8.68% Graduate Programs: From: 6.38% to 8.83% | <ul style="list-style-type: none"> LIBOR + 2.75% in deferment and 3.60% in repayment (both Undergraduate and Graduate) | <ul style="list-style-type: none"> Prime + 0% - 3.50% based on credit | <ul style="list-style-type: none"> Two creditworthy borrowers: Excellent credit; Prime Rate - 0.25% Good credit; Prime Rate + 1% Fair credit; Prime Rate + 5% One creditworthy borrower: Excellent credit; Prime Rate + 0.5% Good credit; Prime Rate + 2% Fair credit; Prime Rate + 6% | <ul style="list-style-type: none"> With Cosigner: Excellent credit; 0% Good credit; 0% Fair credit; 0% Without Cosigner: Excellent credit; Prime +0.00% to Prime +0.00% Good credit; Prime +1.00% to Prime +2.00% Fair credit; Prime +3.00% to Prime +4.00% |
| Fees | <ul style="list-style-type: none"> Campus One Undergraduate/Graduate Loan origination fees from 0% to 9.5% Campus One Continuing Education Loan origination fees from 5.5% to 9.5% Health Professions Loan origination fees from 0% to 9.5%. Credit-ready repayment fee 3% Fees are added to loan principal | <ul style="list-style-type: none"> Zero fees for students who meet our standard credit and eligibility requirements. Graduate students who do not meet minimum credit requirements may qualify on their own signature but will be charged an 8% fee at disbursement and a 3% fee at repayment | <ul style="list-style-type: none"> Undergraduate fees - 0% to 9.5% Graduate fees – 0% to 9.5% | <ul style="list-style-type: none"> 0% fee for the creditworthy loan; 7% for the credit-ready loan | <ul style="list-style-type: none"> No origination, disbursement, or repayment fees | <ul style="list-style-type: none"> Two creditworthy borrowers: Disbursement fee for excellent, good, and fair credit is 0%. Repayment fee for excellent credit 0%, good credit 3%, and fair credit is 3% One creditworthy borrower: Disbursement fee for excellent, good, and fair credit is 0%. Repayment fee for excellent, good, and fair credit is 3% | <ul style="list-style-type: none"> No FEES No origination fee No repayment fee |
| Interests Capitalization | <ul style="list-style-type: none"> Once at repayment | <ul style="list-style-type: none"> Accrued interest will be capitalized only once, and only at repayment | <ul style="list-style-type: none"> For all loans, interest is capitalized once at repayment and then again after any forbearance period. For loans with immediate repayment and multiple disbursements, interest that accrues between the first disbursement date and the final disbursement date is capitalized after the final disbursement and prior to repayment | <ul style="list-style-type: none"> Once at repayment | <ul style="list-style-type: none"> Once at repayment | <ul style="list-style-type: none"> Interest is capitalized at repayment and at the end of any forbearance period | <ul style="list-style-type: none"> Once at repayment |
| Repayment Options/ Borrower Benefits | <ul style="list-style-type: none"> Undergraduate/Graduate/ Health Professions - 20 years to repay (25 years for loans in excess of \$40,000), subject to a \$25 minimum monthly payment. Repayment begins 6 months after graduation or once enrollment drops below half-time for undergraduate/graduate. Repayment begins 9 months after graduation or once enrollment drops below half-time for Health Professions Continuing Education - 20 years to repay, subject to a \$25 minimum monthly payment. Repayment begins 6 months after program completion, student ceases to be enrolled, or up to 2 years whichever is sooner. 0.25% interest rate reduction for payments made directly from a bank account Cosigner release option An additional 1.5% fee reduction for interest only or immediate repayment options (Undergraduate Loan only) Loan can be used to cover past due balances | <ul style="list-style-type: none"> Interest rate reduction of 0.50% available immediately upon repayment with auto debit No payments required for up to five years Funds may be used for prior academic periods up to three years past due | <ul style="list-style-type: none"> | <ul style="list-style-type: none"> 0.25% ACH 5 years extra repay then industry standard Cosigner release after 48 on-time payments | <ul style="list-style-type: none"> Repayment Period – 15 years Reduce your interest rate by 0.50% when you make automatic payments from a Wells Fargo checking or savings account (or 0.25% from a non-Wells Fargo account) Reduce your interest rate by 0.50% when you make your first 48 consecutive monthly payments on-time If you're approved with a cosigner, you can release him or her from liability after the first 24 consecutive on-time monthly principal and interest payments | <ul style="list-style-type: none"> Repayment begins six months after borrower graduates, leaves school or drops below half-time enrollment Standard, Select Step - interest only up to 4 years Extended - greater than \$20,000 - 20 years; greater than \$40,000 - 25 years Combined Billing: All Stafford and Signature loans through Sallie Mae Education Trust are serviced as one account, with one monthly payment Deferment and forbearance options available Cosigner release option available after student makes 24 on time payments of principal and interest (a credit check applies) | <ul style="list-style-type: none"> 0.25% Interest Rate Reduction - For Cit Assist Loan borrowers who have their loan payments withdrawn electronically from their bank accounts 0.50% Interest Rate Reduction - Cit Assist borrowers who make their first 48 consecutive required monthly payments on time Undergraduate: up to 12 years to repay Graduate: up to 15 years to repay Repayment can be deferred (postponed) while student is in school and during a six-month grace period after graduation Borrowers can make early payments with no prepayment penalties Graduated repayment option: interest-only for 24 or 48 months Students who borrow with a cosigner can apply for cosigner release Cosigner may be released if the borrower has made the first 48 consecutive payments on time and is a credit worthy, U.S. citizen or permanent resident Students can postpone interest and principal payments while in school and during grace No pre-payment penalties 6 months grace period |