



Student Lending Analytics
Private Loans for International Students
April 14, 2009

SLA Flash Survey: Private Loans for International Students Background

- With several large banks recently discontinuing their private loan programs, schools have been scrambling to find alternative sources of funding for this student population
- Survey Goals
 - Identify those lenders making private loans to international students and the extent to which they are requiring risk-sharing arrangements
 - Determine to what extent schools will be utilizing institutional loan programs to meet the needs of international students

SLA Flash Survey: Private Loans for International Students

Methodology

- Emailed flash survey on April 8, 2009 with due date of April 9, 2009.
- In addition to standard demographic questions, the survey asked respondents the following questions:
 - As of today, has your school found lender(s) who will be making loans to your school's international students WITHOUT a co-signer for the 2009-10 academic year?
 - Which lenders ARE/ARE NOT requiring a risk-sharing arrangement in order to make private loans to your international students WITHOUT a co-signer?
 - As of today, has your school found lender(s) who will be making loans to your school's international students WITH a U.S. citizen as a co-signer for the 2009-10 academic year?
 - Which lenders ARE/ARE NOT requiring a risk-sharing arrangement in order to make private loans to your international students WITH a U.S. co-signer?
 - Describe your institution's approach to providing institutional loans to international students.

SLA Flash Survey: Private Loans for International Students Methodology (Cont.)

- Responses were normalized for following reasons:
 - Email addresses that did not correspond with an educational institution were excluded
 - Several schools provided multiple responses; only one response was analyzed
 - Responses that included demographic data but incomplete answers to main survey questions were excluded
- Overall, there were 158 survey responses analyzed

SLA Flash Survey: Private Loans for International Students Summary

- ONLY 6% of survey respondents have found private student lenders for international students WITHOUT a U.S. co-signer
 - Lenders mentioned which required risk-sharing agreements were:
 - Credit Unions (3)
 - Chase (2)
 - Deutsche Bank (1) – GMAC arrangement
 - Lenders mentioned that did NOT require risk-sharing agreements were:
 - Sallie Mae (3)
 - Citibank (2)
 - Chase (2)
 - Discover (2)
 - Wells Fargo (1)

- 62% of respondents indicated that they were able to find private student lenders for international students WITH a U.S. co-signer
 - Top 5 lenders mentioned in this category were:

• Sallie Mae	47%
• Citibank	41%
• Chase	32%
• Wells Fargo	25%
• Discover	16%

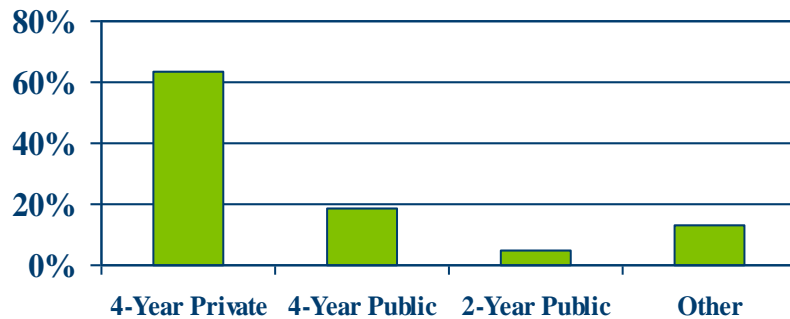
SLA Flash Survey: Private Loans for International Students Summary (Continued)

- In terms of institutional loan programs for international students:
 - 14% of respondents indicate that they currently have a program in place which they will continue
 - 8% indicated that they are currently considering a program for 2009-10
 - 2% indicated that they have program in place but will be curtailing it in 2009-10
 - 2% indicated that they will be implementing a new program for 2009-10

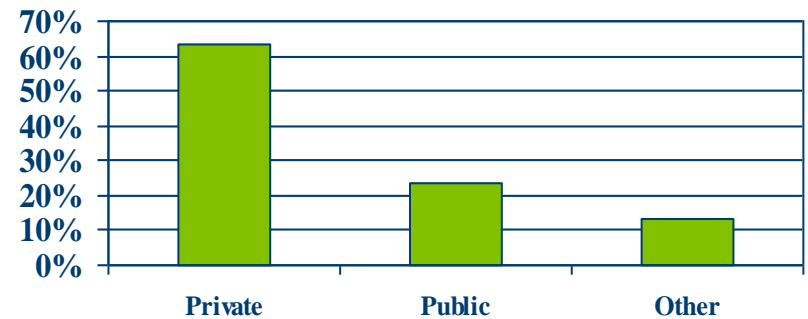
SLA Flash Survey: Private Loans for International Students

Profile of Survey Participants

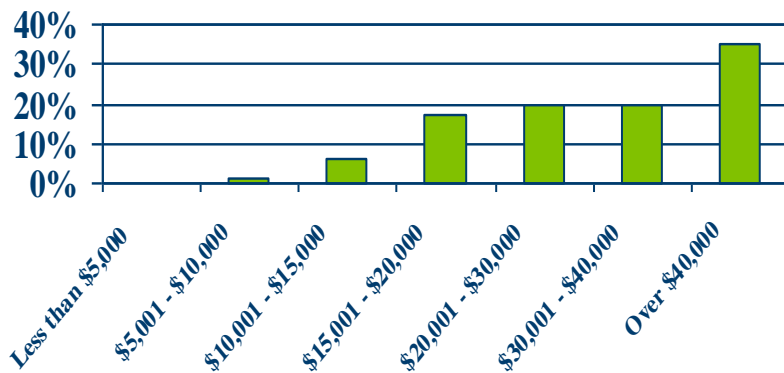
School Type



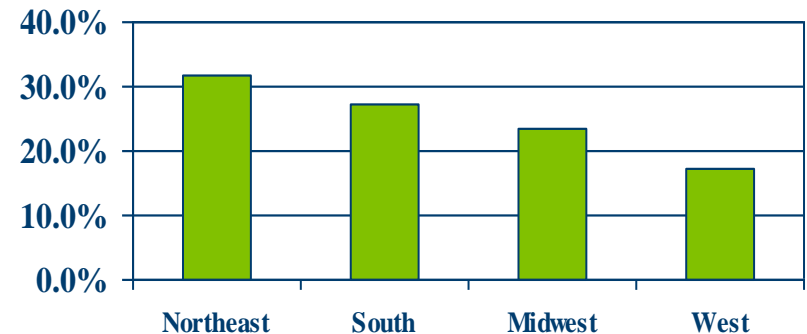
School Ownership



Cost of Attendance



School Region

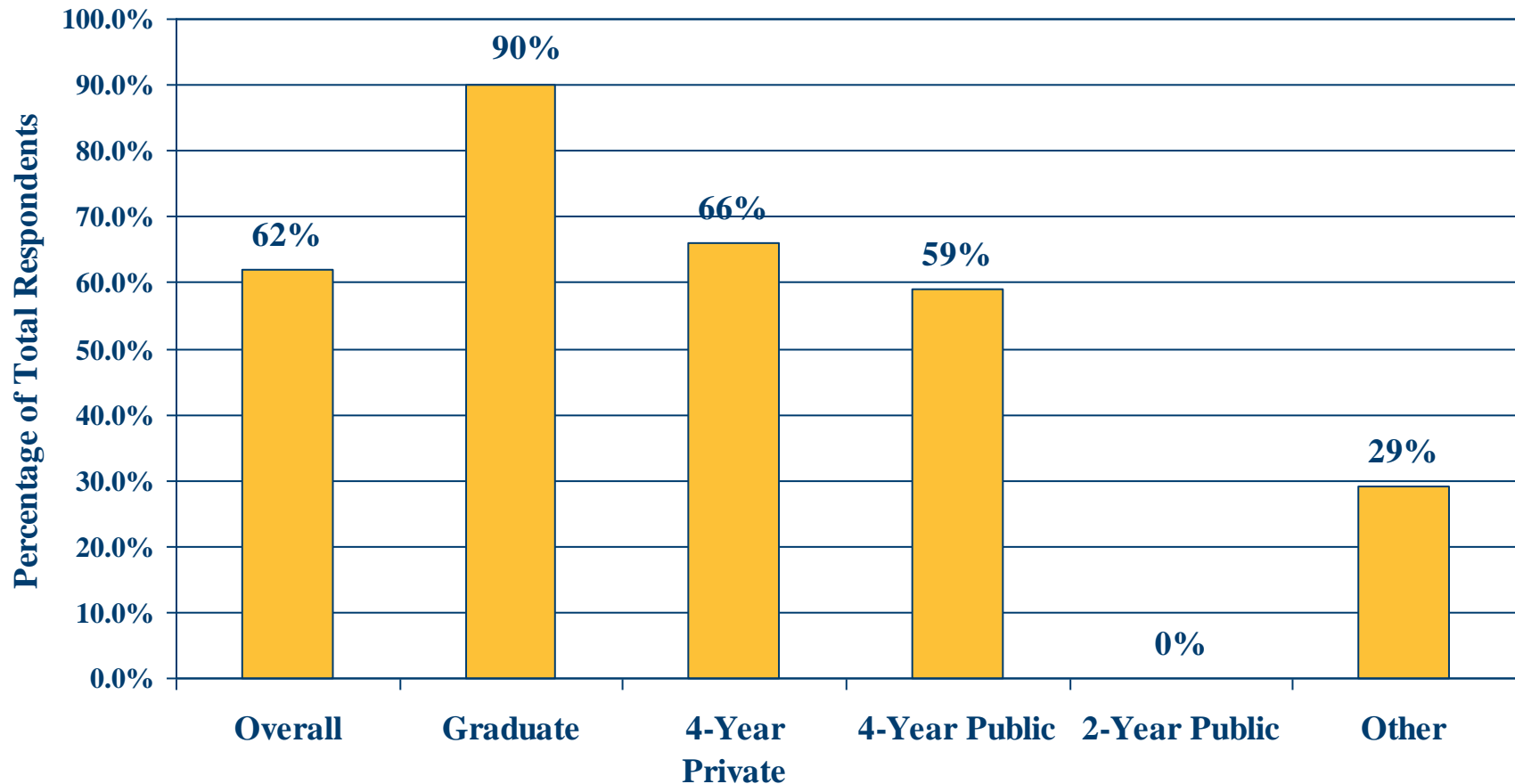


SLA Flash Survey: Private Loans for International Students Lenders Making Loans WITHOUT Co-signer

- Only 6% of survey respondents indicated that they have found private lenders for international students without a U.S. co-signer
- Following lenders make loans to international students WITHOUT CO-SIGNER and WITH risk-sharing agreement (number of times mentioned in parentheses)
 - Credit Unions (3)
 - Chase (2)
 - Deutsche Bank (1)
- Following lenders make loans to international students WITHOUT CO-SIGNER and NO risk-sharing agreement (3 schools or 1.9% of respondents, several indicated very low volume of loans)
 - Sallie Mae (3)
 - Citibank (2)
 - Chase (2)
 - Discover (2)
 - Wells Fargo (1)

SLA Flash Survey: Private Loans for International Students

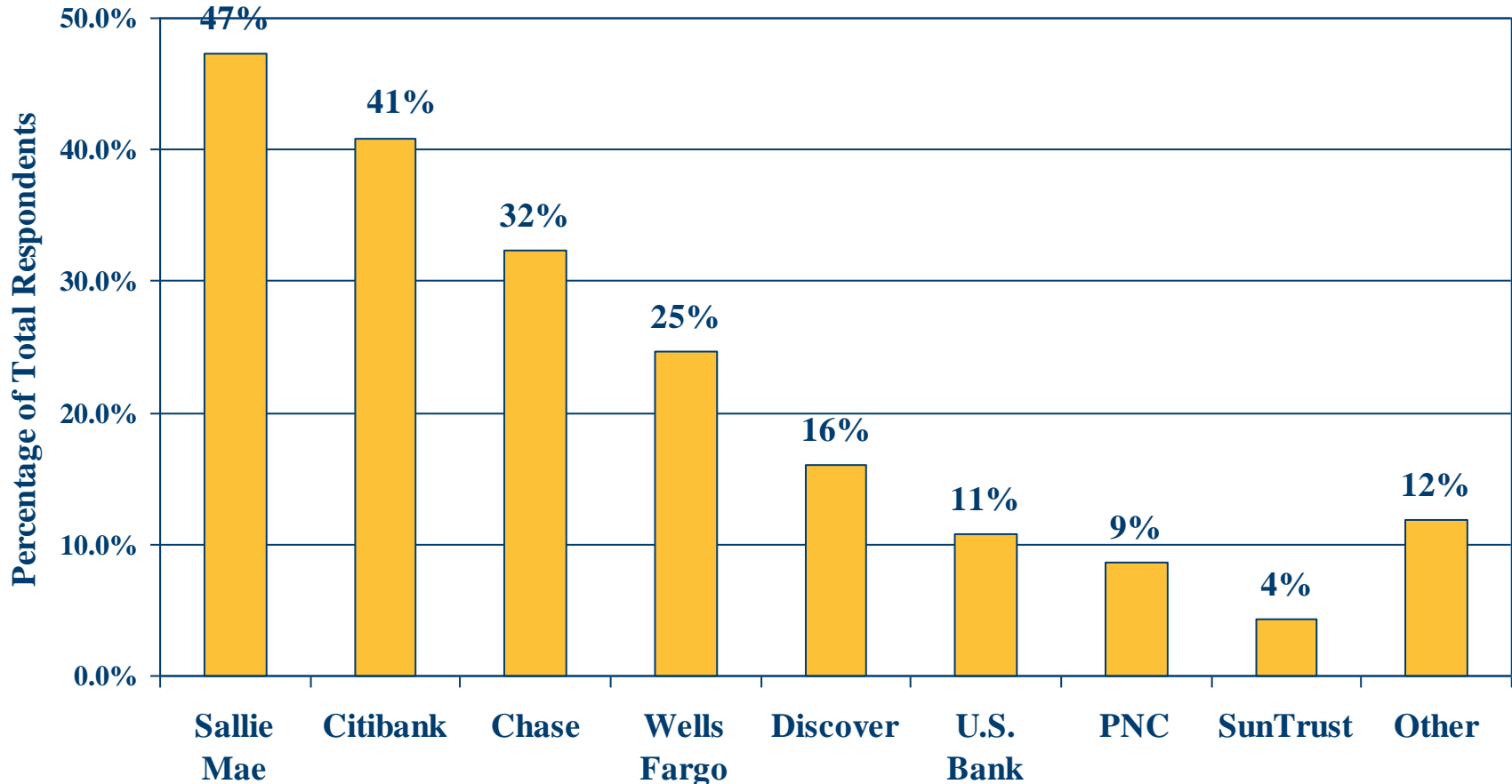
Schools With Lenders Making Loans WITH U.S. Co-signer



Survey question: As of today, has your school found lender(s) who will be making loans to your school's international students WITH a U.S. citizen as a co-signer for the 2009-10 academic year?

SLA Flash Survey: Private Loans for International Students

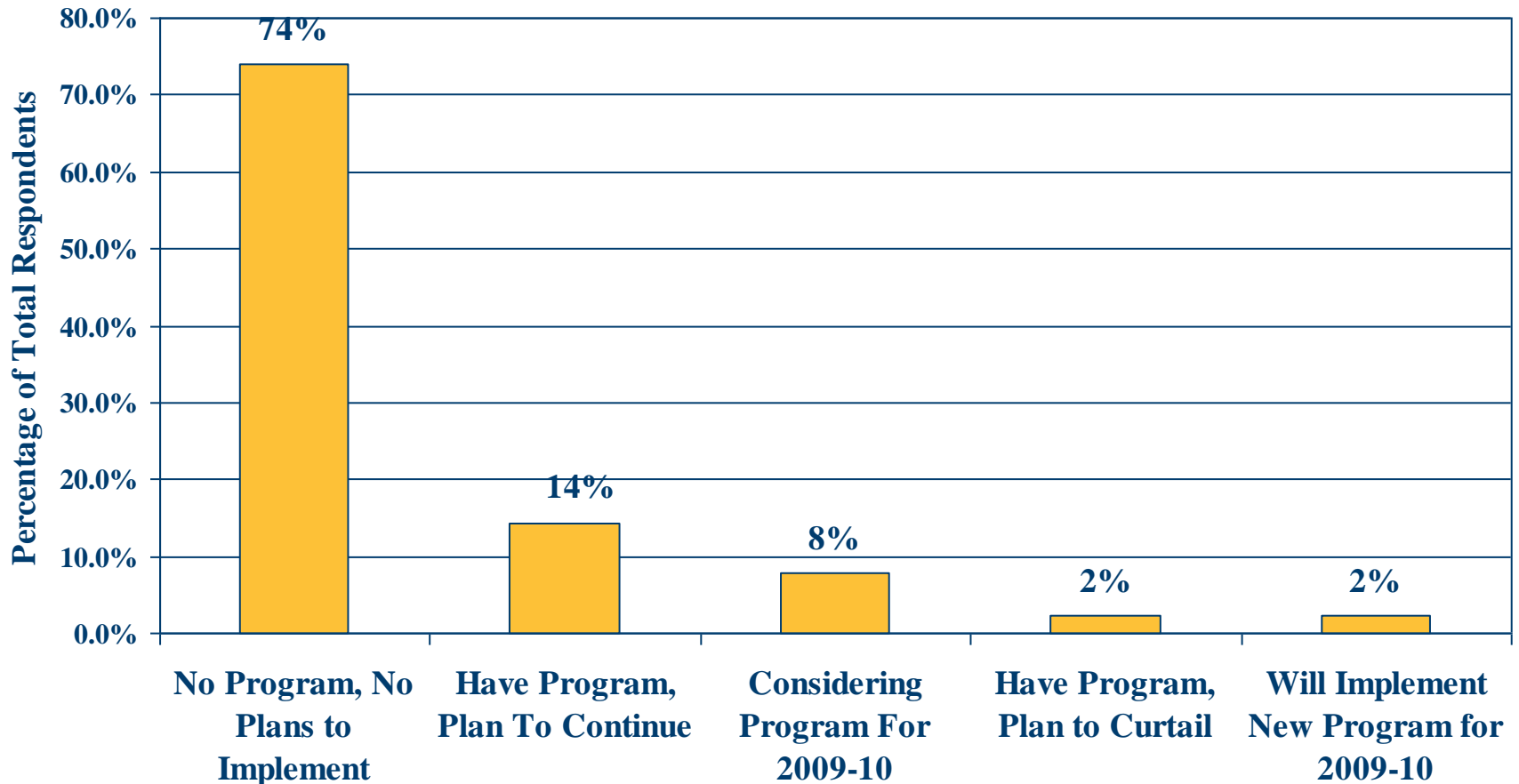
Lenders Making Private Loans for Int'l Student WITH U.S. Co-signer, No Risk-Sharing



Survey question: Which lenders ARE NOT requiring a risk-sharing arrangement to make private loans to international students with a U.S. Citizen as a co-signer?

Note: Other includes MEFA, Minnesota SELF Loan, Graduate Leverage, Citizens Bank

SLA Flash Survey: Private Loans for International Students Institutional Loan Programs For International Students



Survey question: Describe your institution's approach to providing institutional loans to international students.

Thank You

- Thank you again for your participation!
- Please contact Tim Ranzetta if you have any additional comments or questions regarding this survey
 - Send email to tranzetta@studentlendinganalytics.com
 - Phone: 650-218-8408
- Look for more upcoming SLA Flash Surveys in the future
- For more information on Student Lending Analytics, proceed to the final three slides

Student Lending Analytics Background

- Founded in 2007
- Independent Research and Advisory Service with NO lender affiliations
- Mission: Find best lenders for students through an analytically rigorous, unbiased and comprehensive process
- Services
 - RFI Management of FFEL and Private Loans
 - Research
- Successes to Date
 - Managed **RFI process** at institutions with over one billion dollars in loan volume
 - **Inside Student Lending**, our monthly newsletter, reaches over 5,000 financial aid administrators
 - **Student Lending Analytics Blog** has become the go-to source for breaking developments and analysis on the student lending industry
 - **SLA Flash Surveys** have included the insights from over 1,500 financial aid professionals on a variety of timely topics
 - **Private Loan Options** and the **SLA's 2008 Alternative Loan Guide** provides students and financial aid offices with an objective and focused list of private lenders
 - **SLA Student Satisfaction Surveys** measures student satisfaction with lenders

The Student Lending Analytics Process

RFI Management

Planning

- **YOU** determine which criteria are most important in selecting your lenders
- **YOU** weight the importance of each criterion

Development of Customized RFI

- **SLA** creates RFI based on your custom criteria
- **SLA's** time-tested RFI has questions that will elicit specific answers from lenders

Broad Distribution

- **SLA** sends RFI to a comprehensive list of lenders
- **SLA** notifies **YOU** of lenders who intend to participate

Objective, Rigorous Analysis

- **SLA** rates lender RFI responses in an analytically rigorous fashion
- **SLA** provides proprietary surveys and analysis to augment lender responses

Lender Selection

- **SLA** creates a Scorecard to summarize the lender ratings.
- **YOU** select lenders from the SLA Scorecard

Ongoing SLA Support

- **SLA** updates analysis as information changes
- **SLA** provides methodology document
- **SLA** drafts sample disclosure statements

5 - 6 Week Process from Start to Finish

Student Lending Analytics Research Services

- ◉ Inform financial aid offices on industry developments (implications for their lender lists and relationships)
 - [Student Lending Analytics Blog](#)
 - Timely insights to developments in student lending industry
 - Alerts
 - Legislation, lender exits, earnings calls, industry insight
 - Monthly newsletter
 - August – Tips for Lender Lists
 - Webinars
 - April – Lessons Learned in Trenches of Lender Selection Process
 - September – HEOA and Lender Lists
 - December – A Conversation about FFELP and Direct Lending
 - Surveys (summaries available on our [website](#))
 - FFEL vs. Direct Lending
 - RFI Practices
 - Implementing increased Federal Stafford loan limits
 - Alternative Loans
 - Legislative and regulatory updates
 - White papers
 - Help Line to answer questions/resolve issues throughout the year