

BEFORE YOU APPLY FOR A STUDENT LOAN

YOU SHOULD KNOW THE TRUTH ABOUT FINANCIAL AID OFFICES. THEY'RE SUPPOSED TO HELP YOU CHOOSE THE BEST LENDERS. BUT IN REALITY, THEY MAY STEER YOU TOWARDS LENDERS THAT BENEFIT THEM, NOT YOU. UNLESS YOU CHECK FOR YOURSELF, HOW DO YOU KNOW YOU'RE GETTING THE BEST LOAN?

HOW CAN YOU BE SURE?

ASK THESE QUESTIONS!

DO NOT APPLY THROUGH YOUR FINANCIAL AID OFFICE UNTIL YOU'VE ASKED THEM THESE QUESTIONS.

■ "ARE YOU A QUALIFIED FINANCIAL PLANNER?"

MOST FINANCIAL AID ADMINISTRATORS ARE NOT QUALIFIED FINANCIAL PLANNERS. FURTHERMORE, THEY HAVE NO RIGHT TO DICTATE WHICH LENDER YOU CHOOSE, NO MATTER WHETHER IT'S A PRIVATE OR FEDERAL LOAN. YOU CAN APPLY DIRECT THROUGH MYRICHUNCLE, GET BETTER RATES, AND YOUR SCHOOL WILL CERTIFY THE LOAN BY LAW.

■ "CAN YOU GUARANTEE ME THE LOWEST RATES AND FEES, AND THE BEST BENEFITS?"

PROBABLY NOT, BECAUSE THEY'D NEED TO RESEARCH EVERY LENDER AND EVERY LOAN, CONSTANTLY. THEY JUST DON'T HAVE THE TIME OR RESOURCES FOR THAT. INSTEAD, THEY MAY PICK LENDERS THAT MAKE THE PROCESS EASIER FOR THEM.

■ "DO YOU PARTICIPATE IN A REVENUE SHARING PROGRAM WITH ANY LENDERS?"

REVENUE SHARING IS ALSO KNOWN AS "KICKBACKS". IN THIS SCHEME, THE LENDER PAYS THE SCHOOL FOR DIRECTING YOU TO ITS LOAN PROGRAM. SOMETIMES, A PERCENTAGE OF YOUR LOAN BALANCE IS PAID BACK TO THE SCHOOL. YOU, THE STUDENT, BEAR THE COST OF THIS, AND YOU MAY BE GETTING A BAD RATE. EVEN IF THE SCHOOL CLAIMS TO USE THE KICKBACK FOR GOOD PURPOSES, WHY SQUEEZE YOU?

■ "DO YOU HAVE A MEMO OF UNDERSTANDING WITH ANY LENDERS ON YOUR LIST?"

A LENDER AND THE FINANCIAL AID OFFICE MAY HAVE A MEMORANDUM OF UNDERSTANDING OR OTHER LEGAL AGREEMENT. IF THEY DO, ASK FOR A COPY. SUCH AGREEMENTS MAY DESIGNATE THAT LENDER TO BE THE EXCLUSIVE PROVIDER OF LOANS.

■ "WHAT WAS YOUR LENDER SELECTION PROCESS?"

A FINANCIAL AID OFFICE MAY HAVE A CLOSED PROCESS BY WHICH IT SELECTS THE LENDERS IT WORKS WITH. THEY WILL REFUSE TO WORK WITH OTHER LENDERS NO MATTER HOW COMPETITIVE THEIR RATES OR BENEFITS.

■ "DO YOU ACCEPT INDUCEMENTS FROM ANY LENDERS ON YOUR LIST?"

ALSO KNOWN AS "PAYOLA": MAKE SURE THAT NONE OF THE ADMINISTRATORS OR COUNSELORS HAVE RECEIVED ANY GIFTS, EXPENSE PAID TRIPS, ETC. FROM LENDERS. SOMETIMES THESE EXPENSES ARE COVERED IN EXCHANGE FOR PARTICIPATING IN AN ADVISORY PANEL.

■ "DO ANY OF YOUR LENDERS PROVIDE OVERRIDE OR OPPORTUNITY POOLS?"

THIS IS AN ARRANGEMENT MADE BETWEEN THE FINANCIAL AID OFFICE AND A LENDER THAT BENEFITS BOTH PARTIES, AT THE EXPENSE OF STUDENTS. IN EXCHANGE FOR A CERTAIN NUMBER OF FEDERAL LOANS - FOR EXAMPLE, FROM TEN STUDENTS - A LENDER PROMISES TO "OVERRIDE" ITS DECISION TO REJECT ONE STUDENT WHOSE CREDIT HISTORY NORMALLY WOULD NOT QUALIFY HIM FOR A LOAN. THIS STUDENT IS INSTEAD APPROVED, WHICH MEANS HE CAN GO TO SCHOOL, SO THE SCHOOL PROFITS. OBVIOUSLY THE LENDER PROFITS AS WELL. THIS PRACTICE IS ILLEGAL. FURTHERMORE, THE INITIAL 10 STUDENTS ARE NOT GUARANTEED THE BEST RATES OR BORROWER BENEFITS.

■ "DO YOU PARTICIPATE IN A SCHOOL AS LENDER PROGRAM?"

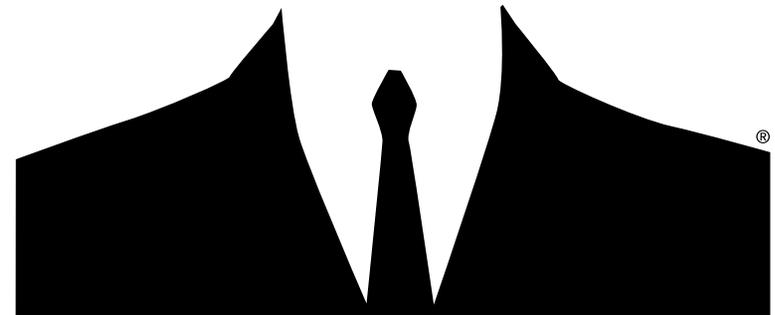
ALSO KNOWN AS A "VANITY LOAN", THE FINANCIAL AID OFFICE OFFERS A LOAN TO THEIR STUDENTS UNDER THE SCHOOL'S OWN NAME. THE BRAND FAMILIARITY CREATES A NATURAL AFFINITY AND STUDENTS FLOCK TO THE PRODUCT. BEHIND THE SCENES, THE SCHOOL SIMPLY FARMS OUT THE LOAN TO AN ACTUAL LENDER. NONE OF THIS IS MADE CLEAR TO THE STUDENT. THE LENDER, AS YOU MIGHT EXPECT BY NOW, PAYS THE SCHOOL A "REFERRAL FEE". GUESS WHO ENDS UP PAYING THAT FEE IN THE END?

■ "DO YOU HAVE PERSONAL RELATIONSHIPS WITH ANY OF YOUR LENDERS?"

WE BELIEVE THAT THE DECISION TO WORK WITH A LENDER OR NOT SHOULD BE BASED ON THE MERITS OF THE PRODUCT, NOT THE WARMTH OF A SALES REP'S HANDSHAKE.

CUT THIS OUT AND TAKE IT WITH YOU!

YOU NEED TO KNOW THAT GOING THROUGH YOUR FINANCIAL AID OFFICE MAY COST YOU A PREMIUM. THE ONLY WAY TO BE SURE YOU'RE GETTING THE BEST RATE IS TO GO DIRECT. IT'S YOUR LOAN, IT'S YOUR CHOICE, AND IT MATTERS NOW.



MYRICHUNCLE

STUDENT LOANS

DEAR STUDENTS AND PARENTS:

YOU NEED TO KNOW THAT MYRICHUNCLE IS THE FIRST STUDENT LOAN COMPANY TO CUT THE FEDERAL LOAN RATE BY UP TO 2%.

YOU NEED TO KNOW THIS NOW, BECAUSE OUR LOANS CAN SAVE YOU THOUSANDS OF DOLLARS. YOUR SCHOOL MAY NOT TELL YOU. THEY MAY NOT KNOW, SO WE'RE TELLING EVERYONE.

YOU NEED TO KNOW THAT YOU CAN CHOOSE YOUR OWN LENDER. TO GET THE BEST RATES, APPLY DIRECT WITH US AND CUT OUT THE MIDDLEMAN. YOUR SCHOOL WILL CERTIFY THE LOAN BY LAW.

IT'S YOUR LOAN. IT'S YOUR CHOICE. IT MATTERS NOW.

DEAR SCHOOLS AND FINANCIAL AID OFFICES:

WE NOW CUT UP TO 2% OFF THE GOVERNMENT'S FIXED RATE ON PLUS LOANS, AND 1.25% ON STAFFORD LOANS. WE OFFER THIS RATE CUT AT REPAYMENT, AND WE ARE THE FIRST STUDENT LOAN COMPANY IN 41 YEARS TO DO THIS. FOR PRIVATE LOANS, WE BUILT OUR OWN APPROVAL SYSTEM TO TREAT STUDENTS FAIRLY. WE CAN SAVE YOUR STUDENTS THOUSANDS OF DOLLARS. WE WANT TO MAKE SURE YOU KNOW THIS, BECAUSE FOR STUDENTS GETTING A LOAN, THE MOST IMPORTANT CONSIDERATION IS PRICE. IT'S THEIR LOAN, IT'S THEIR CHOICE, AND IT MATTERS NOW.

APPLY DIRECT: WWW.MYRICHUNCLE.COM
OR CALL 1-888-MYRICHUNCLE

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