

## New Private Student Loan Requirements Effective Feb. 14, 2010

Changes will impact Chase Select<sup>SM</sup> process, schools and borrowers

Chase will implement technical and processing changes to its Chase Select private student loan program to comply with Title X of the Higher Education Opportunity Act. These changes, which require new disclosure forms and add new procedures, go into effect for all lenders on Feb. 14, 2010. Impacts to the Chase Select loan application process, as well as impacts to borrowers and schools, are described below.

### Chase implementation schedule:

Chase intends to implement these changes between Feb. 6 and Feb. 14, 2010. We will update schools on our schedule before actual implementation takes effect. **Note on pipeline loan applications: Chase Select loan applications submitted for a credit decision prior to Chase's implementation of these requirements will be processed under our existing origination process.**

### Three new loan disclosures, new Self-Certification form:

Three new loan disclosure forms will replace the current Truth-In-Lending statement. These disclosure forms are provided by the federal government; lenders and schools may not modify these forms. A new Self-Certification form will also be required for borrowers, who must complete, sign and submit it to Chase before loans can be disbursed. **See table on Page 2 for more details on these new forms.**

### Benefits of applying with Chase:

- We will provide enhanced reporting on [ChaseFAO.com](http://ChaseFAO.com) to schools to track students' application process.
- We will send all disclosure forms and reminder notices simultaneously to student applicants and cosigners.
- We will allow either the student applicant or the cosigner to accept or reject new loans.
- We will send self-certification forms to student applicants and cosigners with the loan application kit, which will expedite the application process and help to disburse loans as quickly as possible.
- We will proactively contact serial Chase Select borrowers to alert them of the new application process.

### Recommended actions for schools:

Chase recommends that schools:

- Communicate these changes to students as early and as often as possible.
- Remind student applicants they need to proactively accept Chase's loan terms after credit is approved, if they want their loan from Chase.
- Plan disbursements to occur after expiration of the rescission period.
- Prepare to provide student applicants the information they need to complete and sign the Self-Certification form.

## New forms and procedures, and how they impact borrowers and schools:

APPLICATION DISCLOSURE	<ul style="list-style-type: none"> <li>Applicants receive this form as part of the online application process, before they fill out the application. If they apply by phone, they will receive this disclosure in the mail within 3 business days of submitting the application.</li> <li>Contains general information about Chase's range of rates, terms and fees. In addition, it provides an example of the total cost of the loan at the maximum rate offered by Chase, and information regarding federal student loans.</li> </ul>
APPROVAL DISCLOSURE	<ul style="list-style-type: none"> <li>Applicants and cosigners receive this form by mail after final approval of the loan by Chase and before the school certification.</li> <li>Contains specific information about the approved loan, including the approved loan amount, approved rate and estimated repayment schedule.</li> <li>Disclosed loan terms must be accepted by either the applicant or cosigner within 30 calendar days of receipt of the Approval Disclosure. <b>Note: applicant or cosigner can accept by calling Chase at 1-800-487-4404, or by logging into their account at <a href="http://MyChaseStudentLoan.com">MyChaseStudentLoan.com</a>.</b></li> <li>If the applicant or cosigner does not accept the loan terms within the timeframe and by the method described in the Approval Disclosure, the loan approval will be cancelled and the student will have to reapply.</li> </ul>
SCHOOL CERTIFICATION	<ul style="list-style-type: none"> <li>Chase will request school certification after the applicant or cosigner has accepted the loan terms, and all documents (including signed Loan Application and Promissory Note) have been received, except for the Self-Certification form. <b>Note: the request for school certification may occur later in the process than it does today.</b></li> </ul>
FINAL DISCLOSURE	<ul style="list-style-type: none"> <li>Chase will send this form at the same time it requests the school certification.</li> <li>Contains specific information regarding the loan terms, including the approved loan amount, approved rate and estimated repayment schedule. Also contains information on the right to rescind prior to the first disbursement date.</li> </ul>
RESCISSION PERIOD	<ul style="list-style-type: none"> <li>The intent of the rescission period is to allow borrowers a final opportunity to evaluate their needs for a private student loan and/or cancel the loan without penalty.</li> <li>The required rescission period is until midnight of the third business day after the borrower has received the Final Disclosure. Because Chase call centers are not open until midnight to receive a cancellation request, Chase's rescission period will expire at 11 a.m. (Eastern) on the 4th business day.</li> <li>Lenders cannot disburse funds until the end of the rescission period so schools will not be able to schedule disbursements until the expiration of the rescission period.</li> <li>To allow for applicants and cosigners to receive the Final Disclosure in the mail, the first date that a loan can be scheduled for disbursement is after the 7th business day from the date that Chase mailed the Final Disclosure.</li> </ul>
SELF CERTIFICATION	<ul style="list-style-type: none"> <li>Chase will provide students with a blank Self-Certification form in its mail and online "Application Kits," once the form is finalized by the Department of Education.</li> <li>Contains details about federal loan availability and encourages students to seek advice from their school's financial aid office.</li> <li>Must be completed and signed by the applicant and returned to Chase before the loan can be disbursed. Applicants may contact the school for help in completing the form, including information about the school's cost of attendance.</li> <li>If the applicant does not complete, sign and submit the form within 180 days of their submitting the credit application to Chase, the loan will be cancelled.</li> </ul>

For more details about these upcoming changes, please talk with your Chase Account Manager or call 1-877-968-7331.