

FOR STUDENTS
Notice from the President's Office
Art Institute of Philadelphia (The School Code for Loans is 008350)
FEDERAL FAMILY EDUCATION LOAN PROGRAM (FFELP)
INFORMATION AND RECOMMENDED LENDER LIST

This notice is for a student's Federal Subsidized Stafford and/or Unsubsidized Loan

Name (print) _____

Dear Student,

As a service to you, we have listed below lenders that we recommend because, in our experience, these lenders:

- for Stafford loans provide competitive terms such as currently paying the federal origination fee and default fee, assuming you also select the recommended guarantor
- provide quick and reliable customer service and provide important consumer information,
- allow you to apply for a student loan and follow up on your loan status over the internet as well as by phone,
- participate in Electronic Funds Transfer (EFT) and other electronic processes,
- provide private (non-federal) loan products that will be billed and serviced with these recommended lenders' federal loans so you will have one point of contact,
- consistently provide loan proceeds within 10 days of receiving a properly completed and certified loan application as long as you are otherwise eligible,
- have agreed to provide data to us which allows us (and our agents) to assist you during your repayment period thus decreasing the likelihood that you will default on the loan,
- have assured us that if your Stafford loan is sold that you will still retain any borrower benefits, and
- provide easy consolidation of this loan and other federal Stafford loans at your request.

Recommended eligible FFELP lenders:

_____	AMS* (Lender Code 833067)	1-888-272-5543
	PO Box 147020 Gainesville, Florida 32614-7020	
_____	Nellie Mae* (Lender Code 829076)	1-888-272-5543
	PO Box 147020 Gainesville, Florida 32614-7020	
_____ -	Sallie Mae Education Trust* (Lender Code 802218)	1-888-272-5543
	PO Box 147020 Gainesville, Florida 32614-7020	
_____	Student Loan Funding* (Lender Code 831455)	1-888-272-5543
	PO Box 147020 Gainesville, Florida 32614-7020	
_____	Dollar Bank ** (Lender Code 822583)	1-888-272-5543
	PO Box 147020 Gainesville, Florida 32614-7020	
_____	Fifth Third Bank** (Lender Code 808780)	1-888-272-5543
	PO Box 147020 Gainesville, Florida 32614-7020	

* Lender is directly or indirectly owned or an affiliate of Sallie Mae Inc. ("Sallie Mae"). These loans may be sold or securitized but servicing remains with Sallie Mae.

** Lenders are not owned by Sallie Mae, but the lender sells these loans to Sallie Mae and uses Sallie Mae to service loans

Master Promissory Notes for the recommended lenders are available in the Student Financial Services Department.

If you choose a lender not listed above, please make sure you have the following information, and that the lender can use USAF as its guarantee agency.

Name _____

Address _____

City _____ State _____ ZIP _____

Lender Code Number _____ Telephone Number _____

A Master Promissory Note for use with the lender of your choice is available in the Student Financial Services Department

STAFFORD LOAN

Guarantee Agency:

The guarantee agency for this institution is USA Funds (USAF) which is a non-profit agency. This is primarily due to their guarantee being available nationwide, their excellent customer service to you the borrower, their relationship with the recommended lenders, their excellent default management system as well as financial aid training and default management software they provide to the institution and Education Management (EDMC), the indirect owner of your school. Additionally if you choose one of the above lenders and USAF, you will not be charged a federal default rate fee or federal origination fee for your Stafford Loan at this time (prior to May 2008).

Important Disclosures concerning recommended lenders:

- o *You are permitted to obtain a loan from any eligible FFELP lender you wish to use.* Lenders frequently advertise on the internet and in national or local media outlets. You can learn more about choosing a lender at www.studentaid.ed.gov. If you choose a lender other than a recommended lender listed above, you will want to ensure that the lender you choose is eligible to participate in the FFELP program at this school and with a USAF guarantee and you must include the lender's complete name, address, phone number and lender ID on your FFELP Master Promissory Note.
- o Currently, EDMC and the school also contracts (or may contract) with Sallie Mae or their affiliates for loan-related services including default prevention services, collection of Perkins loans and student receivables (such as tuition), creating checks, ACH or debit cards as well as student retention activities. Sallie Mae provides private (non-federal) loan products to qualified students as well as private loans for students with no credit or less desirable credit attending this school and other schools affiliated with EDMC. The institution and EDMC may share in the default risk associated with these loans.
- o Your FFELP loan may be sold to another lender once issued; EDMC has required the recommended lenders listed above to agree in writing that any loan benefits offered to you will continue even if your loan is sold to another lender, providing you have complied with the terms of your promissory note.
- o There is a 1% federal default fee and a 2% federal origination fee that are allowed to be deducted from your loan proceeds. As of July 1, 2007 the federal origination fee is reduced to 1.5%. Loans that are guaranteed by USAF and disbursed by lenders who are owned by Sallie Mae or who sell their loans to Sallie Mae prior to May 2008 will not have their loan proceeds reduced for these fees. Loans disbursed after May 2008 may not have these benefits.
- o Rates and fees as well as any borrower benefits are determined and disseminated by the lender. Borrower benefits generally require the borrower to meet certain conditions that the lender discloses.
- o We recommend that if you will pursue a private (non-federal) loan, that you apply for a private loan with the same lender or servicer that will provide your federal loan.

Student Obligation for Payment to the School:

All students who provide us with an accurately completed FFELP Master Promissory Note prior to starting school will be permitted to defer the payment of the portion of their tuition that the FFELP loan is projected to cover for a period not to exceed 45 days. Prior to receiving your loan funds, you may be required to provide additional documentation due to institution or federal requirements. If loan proceeds are not received within 45 days, the unpaid tuition may be immediately considered past due.

Unless you tell us otherwise, we will assume that you elect to use the same lender for subsequent loans at our institution. It is your obligation to provide written notice to the Student Financial Services Department if you wish to select a different lender for subsequent loans.

Borrower – Please acknowledge that you have read the above notice and selected the recommended lender and guarantee agency, or that you have determined your own lender or guarantor, by dating and signing below.

Borrower's Signature _____ Date

Name (print) _____