

**earnest**

# Proposal for Colleges and Universities

Private Loans for Academic Year 2023-2024

**To learn more, reach out to your designated representative.**

Patrick Ziegler: [patrick.ziegler@earnest.com](mailto:patrick.ziegler@earnest.com) | 518.817.1500

# Greetings,

Earnest Private Student Loans are designed for today's students and families, with a simple application process, an intuitive and mobile-friendly design, clear explanations, and friendly customer support. The underwriting process allows the program to serve students with a broader range of credit scores and offer personalized rates. Over 80% of our students are making payments while in school compared to the industry's average of 50%. This is mainly due to our transparent app process that features financial literacy built within, that is aimed to get them out of debt as quickly as possible.

Earnest has worked hard to offer some of the lowest rates and flexible terms for student loan repayment. In 2021 that work paid off, with Earnest taking the top spot in the country to become the #1 refiner of student loans in the United States.

Through our experience and unique perspective as a student loan refinancing company since 2013, we saw the issues that contributed to people taking on more debt than they realize with other lenders, and with terms that don't fit their needs. So, we built a product that offers flexible options to fit the needs of both undergraduate and graduate students. We work relentlessly to offer some of the lowest interest rates on the market because we see students as individuals, not a student loan.

If you or any of your colleagues have questions about Earnest or our programs, please let me know. I'd be happy to meet on campus or by Zoom.

Respectfully,

*Patrick Ziegler*

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518-817-1500 [earnest.com/for-schools](https://earnest.com/for-schools)

**We believe in  
a world where  
paying for your  
education takes  
less time than  
earning your  
degree.**

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# Lender Information

## How long has your company been in the student loan business?

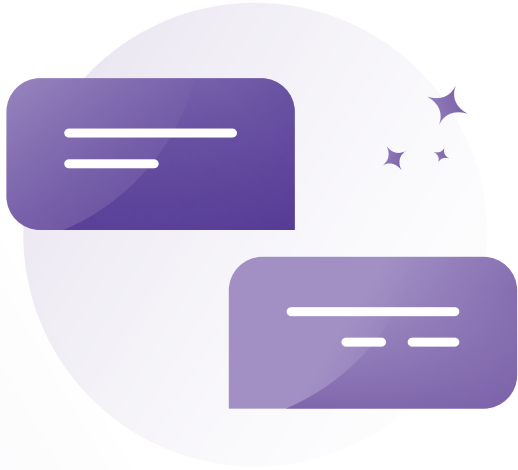
Earnest was founded in 2013 to help graduates save money by refinancing student loans. Since then, we've helped thousands of clients reduce the interest they pay, through innovative underwriting that rewards responsible financial habits. In 2019, we launched in-school student loans that offer flexible payments and personalized rates.

## Program/Product Name

- Private Undergraduate Student Loans
- Private Graduate Student Loans
- Private MBA Loans
- Private Medical School Loans
- Private Law School Loans
- Private Parent Loans

# Lender Details

<b>Lender Name</b>	Earnest <sup>1</sup>
<b>Lender Code</b>	600001
<b>Guarantor Code</b>	K76
<b>Alternative/private loan program ID</b>	Student Loans: K77 Parent Loans: K78
<b>Address</b>	535 Mission St, Suite 1663 San Francisco, CA 94105



# Contact Us

## Contact School Service

Our dedicated School Success team and assigned account managers work together to ensure that schools receive the highest level of service. Reach out to us for certifications and disbursements.

866.764.9262 + [forschools@earnest.com](mailto:forschools@earnest.com)

## Contact Customer Service

Earnest's highly rated, local Client Happiness team assists borrowers via phone, email and chat.

888.601.2801 + [hello@earnest.com](mailto:hello@earnest.com)

## Customer service hours

Available via phone, email and chat:

Monday - Friday, 8am - 5pm, Eastern

## Borrower application link

[earnest.com](https://earnest.com)



# Borrower Benefits & Features

**Mobile friendly application.** Easy, seamless application that enables students to apply via their mobile phone or any smart device.

**Auto Pay Discount.** Borrowers can qualify for a 0.25% interest rate reduction when they sign up for Auto Pay<sup>2</sup> and link to an active bank account. This benefit is not lost because of a late payment.

**Skip-A-Payment.** Recognizing that life sometimes can get in the way and that borrowers might need flexibility, our innovative Skip-A-Payment<sup>3</sup> benefit provides the ability to take a break from repayment up to one time each year, after 6 months of consecutive on-time payments.

**Underwriting for access.** We don't rely solely on FICO and use additional underwriting items, such as Free Cash Flow (FCF).

## **If Loan Terms and Benefits change during the academic year, how will you notify students, parents, and schools?**

Students, parents, and schools will be notified through regular communication channels such as print, email, and on our application.

# Borrower Services

## Do you accept payments online?

Yes. Borrowers can quickly and easily make payments on their online Earnest account.

## Do you offer loan calculators?

Yes. Our easy-to-use calculators offer multiple functionality, such as managing monthly cash flow.

Find these at [earnest.com/resources](https://earnest.com/resources).

## Do you offer Debt Management/Financial Literacy Tools?

We've made significant investments in debt management and financial literacy tools. Topics include: How to Study Abroad on a Budget, How to Read Your Credit Report, How to Qualify for Student Loans, and How to Pay Off Debt. These tools are presented in multiple content formats and can be found at [earnest.com/resources](https://earnest.com/resources) and [earnest.com/blog](https://earnest.com/blog).

## Can the borrower apply via a mobile device?

Yes. We've developed a state-of-the-art mobile friendly application. Students can easily apply via their smartphone or any mobile device.

## Full disclosure and options made available before ever signing the loan.

Our loan process allows for complete transparency. We are very clear about the different options that are made available to borrowers. Because of this, we see more than 80% of our borrowers choosing to make payments while in school. This allows for real flexibility, but it also contributes to saving more over the life of the loan.

# School Services

## What third party processing system do you use?

We work with all third-party processors, including ELMOne and Great Lakes' ScholarNet platforms.

## Do you participate in Electronic Loan Processing?

Yes. We support CommonLine4.

## Additional Association Services

We work with every state, regional and national association. Each team member volunteers with associations to help provide the valuable services to school members. We also host relevant sessions on relevant business topics - not just loans. We're proud to have sponsored every state, regional, and national conference at the highest level possible showing our dedication to this industry and its members.

## Team Info

Our Campus Partnerships and School Success teams are more than just your typical lender representative. Our teams are made up of subject matter experts on many things impacting financial aid. We have past experience in the aid office, with different lenders, and even with former guarantors. The average tenure of a person on our teams is 20 years.





# Eligible Borrowers

**Student?** Yes.

**Parent/Guardian as borrower?** Yes, we offer loans for parents, guardians, or sponsors to help cover the cost of a child's education.

**Graduate Students?** Yes, graduate students are eligible for our loan products. And we do not have an income requirement when applying.

**International Students?** Yes, with a qualified US citizen or permanent resident cosigner.

**Satisfactory Academic Progress?** Satisfactory Academic Progress is **not** a requirement in order

to get an Earnest loan. We will approve loans based on a borrower and cosigner's credit worthiness and overall ability to pay. We will approve and disburse loans certified by the school.

**Enrollment Requirement?** Undergraduate students should be enrolled at-least-half-time. Enrollment is not a factor for graduate students so they can be enrolled at all levels including less-than-full-time.

All eligibility requirements can be found at [earnest.com/eligibility](https://www.earnest.com/eligibility)

### **Can the loan be taken out for a past due balance?**

Yes. The loan will cover past-due balances up to 365 days prior.

### **Must the student be in an eligible degree program to qualify for your loan programs or can the student be in a certificate or licensure program?**

Student must be enrolled in a degree-seeking program.

### **Do you offer loans for graduate programs?**

Yes, we offer a graduate loan with compelling features and competitive pricing. This include no income requirement when applying, no cosigner requirement, and better pricing than our traditional undergraduate product.

### **Do you allow a loan to be increased if the school certified amount is less than the borrower requested amount? Assume the student has had a change in eligibility and is now eligible for the increase and all disclosures have been signed.**

Students can increase the amount they would like to borrow before the funds have been disbursed. Changing the amount of the loan can vary depending on the stage that the borrower is in. Borrowers can reach out to our Client Happiness team for assistance with making these changes.

## **Repayment Terms**

### **What type of Loan Terms do you offer?**

Realizing that students want options and flexibility, we offer term choices of 5/7/10/12/15 years. This empowers the borrower to choose the loan term that works best for them.

### **Do you offer repayment options while the student is in school?**

Yes. The student may select four different repayment options while attending school. They have the option to pay the full principal and interest, interest only, a flat \$25, or they can choose to defer payments until their 9-month grace period has expired. Over 80% of our borrowers choose to make payments while attending school.

Full Principle and Interest	10.7%
Interest Only	18.6%
Fixed \$25	54.9%
Deferred	15.8%

### **What is the grace period for borrowers?**

We offer a 9-month grace period,<sup>4</sup> one of the longest grace periods in the industry, demonstrating once again that we understand students' need for flexibility.

### **Do you have a cosigner release option?**

According to a Consumer Finance Protection Bureau (CFPB) Study cited in Forbes , approximately 90 Percent of cosigner release applications are rejected by the lender. This is in large part based on the simple fact that the student would have to demonstrate the ability to assume full responsibility of the loan. This is difficult to accomplish while a student is in-school,

hence the approximate 10% success rate for co-signer release. Instead, Earnest has opted to offer student loan refinancing. If a student chooses to refinance, the new loan will be in the student's name without a cosigner. To refinance student loan debt, the student borrower must apply and pass a credit check with their chosen lender. Additionally, refinancing has the potential benefit of a lower interest rate or lower monthly payments.

### Do you offer death and disability loan forgiveness?

Yes. In the event of a primary borrower's death or permanent disability, the loan is forgiven. In the event of the cosigner's death or permanent disability, the cosigner is removed from the loan.

### Do you offer refinancing options?

Yes. In fact, with a 5-star customer rating and \$16.4B in loans refinanced, Earnest is the second largest refiner of student loans today. Our competitive rates and ability to customize the loan have solidified Earnest as an industry leader

## Interest Rates

### What type of products do you offer?

Fixed Interest Rate? Yes.

Variable Interest Rate? Yes.

For current rates visit: [earnest.com/student-loans](https://earnest.com/student-loans)

## Fees

### No Origination or Late Fees

There are no fees associated with this program.

No prepayment, late or returned-check fees.

## Compare the Competition

	earnest	Sallie Mae	Discover	Citizens
eligibility check	✓			
zero fees	✓		✓	
9-month grace period	✓			
choice of loan terms	✓			✓
skip 1 payment a year	✓			

\* Feature comparison current as of April 1, 2021



## **Servicing & Selling of Loans**

### **Do you offer deferment?**

Yes. We offer up to 48 months for in-school deferment for borrowers who have begun the repayment period on their loans but who are now actively enrolled in an eligible school at least half-time. We also offer up to 48 months for internship/fellowship/medical residency for borrowers who have begun the repayment period on their loans but who are now actively enrolled in a medical residency, internship, or fellowship program.

### **Do you offer forbearance?**

Yes. Under certain circumstances a borrower experiencing temporary financial difficulty may postpone principal and interest payments by utilizing a hardship forbearance. This option has a cumulative maximum of 12 months over the life of the loan.

### **Do you sell your Private Loans?**

Yes. We sell our private student loans to our parent company. We maintain servicing, keeping the experience seamless for the borrower.

### **Do you service your own loans?**

Yes.

# TrustPilot Reviews



“Fast, easy, and honest disclosure so you can plan your future finances with no surprises. The application takes five minutes and you get updates about when and how you will receive your funds. The interest rate is half of what a credit card company would charge. Great company.”

From a student attending Southwestern Law School  
October 9, 2022



“I picked Earnest because they seemed responsive, had a low rate, and had parent loans. The best thing about this company is that, while an online portal is extremely convenient, the borrower wants to feel that there are actual humans involved when problems occur. Earnest really gave me that human touch and figured out how to work through some issues that concerned me. Earnest earned its five stars from me. I recommend this company.”

From the parent of a student attending Goucher College  
October 12, 2022



“I needed student loans at the very last minute and earnest saved the day. I plan on paying off my loan in two years and I am glad earnest has no early pay penalty and their interest rate was very competitive and the agents on the phone were extremely helpful and efficient.”

From a student attending New York University  
October 2, 2022



“As an older student going back to college it has been really difficult finding a loan to help pay for living expenses. After moving 1400 miles away from home this was a really overwhelming and daunting experience. I am so thankful to Earnest for making a way for me to now finish this semester without worry or financial stress!!!”

From a student attending Eastern Florida State College  
September 15, 2022



“I love how quick Earnest was. I am 2 weeks into school and I can't register for classes and pay my dorm deposit until I either pay my bill in full or take a loan out. Earnest made this process so much easier than I thought and within almost a week I get to start my 2nd year in college and pay my deposit to dorm. Thank you Earnest.”

From a student attending SUNY College at Purchase  
September 5, 2022



“I was new to the college loan concept and process. Most companies sent advertising with no phone numbers. I was completely overwhelmed. When I called Earnest twice, they were SO knowledgeable and helpful. They also didn't do that annoying thing where they repeat everything you say. When most rates are about the same, customer service stands out even more. I would never go anywhere else!!”

From a student attending University of Alabama  
September 1, 2022

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<sup>1</sup> Earnest Private Student Loans are made by One American Bank, Member FDIC.

<sup>2</sup> If you make monthly payments by an automatic, monthly deduction from a savings or checking account, your rate will be reduced by one quarter of one percent (0.25%) for so long as you continue to make automatic, electronic monthly payments. Not all borrowers will qualify for our lowest rates, and your rate will be based on creditworthiness at time of application.

<sup>3</sup> Earnest clients may skip one payment every 12 months. Your first request to skip a payment can be made once you've made at least 6 months of consecutive on-time payments, and your loan is in good standing. This skipped payment will then be spread out across your remaining payments, resulting in an increase in your monthly minimum payment. Please be aware that a skipped payment does count towards the forbearance limits outlined in your loan agreement. Please note that skipping a payment is not guaranteed and is at Earnest's discretion.

<sup>4</sup> Nine-month grace period is not applicable for borrowers who choose our Principal and Interest Repayment plan while in school.

Earnest loans are serviced by Earnest Operations LLC with support from Navient Solutions LLC (NMLS #212430).

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