



Financing America's Future



SAGE tuitionadvantage™

Sage Tuition Advantage™ increases net tuition revenue by providing financing options to your students instead of unfunded institutional aid.

This solution is flexible, sustainable and customizable.

Brought to you by SAGE Scholars and National Education

+ ADVANTAGES

- 0% APR
- Increase net tuition revenue
- Decrease tuition discount
- **No cost to school**
- Improve retention
- Easy implementation
- Expedited cash flow
- No tuition increases
- Flexible utilization

Additional Revenue Recaptured with SAGE Tuition Advantage™



This example uses SAGE Tuition Advantage to reduce the discount by 4% for a program with 2,000 students and \$30,000 tuition.

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Wesley College, which has signed up with National Education, says it is replacing some grants with loans in financial aid packages for about 20% of incoming freshmen -- a decision that will forestall further cutbacks in its budget and existing grants, says Eric Nelson, vice president for finance at Wesley. (source: smartmoney.com)

www.nationaled.net/advantage

+ OVERVIEW

The 2010 NACUBO Tuition Discounting Study¹ indicates, “the average discount rate...for first-time, full-time freshmen jumped from about 39 percent in 2007 to an all-time high of 42.4 percent in 2010...”

“The study also found that on average just 10 percent of fall 2009 institutional grants were funded by unrestricted endowment earning, which suggests that most institutional grant aid is ‘unfunded’ (that is, institutions do not have a dedicated revenue source to support their institutional grant expenditures and thus must use gross tuition and fees to support these expenditures).”

How are you sustaining your institutional aid grants?

Budget reductions?

Hiring freezes?

Capped or delayed salary increases?

Reduced class offerings and increased class sizes?

¹ (2011). 2010 NACUBO tuition discounting study report. National Association of College and University Business Officers.

+ PROGRAM TERMS

SAGE Tuition Advantage™ provides low cost, highly competitive financing for families at no cost to the school. SAGE Tuition Advantage™ offers competitive terms with a low fixed rate, no interest charged in-school, and 25% forgiveness for graduation and timely payments.

Minimum Loan Amount	\$1,000
Maximum Loan Amount	\$5,000
In-School Interest Rate	0%
Grace Period Interest Rate	0%
Grace Period Length	6 months
Repayment Interest Rate	4.840% Fixed
Repayment Term	Up to 10 Years
Forgiveness Opportunities	<p><u>Graduation Benefit</u></p> <p>For Borrowers who graduate from the Eligible School, the final 10% of the original principal balance of the loan will be forgiven.</p>
	<p><u>Graduation AND Timely Payment Benefit</u></p> <p>For Borrowers who both graduate from the Eligible School AND make all of their payments on time, this benefit increases to the final 25% of the original principal balance.</p>
APR with Benefits	0%
APR without Benefits	2.55%

Industry appropriate underwriting guidelines will apply:

- Minimum FICO score
- Cosigner option/requirement

+ PROGRAM COMPARISON

At no cost to the school, the SAGE Tuition Advantage™ provides competitive terms with a low fixed rate, no interest charged in-school, and 25% loan forgiveness for graduation and timely payments. The private loan example below is an average of three programs in the marketplace today.

Assumptions for All Loan Types:

Repayment Term	120 Months
In-School Period	45 Months
Loan Amount	\$5,000
Application Fee:	TBD*

* Charged to the borrower

Program Terms:

Loan Type	SAGE Tuition Advantage™	Direct PLUS	Average Private
Comments/Description	25% Forgiveness (for graduation and timely payments)	DL with Benefit	Average
Amount	\$5,000	\$5,000	\$5,000
Interest Rate	4.84%	7.90%	7.79%
Fees	0.00%	2.50%	3.67%
In-School Accrual?	NO	YES	YES
Pay Interest In-School?	NO	YES	YES
Interest Accrued In-School	-	\$1,679	\$1,716
Balance at Repayment	\$5,000	\$6,679	\$6,900
Payment Amount	\$52.64	\$80.68	\$82.95
Int-Only Payment	-	-	-
Approximate APR	0%	7.67%	7.70%
APR Rank (1-10)	1	2	3
Total Cost Rank (1-10)	1	2	3
Total Cost	\$5,000.00	\$9,681.60	\$9,954.00
Cost Above SAGE Tuition Advantage™	-	\$4,681.60	\$4,954.00

+ THE SAGE TUITION ADVANTAGE CALCULATOR

Giving away too much institutional aid? The SAGE Tuition Advantage™ calculator shows the impact of tuition discounts on net revenue and the amount you can recapture. The example below uses SAGE Tuition Advantage to reduce the discount by 5% for a program with 2,000 students and \$28,000 tuition.

Number of students	2,000
Tuition	\$28,000
Current Tuition Discount (%)	40%
Use SAGE Tuition Advantage to reduce discount by	5%
New Discount	35%

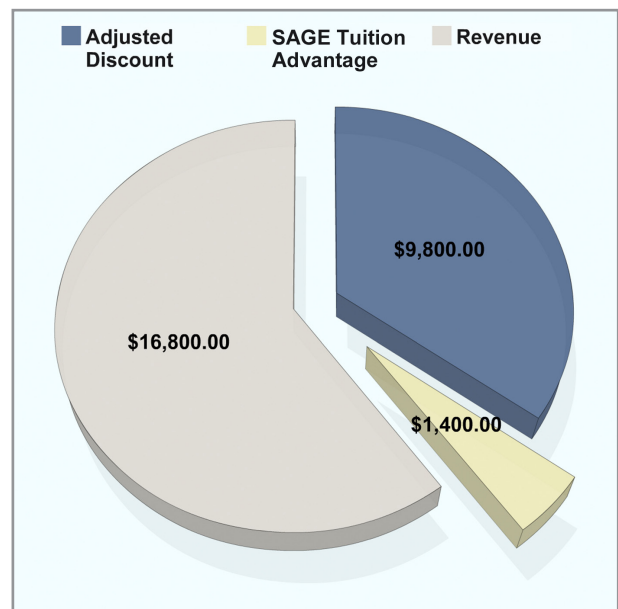
Current Per Student

Net Revenue	\$16,800.00
Discount	\$11,200.00

Expanded to whole institution

Stated Tuition Revenue	\$56,000,000.00
Tuition Lost to Discount	(\$22,400,000.00)
Net Tuition Revenue	\$33,600,000.00

Sources of Revenue with SAGE Tuition Advantage™



SAGE Tuition Advantage™ Balance Per Student

Based on the data above and the program terms:

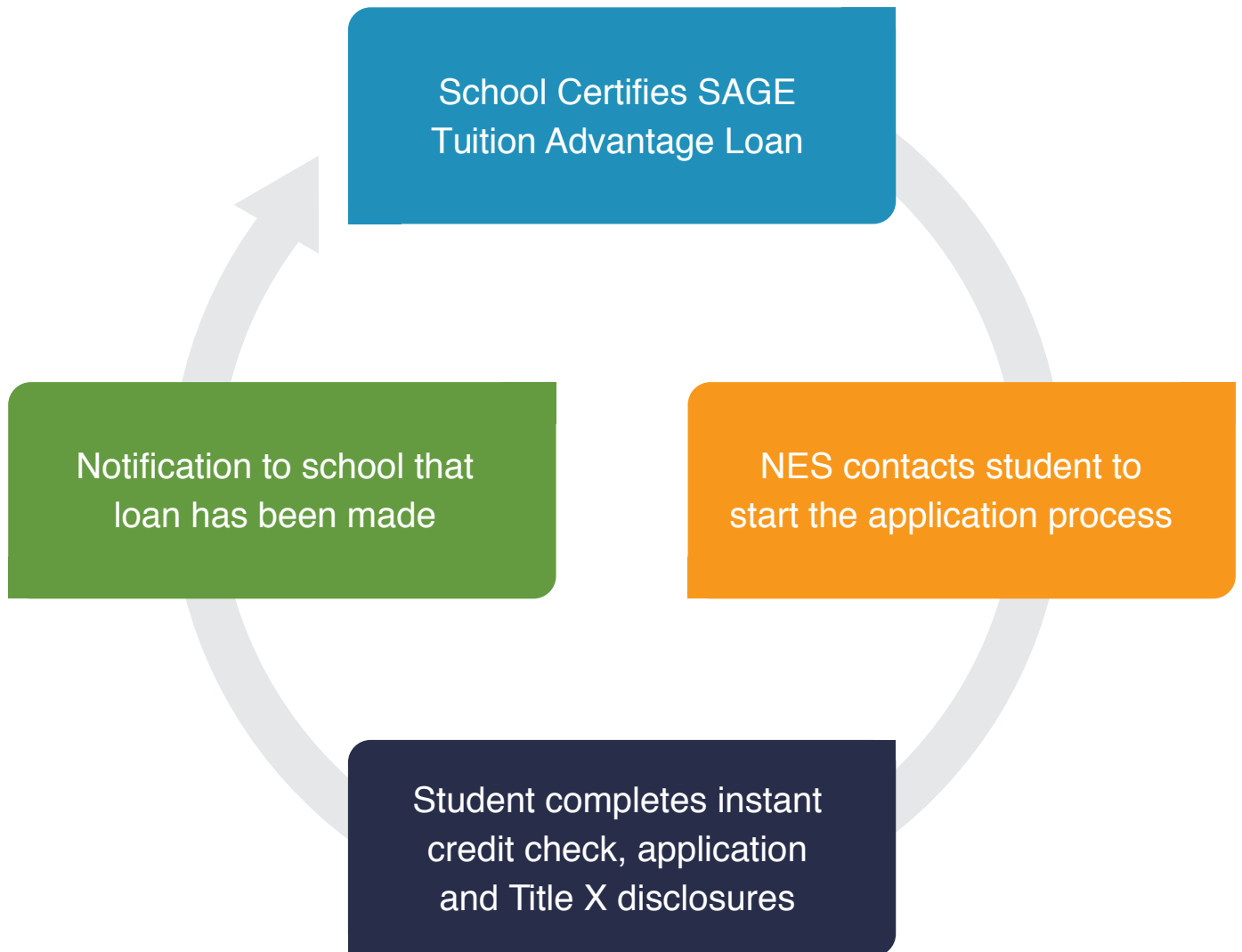
1 Year Loan Amount	\$1,400.00
Loan Balance for student at graduation (assumes 4 years)	\$5,600.00
Total Repaid with Benefits	\$5,968.46
APR on Loan	0%

Potential Increased Cash Flow to School

(assumes 3 year lag between when receivable is booked and take-out)

Year 1	-	Year 6	\$840,000.00
Year 2	-	Year 7	\$840,000.00
Year 3	-	Year 8	\$840,000.00
Year 4	\$1,260,000.00	Year 9	\$840,000.00
Year 5	\$840,000.00	Year 10	\$840,000.00

+ SAGE TUITION ADVANTAGE ORIGINATION FLOWCHART



+ LOAN SERVICING

Meet National Education Servicing.

Education Financing is our only business. For over 20 years, the staff at National Education Servicing has offered superior higher education loan servicing and innovative solutions to its customers.

Formally designated as an Exceptional Performer by the U.S. Department of Education, National Education has proven its ability to competitively manage assets for its partners.

Our servicing portfolio has grown rapidly to more than \$1 billion in an extremely competitive and volatile loan market.

We have the experience and infrastructure to provide a cost effective solution to loan origination and servicing.

National Education's expertise is Education Loan Lifecycle Management. From origination to default aversion, there is an established, cost effective process in place.

National Education provides economies that reduce loan administrative costs and minimize financial overhead.

Communication is key. Our low default rate is the direct result of increased borrower contact. We stay in touch with our customers through every step of the process. Our experienced staff personally counsels borrowers providing them support, guidance and information. High performance levels produce greater returns to clients.