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DRB Resident & Fellow – Flexible Refinancing Program

Residents & Fellows are now able to refinance their student loans to best-in-class rates, while paying only \$100 per month during training.



4/7/2015

Program Overview

At last, a refinancing solution tailored to medical professionals in training.

Regardless of the total amount refinanced, the payment will be only **\$100 per month** during residency/fellowship

\$100 monthly payment lasts for **all of training, plus 6 months**

6 months after the end of training, borrower will start on whatever **standard repayment term** they had selected initially

At that point, the monthly interest and principal payment amounts will be based on a **standard amortization schedule**

Standard term options range from **5 to 20 years**

Both **fixed and variable rates** are available

DRB definitively has **the lowest rates in the country**

No limit on the amount refinanced (\$5,000 minimum)

Both **Federal and Private** student loans are eligible

Must be a **U.S. Citizen or permanent resident** to be eligible



Our Interest Rate Table

Definitively the lowest rates in the industry

Term Option	Fixed APR*	Variable APR*
5 Year	3.50% - 4.75%	1.90% - 3.71%
10 Year	4.50% - 5.50%	2.66% - 3.91%
15 Year	5.00% - 6.00%	3.01% - 3.98%
20 Year	5.25% - 6.25%	3.23% - 3.98%

* Assumes a 0.25% discount for making automated payments from a DRB checking account (no fee and no minimum balance for DRB checking)

** The variable interest rates are calculated by adding a margin to 3 Month LIBOR ranging from 1.64% to 3.72%

Unique Program Benefits

Resident & Fellow – Flexible Refinancing is truly one-of-a-kind

- Interest accrued during training does not capitalize until the borrower begins on standard term
- No origination fees
- No prepayment penalties
- Loans are fully dischargeable in the event of death or permanent disability
- Up to 12 months of Economic Hardship Forbearance is available in 3 month increments
- No limit on how long residency/fellowship payments may last
- Free to apply with no obligation to accept the offer

DRB is the **only** lender in the country who uses expected future income for physicians during underwriting process.

Comparison to Federal Repayment

While Federal loan repayment has its merits, it isn't for everyone.

	IBR / PAYE	DRB Resident & Fellow - Flexible Refinancing
Monthly payment during training	Based on income and family size. Typically \$250 - \$500	\$100
Eligible Loans	Federal Loans Only	Both Federal and Private Loans
Average Interest Rate	≈ 7%	4.34%
Interest Capitalization	No capitalization while borrower has Partial Financial Hardship. Typically occurs once borrower is an attending physician	Interest accrued during training doesn't capitalize until start of standard repayment
Dischargeability	Loan is fully dischargeable in the event of death or permanent disability	Loan is fully dischargeable in the event of death or permanent disability
Forbearance	Up to 3 years for Economic Hardship	Up to 1 year for Economic Hardship
Forgiveness	Potentially available through PSLF	None
Tax Deductible Interest	Yes - Up to \$2,500	Yes - Up to \$2,500

Refinancing Suitability

Who should consider it?

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Anyone not pursuing loan forgiveness on their federal loans

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Anyone with private loans

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Anyone specializing in an area of medicine with a high likelihood of private group employment

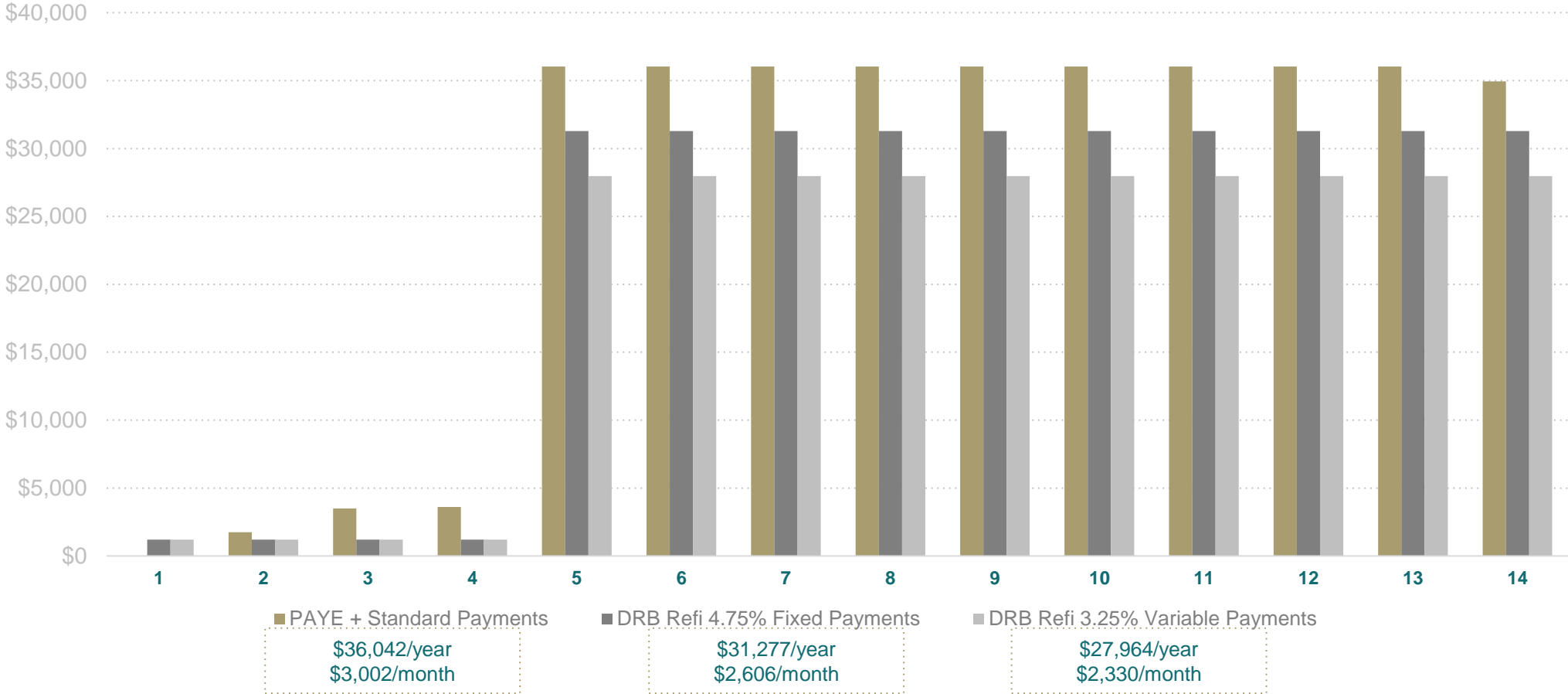
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Anyone with less than \$75k of federal loans

DRB

Savings Scenario

Yearly Payments

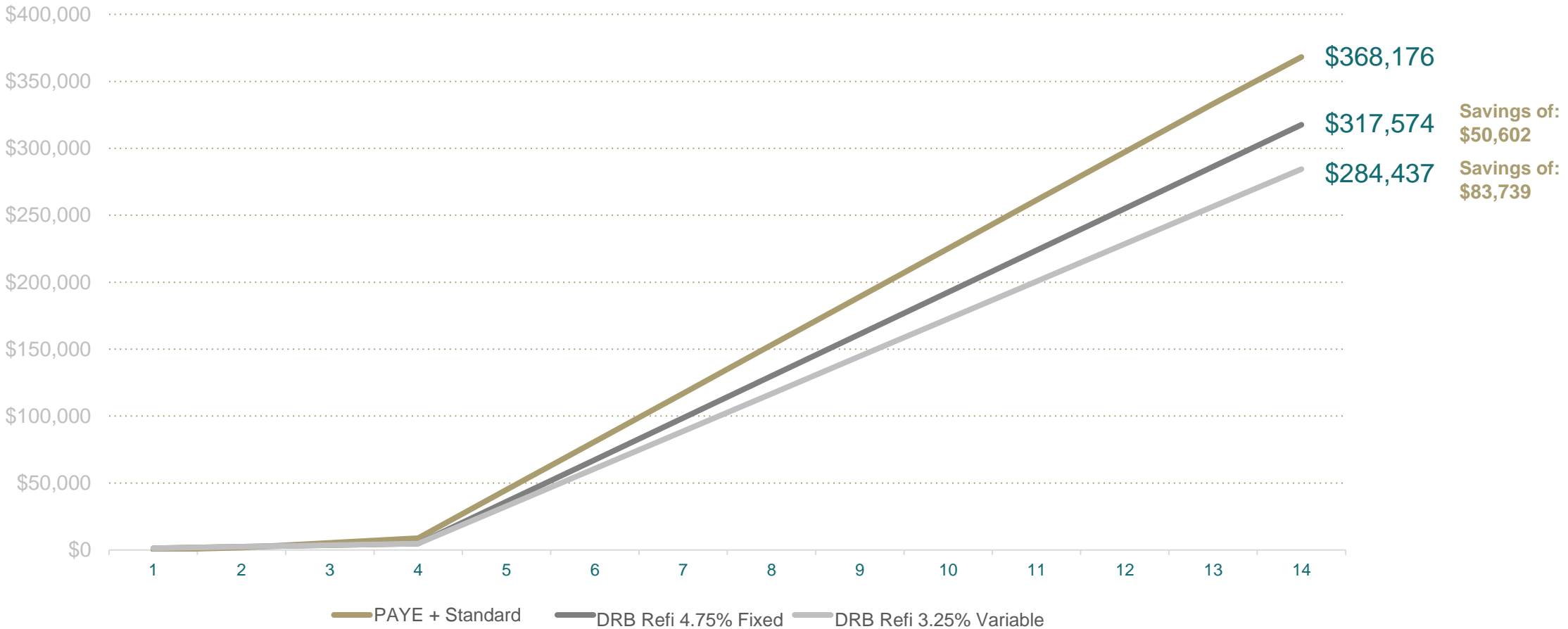


The above graph compares repayment plans for an average medical resident with \$220,000 in debt. Using the federal repayment options, this borrower opts for Pay As You Earn during training, and then transitions to a standard 10-year repayment once they are an attending physician. The other two examples show the same borrower using the DRB refinancing program, with both a fixed and variable rate loan.

Note - Case study does not attempt to predict rate fluctuations which are inherent to variable rate loans, and for sake of comparison, assumes no change over the life of the loan

Savings Scenario

Out of Pocket Cost



This graph depicts the total out of pocket costs for the same borrower when using each repayment strategy. It is also worth noting that this borrower freed up \$11,055 of liquidity during residency when utilizing the DRB refinancing program.

4/7/2015

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Savings Scenario

High Rate Private Loan

Loan Program	Average Rate in Repayment	Average Monthly Payment	Total Spent
Original Private Loan	9.50%	\$ 582	\$ 69,875
Refinance Loan	4.75%	\$ 472	\$ 56,618
Savings	4.50%	\$ 110	\$ 13,257

Assumptions:

- \$45,000 private loan
- 10 year repayment term
- Borrower refinances with DRB to 4.75% fixed and maintains 10 year term
- Does not utilize \$100/month residency option, and instead simply repays on a standard term immediately

Results:

- Frees up \$110/month which can be very meaningful during training
- Saves \$13,257 over the life of the loan without taking on any additional risk