





## SLM Corporation

Additions to Debt Investor Presentation Materials  
Fourth Quarter and Year Ended December 31, 2006

April 11, 2007

**SallieMae**<sup>®</sup>  
Champions for Higher Education<sup>™</sup>

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# Proposed Federal Student Loan Legislation

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- In early 2007, the House, the Senate and the Bush Administration all introduced proposals to change the federal student loan program

	<u>House Bill H.R. 5</u>	<u>President's Budget</u>	<u>Senate Bills</u>
Subsidized Stafford Loan Interest Rates	Reduced from 6.8% to 3.4% over 5 years	No change	Reduced from 6.8% to 3.4% over 5 years
Lender Yield on All FFELP	Reduced by 0.10%	Reduced by 0.50%	•Incentives for schools to elect FDLP over FFELP
Guarantee on New Loans	Reduced to 95%, no EP	95%, 97% with EP	•In-school consolidation, reconsolidation
Lender Origination Fees	Increased to 1% from 0.5% for all loans	Increased to 1% from 0.5% for consolidation loans	•Loan forgiveness for certain public sector employees
Collection Fees Paid by Guaranty Agencies	Reduced from 24% to 16% over 5 years	Reduced from 24% to 16% in fiscal 2008	•Restrictions on originations of private education loans

- Historically, changes to student loan legislation have been (i) subject to much debate, revision and delay, and (ii) applied prospectively, to new loans and not existing loans

(1) As of February 15, 2007.

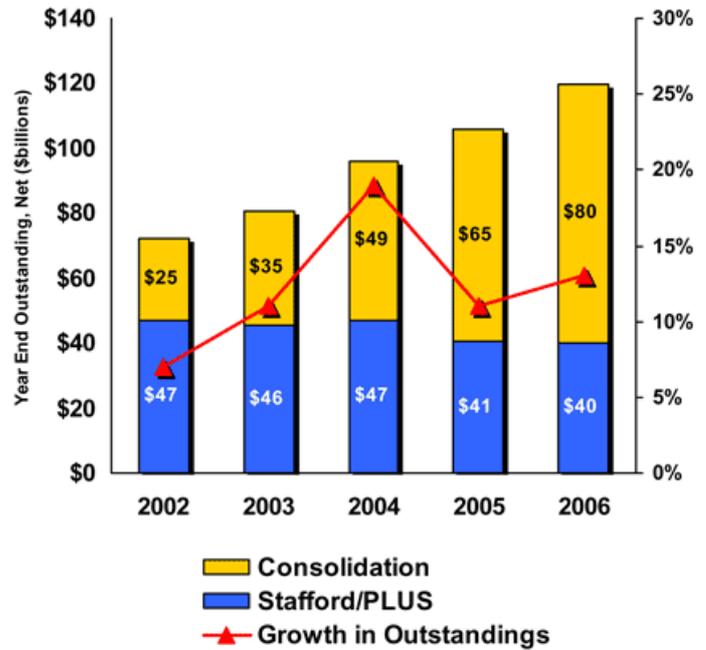
# Guaranteed Student Loan Business



## Government Guaranteed Loans -

- 84% of managed student loans, 43% of total revenue in 2006
- US government guaranteed
  - P&I upon default <sup>(1)</sup>
  - Lender yield
- Double digit YOY growth in SLM originations, outstandings
- Consolidation loans 67% of total FFELP outstandings
  - Increasing percent of the mix
  - Lower current yield, but longer-lived, more stable assets

## SLM Managed Guaranteed Student Loan Outstandings



(1) FFELP loans carry 98% or 97% guarantee depending on date of origination, 99% guarantee for lenders designated Exceptional Performers by the ED

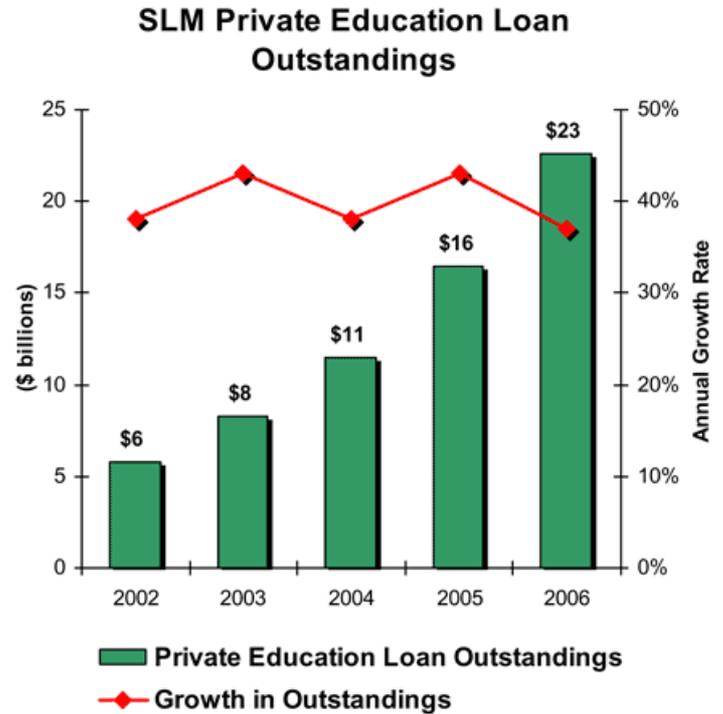
Note: All figures for the year ended December 31, 2006.

# Private Education Loan Business



## Private Education Loans –

- 16% of managed student loans, 23% of revenue
- 'Prime' average FICO scores, with risk-based pricing
- 51% of loans supported by co-borrowers, typically parents
- Graduate students represented 25% of higher education loans
- Typically non-dischargeable in bankruptcy



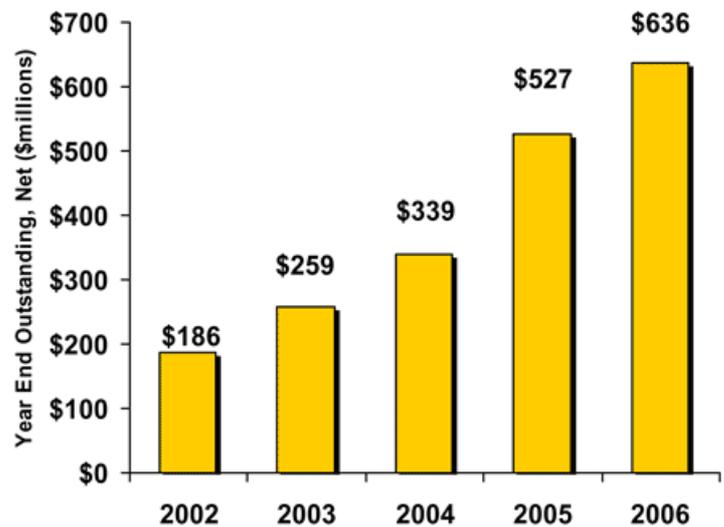
## Debt Management Operations (“DMO”) Business



### Debt Management Operations (“DMO”) -

- 20% of 2006 operating revenue
- Built through acquisition of six leading consumer collections companies
- Primarily third-party contingency collections
- >50% of DMO revenue related to student loans
- Variable cost, non-capital intensive businesses
- Consistent, recurring earnings stream

### Debt Management Operations Revenue Growth



# Sallie Mae's Private Credit Student Loan Program

## Current Private Credit Loan Program Criteria

Loan Programs	Description	Maximum Aggregate Loan Indebtedness Without Co-Borrower <sup>(1)</sup>	Current Minimum FICO Score <sup>(2)</sup>
Undergrad and Graduate	Undergraduate students	\$100,000	640
	Graduate students	\$150,000	640
Law	Law school and graduates studying for the bar	\$150,000	640
MBA	Graduate business school	\$175,000	640
Medical	Medical students and graduates in residency	\$220,000	N/A <sup>(3)</sup>
Consolidation	Undergraduate and graduate students who have graduated	\$275,000	640
Direct-to-Consumer	Undergraduate and graduate students	\$130,000	640

(1) With a co-borrower, maximum aggregate loan indebtedness is permitted to be up to the cost of education less any other aid.

(2) Minimum FICO score for the standard program. Prior to July 1, 2001, minimum FICO score for Sallie Mae branded loans was 630. Custom programs have been negotiated with certain schools in which the FICO cut-off may be lower. In certain cases there is school recourse for these loans.

(3) Pursuant to its agreement with the American Association Medical College, Sallie Mae underwrites certain Medical loans on a judgmental basis, without reliance on the FICO score of the borrower.

# SLM Private Credit Student Loan Trust 2007-A

- The structure of SLM 2007-A is similar to prior Sallie Mae Private Credit ABS issues<sup>(1)</sup>

Class	Principal Balance (\$)	Principal Balance (%)	Expected Ratings (M/S/F)	Index	WA Life to Call (6% CPR) <sup>(2)</sup>	Expected Maturity	Principal Window	Legal Final Maturity
A-1	\$626,000,000	28.0%	Aaa/AAA/AAA	3mL	3.00	12/15/2011	6/07-12/11	9/15/2022
A-2	\$566,000,000	25.3%	Aaa/AAA/AAA	3mL	6.75	3/15/2016	12/11-3/16	9/15/2025
A-3	\$219,000,000	9.8%	Aaa/AAA/AAA	3mL	10.00	3/15/2018	3/16-3/18	12/15/2026
A-4A	\$653,891,000	29.2%	Aaa/AAA/AAA	3mL	14.01	3/15/2023	3/18-3/23	12/16/2041
B-1	\$73,142,000	3.3%	Aa2/AA/AA	3mL	10.93	3/15/2022	3/13-3/22	12/16/2041
C-1	\$35,270,333	1.6%	A2/A/A	3mL	9.73	12/15/2020	6/13-12/20	12/16/2041
C-2	\$66,000,000	2.9%	A2/A/A	Auction	9.73	12/15/2020	6/13-12/20	12/16/2041
<b>Total</b>	<b>\$2,239,303,333</b>	<b>100.0%</b>			<b>8.41</b>			

Credit Enhancement	Initial <sup>(3)</sup>	Target <sup>(4)</sup>	Components of Subordination
Class A	8.50%	15.00%	Class B, Class C, O/C
Class B	5.25%	10.125%	Class C, O/C
Class C	0.75%	3.00%	O/C
Overcollateralization (O/C)	Builds from 0.50% to 2.00% of Initial Asset Balance		
Reserve Account	0.25% of Initial Pool Balance (non-declining)		
Other Enhancement	Prime/LIBOR Swap (15-year)		
	11.1% Cash Capitalization Account for liquidity (steps down over time) <sup>(5)</sup>		

(1) Preliminary, subject to change.

(2) Estimated based on a variety of assumptions concerning loan repayment behavior. Actual average life and repayment characteristics may vary significantly from estimates.

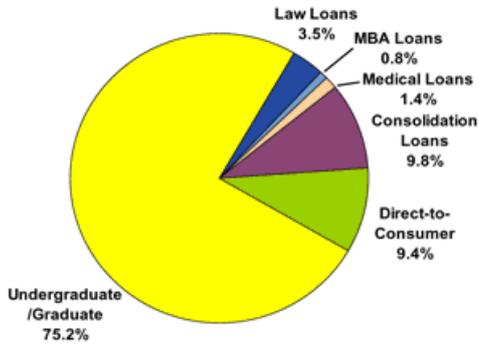
(3) Percent of Initial Asset Balance plus reserve account.

(4) Percent of Current Asset Balance.

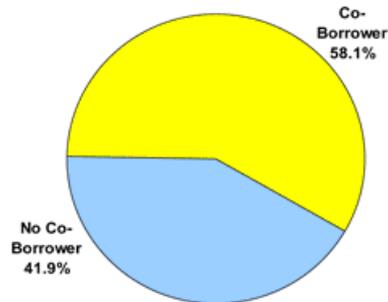
(5) Percent of Initial Asset Balance.

# SLM 2007-A Summary Pool Characteristics

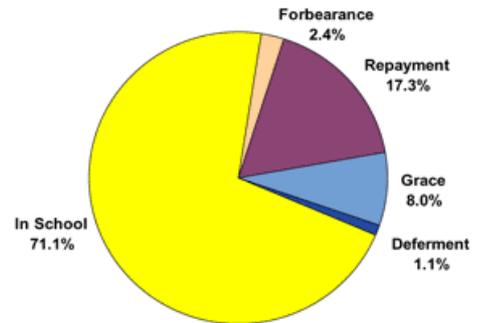
Loan Programs



% Co-Borrower as Obligor

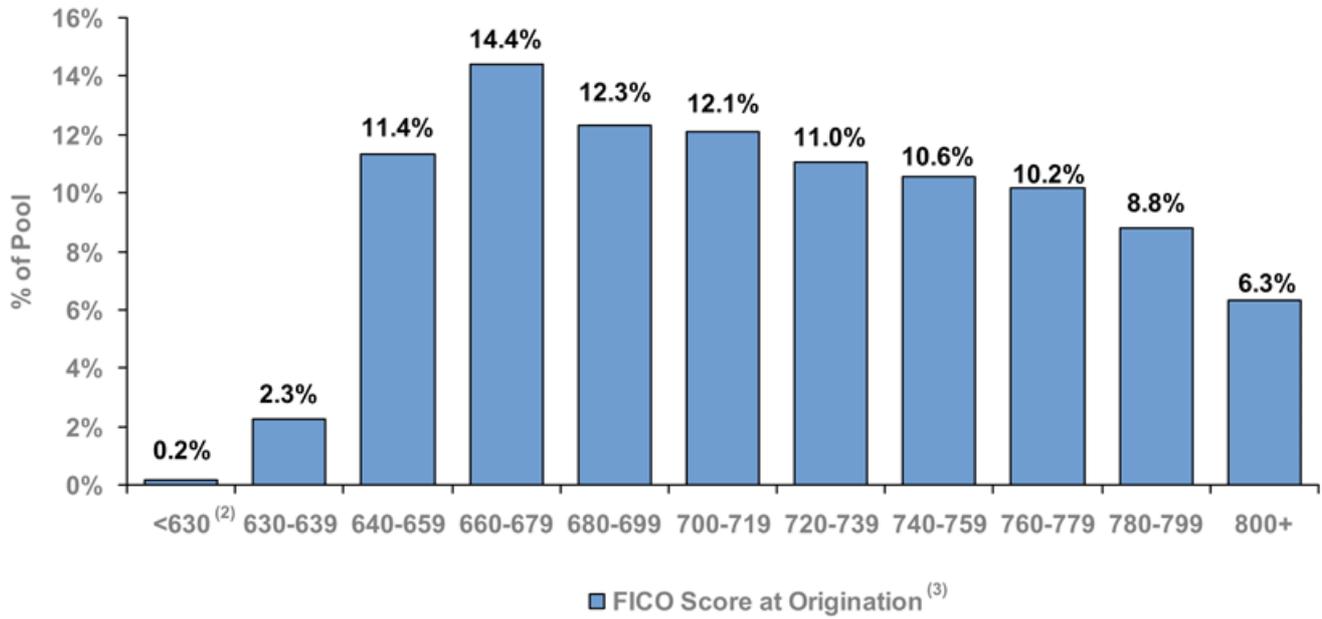


Borrower Payment Status



- Pool Weighted Original Average FICO Score 718
- Pool Weighted Current Average FICO Score 710
- Average Borrower Indebtedness \$13,020
- Weighted Average Remaining Term 214 months

## SLM 2007-A FICO Distribution at Loan Origination<sup>(1)</sup>

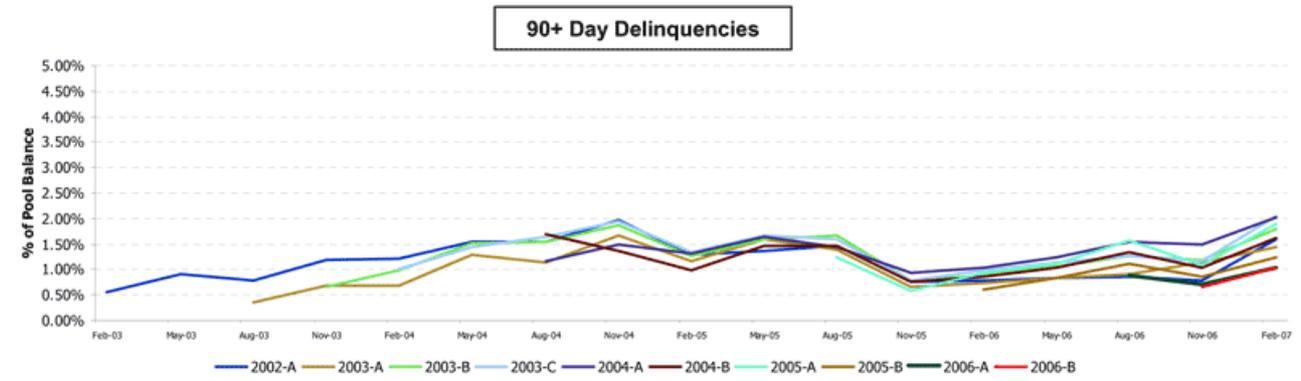
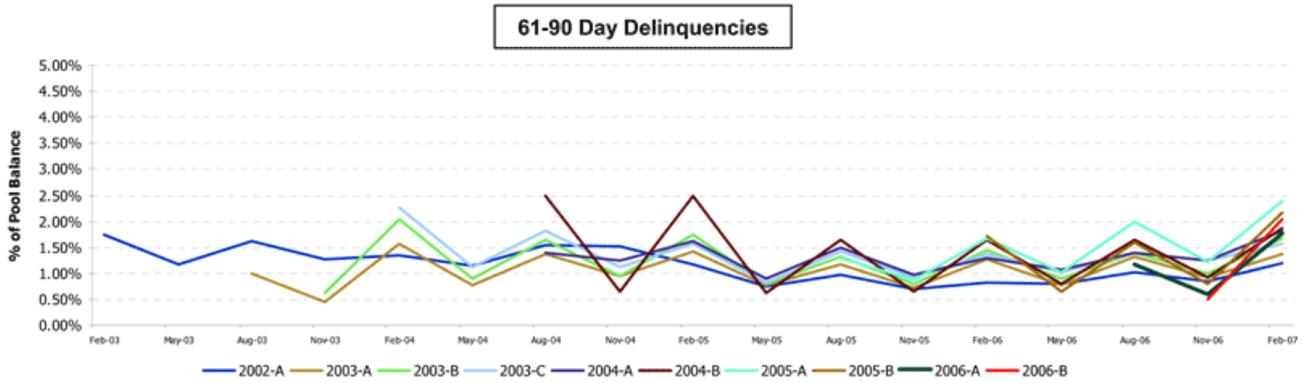


(1) If there is a co-borrower, FICO score represents higher of borrower and co-borrower score.

(2) Loans with FICO scores greater than zero and less than 630 is less than 0.2% of the portfolio.

(3) Approximately 0.5% of the trust consists of student loans where no FICO scores were currently available or which were underwritten without relying upon FICO scores.

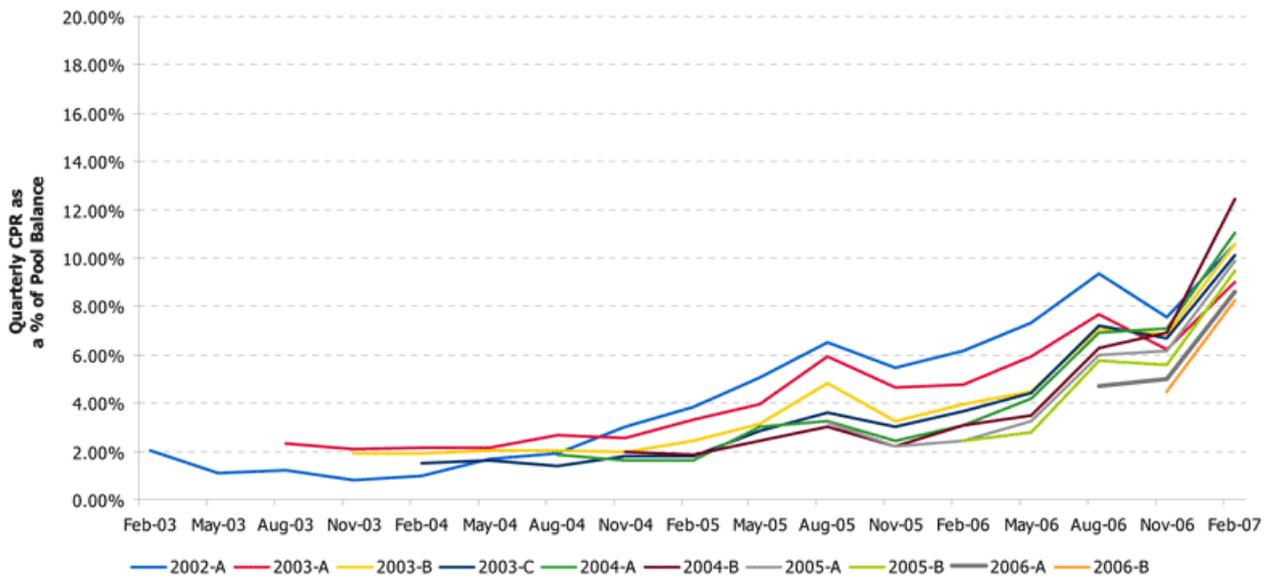
# SLM Private Credit ABS Trust Delinquency History



Note: Data current as of February 28, 2007.

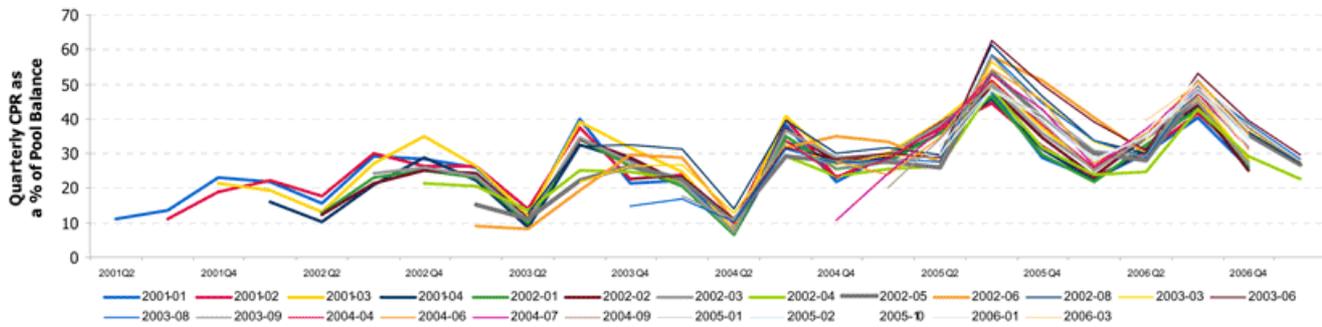
## SLM Private Credit ABS Trust Prepayment History

- In April 2006, Sallie Mae began offering private credit consolidation loans to its borrowers, resulting in an increase in prepayment speeds for SLM private credit ABS trusts



# SLM FFELP ABS Trust Prepayment History

## FFELP Stafford/PLUS Quarterly CPR 2Q2001 – 1Q2007



## FFELP Consolidation Quarterly CPR 2Q2003 – 1Q2007

