



Global ABS Investor Presentation  
June 1-4, 2008

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## Forward-Looking Statements

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This presentation contains forward-looking statements and information that are based on management's current expectations as of the date of this document. When used in this report, the words "anticipate," "believe," "estimate," "intend" and "expect" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others, the occurrence of any event, change or other circumstances that could give rise to our ability to cost-effectively refinance the aggregate \$34 billion asset-backed financing facilities, due February 2009, which closed in the first quarter of 2008 (collectively, the "2008 Asset-Backed Financing Facilities"), including any potential foreclosure on the student loans under those facilities following their termination; increased financing costs; limited liquidity; any adverse outcomes in any significant litigation to which we are a party; our derivative counterparties terminating their positions with the Company if permitted by their contracts and the Company substantially incurring additional costs to replace any terminated positions; changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and regulations and from the implementation of applicable laws and regulations) which, among other things, may reduce the volume, average term and yields on student loans under the Federal Family Education Loan Program ("FFELP"), may result in loans being originated or refinanced under non-FFELP programs, or may affect the terms upon which banks and others agree to sell FFELP loans to the Company. The Company could also be affected by: changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; incorrect estimates or assumptions by management in connection with the preparation of our consolidated financial statements; changes in the composition of our Managed FFELP and Private Education Loan portfolios; changes in the general interest rate environment and in the securitization markets for education loans, which may increase the costs or limit the availability of financings necessary to initiate, purchase or carry education loans; changes in projections of losses from loan defaults; changes in general economic conditions; changes in prepayment rates and credit spreads; and changes in the demand for debt management services and new laws or changes in existing laws that govern debt management services. All forward-looking statements contained in this presentation are qualified by these cautionary statements and are made only as of the date of this presentation. The Company does not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in the Company's expectations.

## Disclosures

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**Non-GAAP Financial Measures** - The following presentation includes non-GAAP performance measures. A presentation of the most comparable GAAP financial measures and a reconciliation of the non-GAAP performance measures to the most directly comparable GAAP financial measures are included in our most recent quarterly earnings release and annual report on Form 10-K, which are available on our website at (<http://www.salliemae.com/about/investors/stockholderinfo/earningsinfo>) and (<http://www.salliemae.com/about/investors/stockholderinfo/secfilings>) and on the SEC's website (<http://www.sec.gov>).

**U.S. Government Guaranteed Student Loans** – The following presentation contains references to U.S. Government guaranteed student loans. All such references are to loans made in compliance with the Federal Family Education Loan Program ("FFELP"), under Title IV of the Higher Education Act, to finance educational costs. As more fully described in our most recent quarterly earnings release and annual report on Form 10-K, available on our website at (<http://www.salliemae.com/about/investors/stockholderinfo/earningsinfo>) and (<http://www.salliemae.com/about/investors/stockholderinfo>) and on the SEC's website (<http://www.sec.gov>), the federal guarantee of FFELP loans is conditioned on loans being originated, disbursed and serviced in accordance with Department of Education regulations. In addition, unless a loan default results from the borrower's death, disability or bankruptcy, the federal government guarantees only 97 percent of the principal balance (95 percent on loans disbursed after October 1, 2012) plus accrued interest and the holder of the loan generally must absorb the three percent (five percent after October 1, 2012) not guaranteed as a loss on the loan ("Risk Sharing").

**Additional Information** - The following presentation contains certain information about the Company that management believes is important to investors, but should be read in conjunction with other material information about the Company, including, but not limited to, the operational, market and interest rate, political and regulatory, liquidity, credit, and refinancing risks that the Company faces. For a discussion of the risks described above as well as additional information about the Company you should refer to our most recent quarterly earnings release and annual report on Form 10-K, available on our website at (<http://www.salliemae.com/about/investors/stockholderinfo/earningsinfo>) and (<http://www.salliemae.com/about/investors/stockholderinfo/secfilings>) and on the SEC's website (<http://www.sec.gov>). For a discussion of the specific characteristics of any specific security, you should refer to the pricing supplement, prospectus supplement and/or prospectus applicable to that security.

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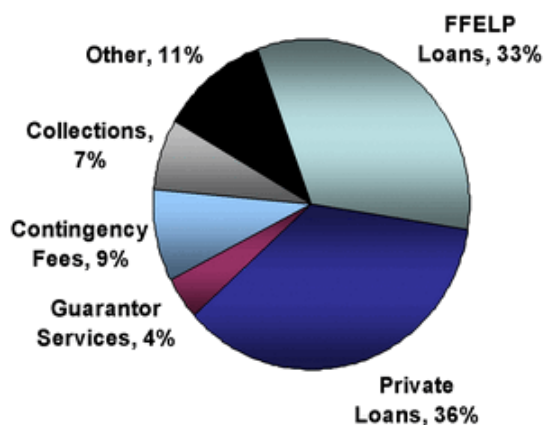
## SLM Corporation Update

## SLM Corp Overview

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- Top originator, servicer and collector of student loans
- More than 10 million customers
- Relationships with over 6,000 schools
- Managed Loans exceed \$169 billion
- 82% of portfolio is U.S. government guaranteed
- Profitable every year since its founding in 1972, through various political, interest rate and economic cycles <sup>(2)</sup>

2007 "Core Earnings" Sources of Income <sup>(1)</sup>



<sup>(1)</sup> After the impact of Interim ABCP Facility Fees, before Provision for Losses and including the Wholesale Consolidation Loans.

<sup>(2)</sup> Based on annual "Core Earnings" Net Income

## SLM Corp Update

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- SLM remains solidly profitable and its performance is on track
- Private education loan portfolio performance remains solid, with delinquency and charge offs comparing favorably to prior year levels
- SLM's liquidity and capital markets access remain strong, with \$9.9B of term ABS raised YTD thru May 30, 2008
- On May 7, the President signed the Ensuring Continued Access to Student Loans Act of 2008, authorizing the Department of Education to purchase FFELP loans from student lenders

## Positive Momentum

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- Sallie Mae has successfully maneuvered through the credit crunch

### December 2007

- More selective in its student loan origination activities
- Completed public offerings of \$2.0B common stock and \$1.0B mandatory convertible preferred stock and eliminated its equity forward position
- Issued \$1.6B in FFELP ABS

### January 2008

- Anthony Terracciano named Chairman, Jack Remondi appointed Vice Chairman and CFO
- Announced plans to curtail private education lending to students attending schools where loan performance was significantly below expectations
- Issued \$1.5B in FFELP ABS

### February, March and April 2008

- Closed \$34B of ABCP conduit and secured term financing facilities to refinance its interim ABCP conduit facilities
- Stopped originating FFELP Consolidation Loans
- Issued \$8.3B in FFELP ABS



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# U.S. Department of Education Student Loan Liquidity Plan

## Department Of Education Student Loan Liquidity Plan

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- On May 21, 2008, pursuant to the Ensuring Continued Access to Student Loans Act of 2008, the Department of Education outlined its student loan liquidity plan
  - DOE will enter into agreements to purchase Stafford/PLUS/GradPLUS loans made for academic year 2008-09 from lenders at (i) par, plus (ii) accrued interest, plus (iii) the 1% up-front origination fee paid by lenders to the DOE, plus (iv) \$75 per loan to defray lenders' administrative expenses. Lenders will have until September 30, 2009, to sell the loans to DOE.
  - In addition, the DOE will purchase short-term participation interests in individual lenders' pools of FFELP loans at a cost to lenders of CP+50 b.p.
    - DOE will hold the participation interests up to September 30, 2009. Loans funded with participation interests must be refinanced prior to September 30<sup>th</sup> or be sold to DOE under the same conditions as discussed above.
    - Loans eligible to be participated include Stafford, PLUS and GradPLUS loans first disbursed between May 1, 2008 and July 1, 2009.
- The DOE's plan represents a temporary solution, intended to facilitate short-term liquidity until a more permanent solution can be worked out

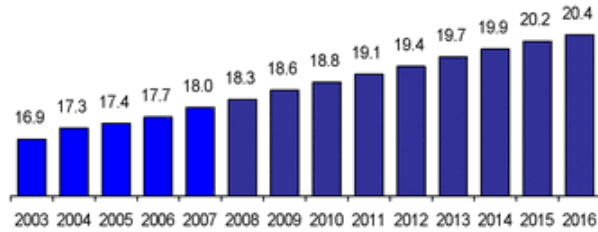
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# Higher Education Industry Update

# Favorable Student Loan Market Trends

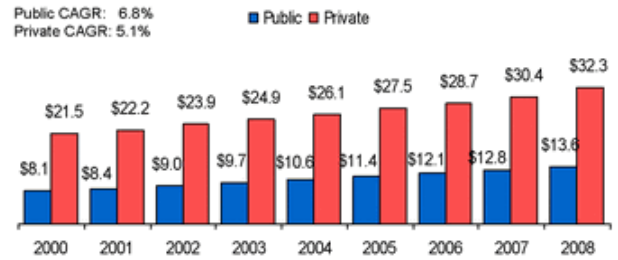
- Enrollment Growth + Rising Tuitions + Education Value = Increasing Loan Demand

## Higher Education Enrollment (millions)



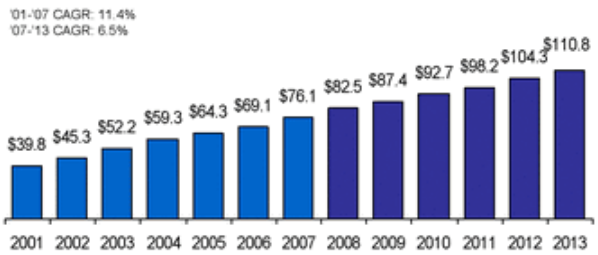
Source: National Center for Education Statistics  
 Note: Total enrollment in all degree-granting institutions; middle alternative projections for 2006 onward

## Annual Cost of Education (\$ thousands)



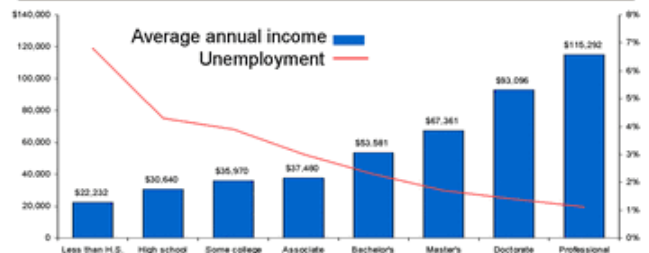
Source: College Board  
 Note: Academic years, average published tuition, fees, room and board charges at four-year institutions; enrollment-weighted

## Federal Student Loan Origination Volume (\$bn)



Source: President's 2008 Budget. Gross commitments by fiscal year  
 Note: Excludes consolidation volume

## Relationship Between Higher Education, Income and Employment

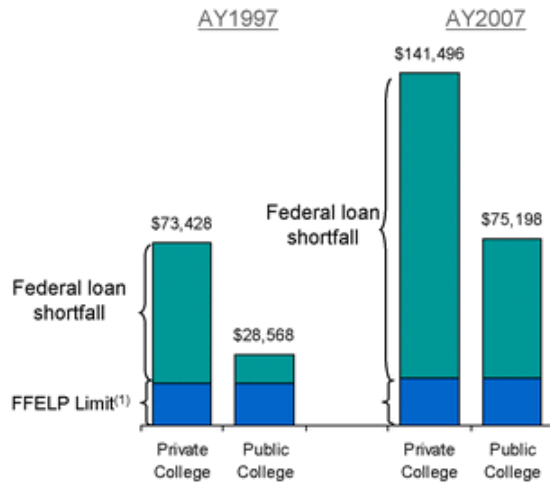


Source: U.S. Census Bureau, Current Population Survey. Unemployment data as of 2006. Average annual income figures for 2005. Represents average earnings for a full time, year-round worker over age 25

## Private Education Loan Market Growth

- Private credit loans fund the gap between student aid, federal loans and the rising cost of education

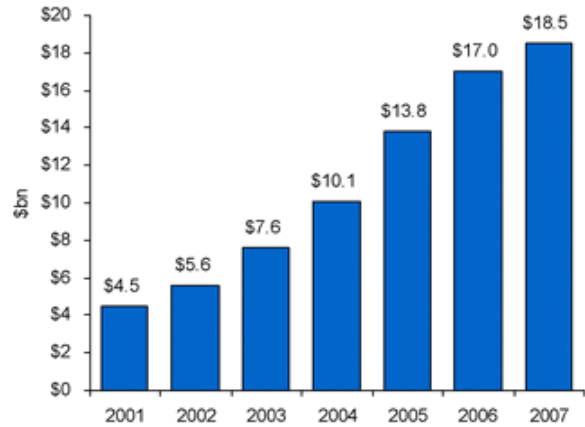
Cost of College vs. FFELP Loan Limits  
Academic Years 1997 vs. 2007



Source: College Board. Cost of college includes tuition, fees, room and board, transportation and other expenses for four year degree granting institutions for academic years ended June 30, 1997 and 2007.

(1) FFELP loan limit for four consecutive years of college. Limits increased on July 1, 2008 from \$19,000 to \$27,000 for dependent students.

Private Education Loan Market  
Growth in Non-Federal Student Loan Originations



Source: College Board, Trends in Higher Education Series (2007).

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# SLM Business Fundamentals

## Fundamentals of SLM Business Model Remain Unchanged

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### FFELP Stafford and PLUS loans

- Originated primarily through schools' financial aid offices
  - Marketed under Sallie Mae brands plus those of strategic lender partners
  - Loans originated, serviced and collected by SLM's servicing operations
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### Private Credit Loans

- Originated through both school and direct-to-consumer channels
  - Sallie Mae branded
  - Loans originated, serviced and collected by SLM's servicing operations
- 

### Fee-Based Businesses

- Asset Performance Group (formerly "DMO") and other fee businesses represent nearly one third of 2007 net revenue
  - Fee business diversifies SLM's earnings
-

# SLM Competitive Advantage and Market Position

## SLM's Competitive Advantage



## Federal Student Loan Market Share

		Market Share			
		2007	2003	2000	1997
<u>Lender</u>					
1	Sallie Mae Preferred Channel <sup>1</sup>	28%	25%	17%	0%
2	Federal Government	18%	26%	32%	34%
3	Citigroup	6%	7%	6%	6%
4	Bank of America	4%	5%	5%	2%
5	JPMorgan Chase	4%	13%	12%	10%
	Note: Sallie Mae Brands	14%	7%	3%	0%

<sup>1</sup> Preferred Channel originations include loans originated under Sallie Mae brands, plus loans originated and purchased under contract from Sallie Mae's strategic lending partners.

Source: ED Top Originators of FFELP Loans. Federal fiscal year ended September 30.



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# Liquidity and Capital Markets Access

## Liquidity Position Update

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- At March 31, 2008, SLM maintained \$18.4B of primary liquidity

	<u>Mar 31, 2008</u>
<b><u>Sources of Primary Liquidity:</u></b>	
Unrestricted Cash & Liquid Investments	\$4.9B <sup>(1)</sup>
Unused Bank Lines of Credit	6.5B
2008 ABCP Facilities	<u>6.9B</u>
<b>Total Sources of Primary Liquidity</b>	<b>\$18.4B</b>
<b><u>Stand-by Liquidity:</u></b>	
Unencumbered FFELP Loans	<u>19.2B</u>
<b>Total Primary and Stand-by Liquidity<sup>(2)</sup></b>	<b>\$37.5B</b>

(1) Includes \$2.2B of cash collateral pledged by derivatives counterparties and held by the Company in unrestricted accounts.

(2) Total unencumbered assets equal \$50.8B and include \$13.9B private credit loans and \$17.7B other assets.

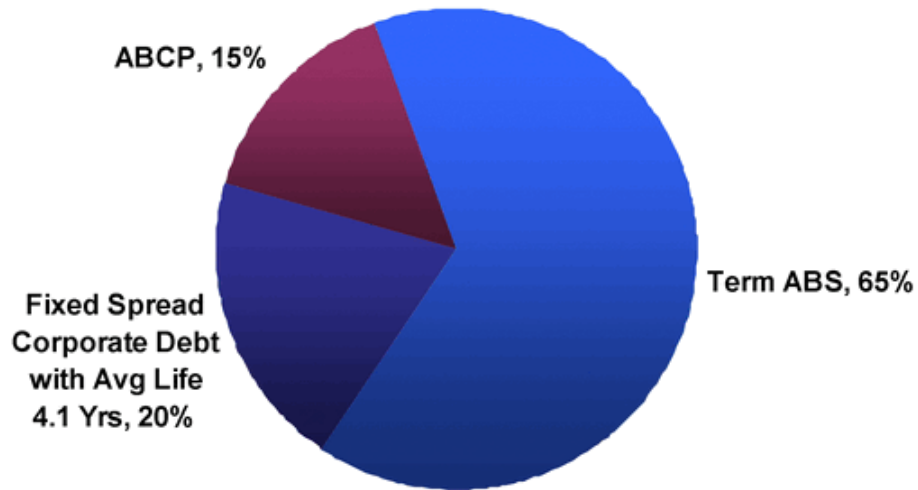
Note: Numbers may not add due to rounding.

## Current Funding Sources

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- The vast majority of SLM's assets are term-funded with either corporate debt or term ABS

### \$169 Billion Managed Student Loan Portfolio



As of March 31, 2008

## Diversified Funding Strategy

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### Funding Plan -

- Fund new FFELP originations primarily through the new DOE liquidity program
- Fund new private loan originations primarily through the company's ABCP facility
- Continue to regularly access the FFELP ABS market
- Re-establish corporate unsecured debt program
- Re-establish private credit ABS program
- Reduce the size and extend the term of the existing ABCP facilities
- Expand SLM Bank FDIC deposit funding base

## SLM's Student Loan ABS Program

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- Sallie Mae is among the largest issuers of ABS globally
- \$9.9B of term ABS funding raised YTD through May 30, 2008, although at significantly higher spreads than in the past
- Only large, well known student loan issuers have been able to tap the ABS markets in 2008
  - Recent issuance has seen significant tightening across all 'AAA' classes; new legislation and Fed actions have added liquidity
  - Subordinated classes continue to be retained by issuers
- Private student loan ABS market has not been accessed by SLM since April 2007, and any other issuer since September 2007

## ABS Issuer Rankings

### 2007 US\$ ABS Issuance by Issuer (\$bn)

Rank	Issuer	Proceeds	% total
1	Citigroup	\$39.5	7%
2	General Motors	\$32.7	6%
3	<b>SLM Corp</b>	<b>\$26.3</b>	<b>4%</b>
4	JPMorgan	\$25.7	4%
5	Countrywide	\$25.4	4%
6	Morgan Stanley	\$22.7	4%
7	Bank of America	\$21.1	4%
8	Lehman	\$17.8	3%
9	Merrill Lynch	\$16.7	3%
10	Santander	\$12.8	2%
	<b>Top 10 Total</b>	<b>\$240.7</b>	<b>41%</b>
	<b>ABS Industry Total</b>	<b>\$590.7</b>	<b>100%</b>

Note: Totals may not add due to rounding  
Source: Credit Suisse

### 2007 Student Loan ABS by Issuer (\$bn)

Rank	Issuer	Proceeds	% total
1	<b>SLM Corp</b>	<b>\$26.3</b>	<b>49%</b>
2	First Marblehead	\$5.2	10%
3	Nelnet	\$3.9	7%
4	Student Loan Corp	\$3.1	6%
5	College Loan Corp	\$3.0	6%
6	CIT	\$3.0	6%
7	EdSouth	\$1.6	3%
8	GCO	\$1.5	3%
9	ALG	\$1.3	2%
10	Chase Education	\$1.2	2%
	<b>Top 10 Total</b>	<b>\$50.3</b>	<b>94%</b>
	<b>Student Loan ABS Total</b>	<b>\$53.3</b>	<b>100%</b>

### YTD 2008 US\$ ABS Issuance by Issuer (\$bn)

Rank	Issuer	Proceeds	% total
1	JPMorgan	\$11.4	13%
2	<b>SLM Corp</b>	<b>\$9.9</b>	<b>11%</b>
3	Citigroup	\$9.2	11%
4	Ford	\$9.0	10%
5	Bank of America	\$8.3	10%
6	Amex	\$7.0	8%
7	Cap One	\$4.9	6%
8	Nelnet	\$4.5	5%
9	Discover	\$2.7	3%
10	Daimler Chrysler	\$2.4	3%
	<b>Top 10</b>	<b>\$69.2</b>	<b>79%</b>
	<b>Industry</b>	<b>\$87.2</b>	<b>100%</b>

As of: 5/28/08

### YTD 2008 Student Loan ABS by Issuer (\$bn)

Rank	Issuer	Proceeds	% total
1	<b>SLM Corp</b>	<b>\$9.9</b>	<b>61%</b>
2	Nelnet	\$4.5	27%
3	Student Loan Corp	\$1.9	12%
	<b>Top 3</b>	<b>\$16.3</b>	<b>100%</b>
	<b>Industry</b>	<b>\$16.3</b>	<b>100%</b>

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# US Government Guaranteed Student Loan ABS

## SLM FFELP ABS Issue Characteristics

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### Typical SLM FFELP ABS Transaction Features

- Historical issue size of \$1.0B to \$5.0(+)<sup>B</sup>
- Tranches denominated in US\$ or Euros
- 'Aaa/AAA/AAA' rated senior tranches make up 97% of issue structure
- Floating rate tied to 3 mo. LIBOR, with occasional fixed rate issuance
- Amortizing tranches, with 1 to 15(+) year average lives
- Serviced by Sallie Mae, Inc.

### Unique Characteristics of FFELP Loan ABS

- Explicit U.S. government guarantee of underlying collateral insulates bondholders from virtually any loss of principal <sup>(1)</sup>
- Formerly a 20% risk-weighted asset, now a <10% risk-weighted under Basel II's IRB methodology
- Offer significantly higher spreads than government agency securities with comparable risk profiles
- Short (1-3 yrs), intermediate (3-7 yrs), long (7-10 yrs) and very long (10-15+ years) term tranches available at new issue and in secondary

(1) Principal and accrued interest on underlying FFELP loan collateral carry a guarantee of either 98% or 97%. Guarantee is dependent on meeting the servicing requirements of the U.S. Department of Education.



## Recent FFELP ABS Structures

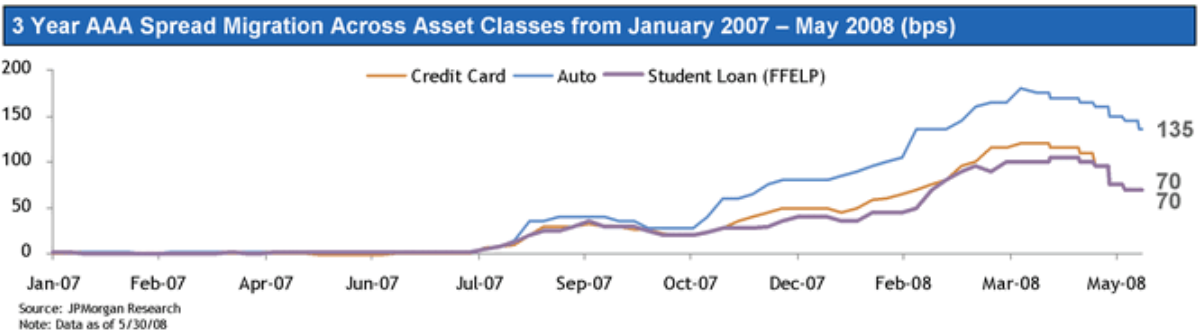
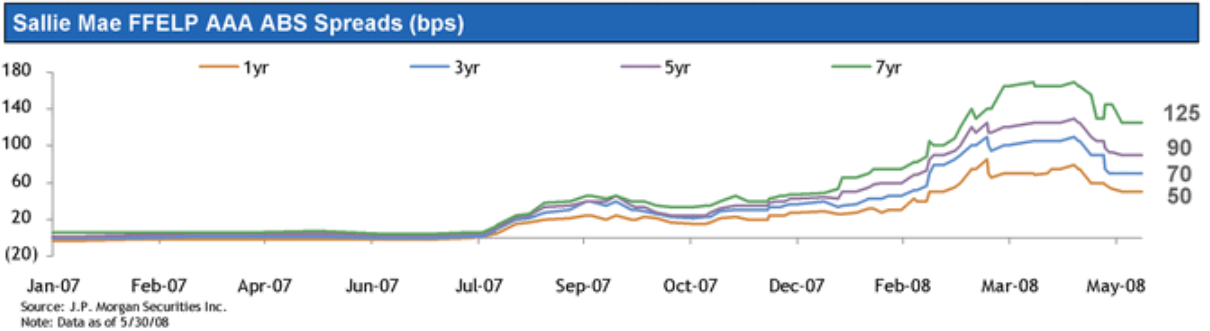
### Recent SLM New Issue FFELP ABS Structures

	Non-Consolidation FFELP				Non-Consolidation FFELP				Consolidation FFELP						
<b>Issue:</b>	\$4.0B SLM Trust 2008-5				\$1.0B SLM Trust 2008-4				\$1.6B SLM Trust 2007-8						
<b>Closing Date:</b>	April 30, 2008				April 17, 2008				November 30, 2007						
<b>Collateral:</b>	US Govt. Guaranteed FFELP Stafford and Plus Loans				US Govt. Guaranteed FFELP Stafford and Plus Loans				US Govt. Guaranteed FFELP Consolidation Loans						
<b>Initial Pricing CPR<sup>1</sup>:</b>	Negotiated				12%				CLR Ramp (0%-8%) over 10 years						
		Moody's	Amt	AL <sup>1</sup>	Pricing		Moody's	Amt	AL <sup>1</sup>	Pricing		Moody's	Amt	AL <sup>1</sup>	Pricing
<b>Tranching:</b>	A1	Aaa	\$614	1.0	L+80	A1	Aaa	\$236	1.0	L+68	A1	Aaa	\$259	2.0	L+23
	A2	Aaa	\$1,218	3.0	L+110	A2	Aaa	\$314	3.0	L+105	A2	Aaa	\$234	5.0	L+33
	A3	Aaa	\$529	5.0	L+130	A3	Aaa	\$139	5.0	L+125	A3	Aaa	\$135	7.0	L+38
	A4	Aaa	\$1,597	7.9	L+170	A4	Aaa	\$280	7.5	L+165	A4	Aaa	\$430	10.0	L+47
	B	Aa1	\$122	9.7	L+185	B	Aa1	\$30	8.8	L+185	A5	Aaa	\$453	16.0	L+55
											B1	Aa1	\$47	12.6	L+100

<sup>1</sup> Estimated based on a variety of assumptions concerning loan repayment behavior, as more fully described in the related prospectus, which may be obtained at <http://www2.salliemae.com/investors/debtasset/slmstrusts/>. Actual average life may vary significantly from estimates.

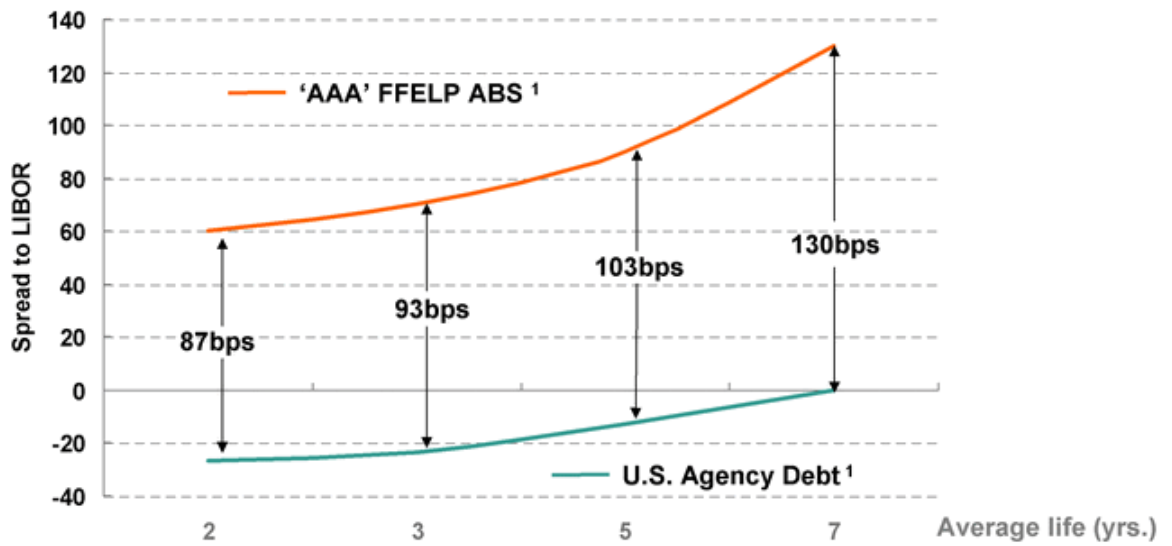
## Spread Tightening in the FFELP Student Loan ABS Market

- 'AAA' FFELP ABS spreads have recently tightened by 20 to 30 b.p. across the maturity spectrum



## SLM 'AAA' FFELP vs. U.S. Agencies

- Sallie Mae 'AAA' FFELP ABS offer significantly wider new issue spreads than U.S. agency debentures with similar credit profile



<sup>1</sup> Spreads as of May 29, 2008. U.S. Agency spreads average of Fannie Mae and Freddie Mac LIBOR equivalent spreads.  
Source: J.P. Securities Inc. - Morgan Markets

## SLM's Auction Rate Securities and Reset Rate Notes

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- Auction Rate Securities (ARS) represent less than 5% of Sallie Mae's overall funding
- The limited exposure Sallie Mae has to the ARS market is not expected to materially impact Sallie Mae ABS issuance, structures or ratings
- To date, Sallie Mae has successfully remarketed its Reset Rate Notes (RRN) on their remarketing date
- Much like ARS, RRNs have penalty rates that apply if the remarketing fails
  - Sallie Mae has approximately \$2.6B of RRNs expected to remarket in 2008
  - Sallie Mae will consider all options to ensure successful remarketings of RRN's
  - In the unlikely event a remarketing is unsuccessful, penalty rates paid to investors are not expected to affect existing structures or ratings

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## Private Credit Student Loan ABS

## SLM Private Credit ABS Issue Characteristics

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### Typical SLM Private Credit ABS Transaction Features

- Historical issue size of \$1.0B to \$2.5(+B)
- US\$ denominated
- Student loan collateral not guaranteed by the U.S. Government
- 'Aaa/AAA/AAA' rated class A senior tranches, 'Aa2/AA-/AA' rated Class B and 'A2/A/A' rated class C subordinate tranches
- Floating rate tied to 3 mo. LIBOR
- Typically amortizing tranches, with 1 to 15 year average lives
- Serviced by Sallie Mae, Inc.

### Unique Characteristics of Private Credit ABS

- Generally underwritten using FICO scores and risk-based pricing, with approximately half of loans co-signed, typically by a parent
- Both S&P and Fitch have recently upgraded certain of SLM's private credit ABS securities
- No significant decline in credit quality of collateral evident through 2/28/08 Trust reports
- Private credit student loans are generally non-dischargeable in bankruptcy
- Short (1-3 yrs), intermediate (3-7 yrs) and long (7-10 yrs) term tranches available at new issue and in secondary

## SLM Private Credit Student Loan Trust 2007-A

The structure of SLM 2007-A is similar to prior Sallie Mae Private Credit ABS issues

Class	Principal Balance (\$)	Principal Balance (%)	Expected Ratings (M/S/F)	Index	WA Life to Call (6% CPR) <sup>(1)</sup>	Expected Maturity	Principal Window	Legal Final Maturity
A-1	\$ 627,000,000	28.00%	Aaa/AAA/AAA	3mL	3.00	12/15/2011	6/07-12/11	9/15/2022
A-2	\$ 584,000,000	25.19%	Aaa/AAA/AAA	3mL	6.75	3/15/2016	12/11-3/16	9/15/2025
A-3	\$ 221,000,000	9.87%	Aaa/AAA/AAA	3mL	10.00	3/15/2018	3/16-3/18	12/15/2026
A-4	\$ 652,891,000	29.16%	Aaa/AAA/AAA	3mL	14.01	3/15/2023	3/18-3/23	12/16/2041
B	\$ 73,142,000	3.27%	Aa2/AA/AA	3mL	10.93	3/15/2022	3/13-3/22	12/16/2041
C-1	\$ 35,273,000	1.58%	A2/A/A	3mL	9.73	12/15/2020	6/13-12/20	12/16/2041
C-2	\$ 66,000,000	2.95%	A2/A/A	Auction	9.73	12/15/2020	6/13-12/20	12/16/2041
<b>Total</b>	\$ 2,239,306,000	100.0%			8.41			

Credit Enhancement	Initial <sup>(2)</sup>	Target <sup>(3)</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) 11.2% Cash Capitalization Account for liquidity (steps down over time) <sup>(4)</sup>		

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

(2) Approximate percent of Initial Asset Balance plus reserve account.

(3) Approximate percent of Current Asset Balance.

(4) Approximate percent of Initial Asset Balance.

## Sallie Mae's Private Credit Student Loan Program

Current Private Credit Loan Program Criteria			
Loan Programs	Description	Maximum Aggregate Loan Indebtedness Without Co-Signer <sup>(1)</sup>	Current Minimum FICO Score Borrower/ Co-Signer <sup>(2)</sup>
Undergrad and Graduate	Undergraduate students	\$100,000	660/640
	Graduate Students	\$150,000	660/640
LAW	Law school and graduates studying for the bar	\$150,000	660/640
MBA	Graduate business school	\$175,000	660/640
MEDLOANS	Medical students and graduates in residency	\$250,000	N/A <sup>(3)</sup>
Private Credit Consolidation	Undergraduate and graduate students who have graduated	\$275,000	640
Direct-to-Consumer (Tuition Answer)	Undergraduate and graduate students	\$130,000	670

(1) With a Co-Signer, 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. 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.

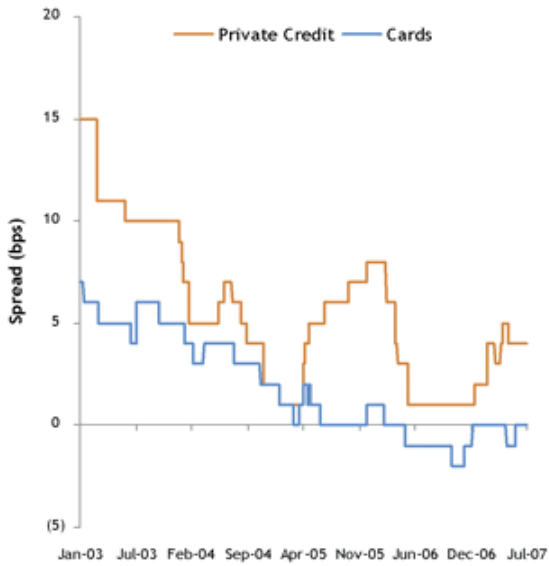
(3) Pursuant to its agreement with the American Association of Medical Colleges, Sallie Mae underwrites certain Medical loans on a judgmental basis, without reliance on the FICO score of the borrower.



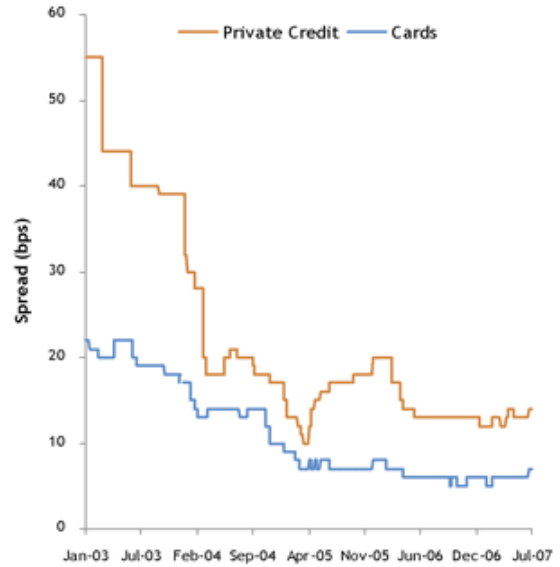
## SLM Private Credit ABS Relative Value

- Prior to the ABS market disruption, spreads on SLM Private Credit ABS were trading somewhat wider than comparable credit card ABS

Historical 3 Year AAA Rated ABS Indicative Spread



Historical 7 Year AAA Rated ABS Indicative Spread

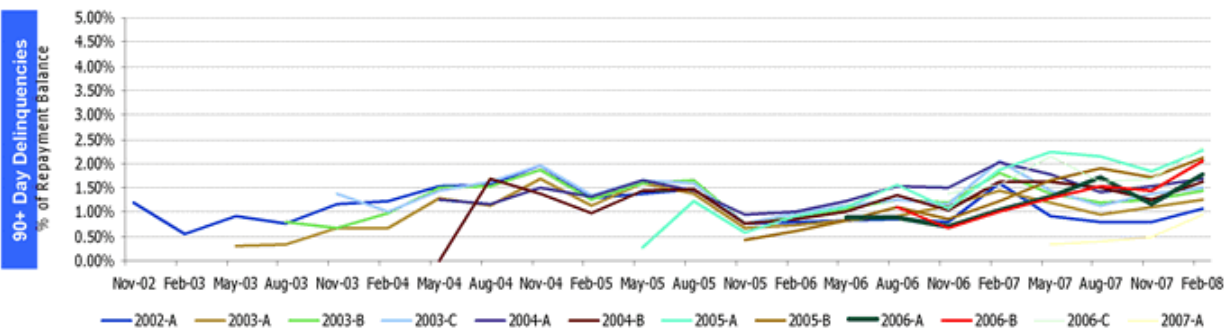
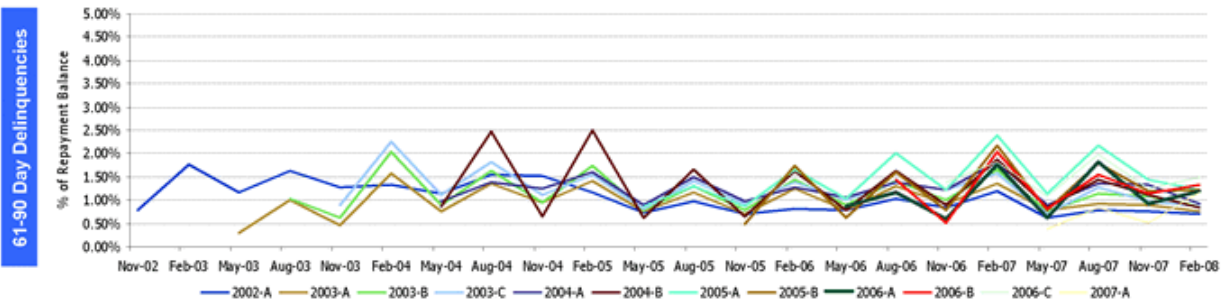


Source: JPMorgan Research

# SLM Private Credit ABS Trusts

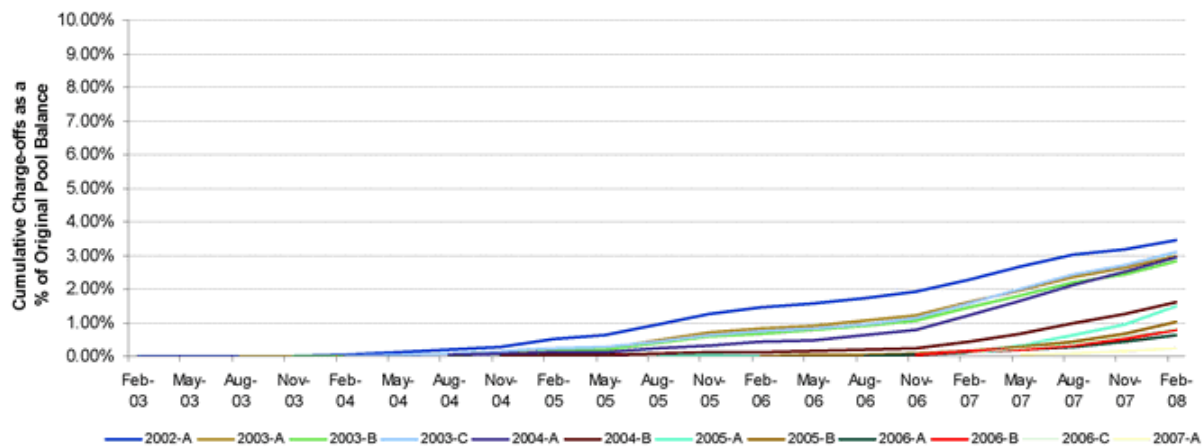
## 61- 90 and 90+ Day Delinquent Loans

- Despite the downturn in the U.S. economy, delinquencies in SLM Private Credit ABS Trusts have performed exceptionally well.



## SLM Private Credit ABS Trusts Historical Cumulative Gross Charge-Off Experience <sup>(1)</sup>

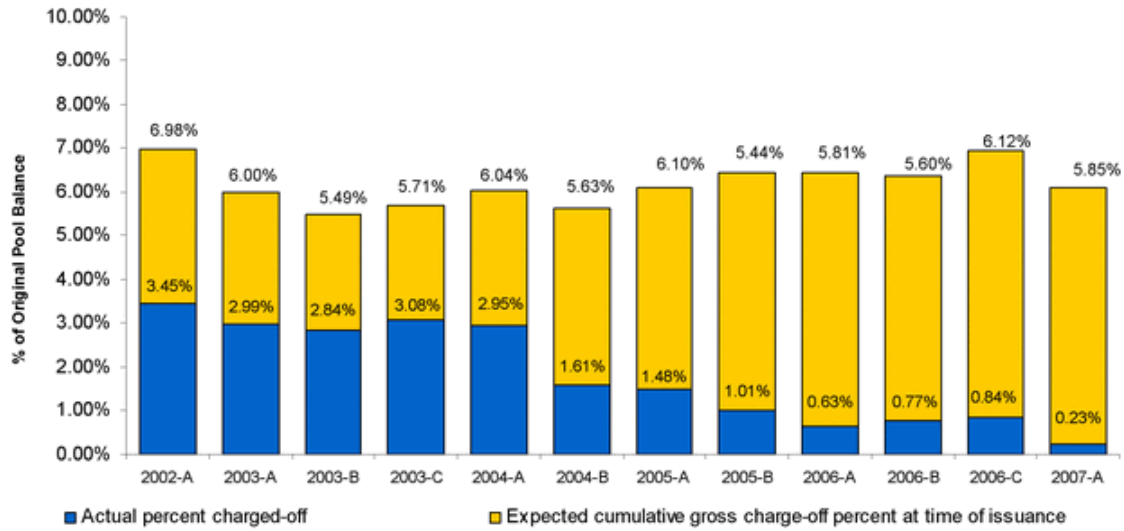
- Cumulative gross charge-off experience for SLM Private Credit ABS Trusts remains consistent with initial expectations



(1) For SLM Private Credit Student Loan ABS issued prior to 2005-B, the servicer has the option, but not the obligation, to repurchase loans that become 180+ days delinquent. To date, the servicer has exercised this option and actual charge offs in these Trusts equal zero. Data above represents charge-offs outside these Trusts of 180+ day delinquent loans purchased by the servicer.

Note: Data current as of Feb 29<sup>th</sup>, 2008.

## SLM Private Credit Trusts – Exceptional Long Term Performance



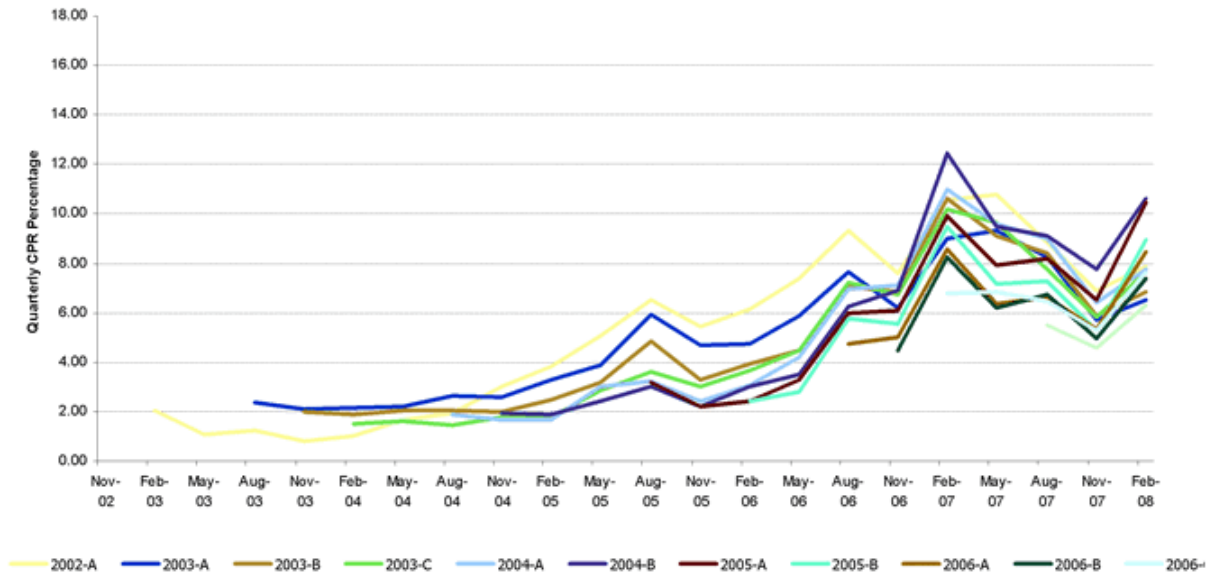
- (1) For SLM Private Credit Student Loan Trusts issued prior to 2005-B, the servicer has the option, but not the obligation, to repurchase loans that become 180+ days delinquent. To date, the servicer has exercised this option and actual charge offs in these trusts equal zero. Data above for trusts issued prior to 2005-B represents charge-offs outside these trusts of 180+ day delinquent loans purchased by the servicer.
- (2) The "Expected cumulative gross charge-off percent at time of issuance" for each trust was derived using historical performance data by loan type applied to the specific loan type mix of each trust pool and is consistent with data shown to each of the rating agencies. However, past performance may not be predictive of future performance. The Servicer, Issuer, Seller, Depositor and Affiliates make no representation about future pool performance. Future borrower behavior, or other factors, could result in charge-offs much greater than implied by these data.

Note: Data current as of Feb 29<sup>th</sup>, 2008

## SLM Private Credit ABS Prepayment Analysis

- Constant prepayment rates for SLM Private Credit ABS Trusts have increased recently due to the introduction of Private Credit Consolidation loans to the industry

**Historical SLM Private Credit ABS CPRs**



## Rating Actions on SLM Private Credit Student Loan ABS

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Due to better-than-anticipated performance of the underlying collateral...

- In September 2007, Fitch upgraded the ratings of subordinate tranches of SLM's 2002-A Private Credit ABS issue to 'AA+' and 'A+' from their original ratings of 'A' and 'BBB'
- At the same time, Fitch upgraded the ratings of all of the subordinate tranches of SLM Private Credit ABS issues 2003-A thru 2004-B to 'AA' and 'A' from their original ratings of 'A+' and 'BBB+'
- In 2006, S&P began rating the two subordinate tranches of SLM's new issue Private Credit ABS 'AA-' and 'A' ('AA' and 'A' on 2007-A); prior to 2006, the new issue rating on subordinate tranches was 'A' and 'BBB'
- There have been no downgrades of Sallie Mae's Private Credit ABS

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## Additional Information

## Outlook

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- SLM is consistently profitable
- Dominant player in the student loan market with strong brand recognition
- Student loan industry demographics are very positive
- Business model is not dependent on FFELP lending to drive earnings
- Traditional private loan growth, pricing power and asset quality remain strong
- Fee businesses provide consistent earnings and diversification
- Liquidity and capital position are solid, and funding options have significantly improved



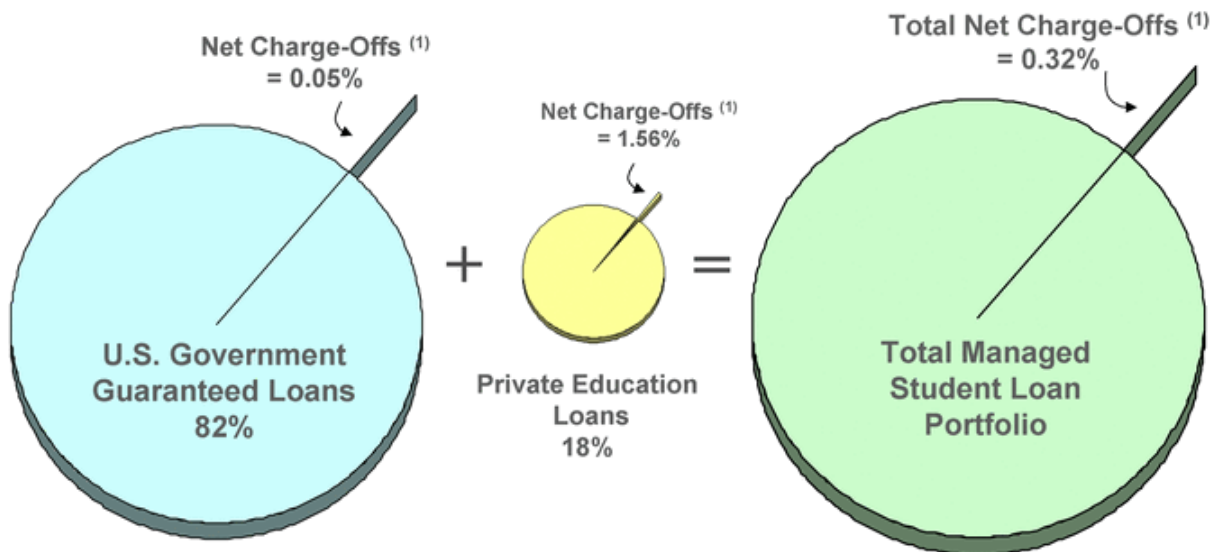
## Business Strategy

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- Focus Private and FFELP lending activities on traditional schools and borrowers
- Curtail unprofitable originations with little strategic value
  - High default rate non-traditional schools and borrowers
  - Lower tier credit borrowers
  - Wholesale FFELP Consolidation Loan acquisitions
- Adjust pricing of private credit loan products to reflect market conditions
- Utilize custom scorecards and further enhance collections practices to improve private credit performance
- Reduce borrower benefits and operating expenses in response to new FFELP economics
- Take any additional steps necessary to assure resources are balanced in view of increased funding costs

## Asset Quality

- SLM exhibits extremely low loan losses relative to its peers



(1) Managed FFELP net charge-offs as a percentage of average managed FFELP assets. Managed Private Education Loan net charge-offs as a percentage of average managed Private Education Loan assets. Total net charge-offs as a percentage of average managed FFELP and Private Education Loan assets. Managed Private Education Loan net charge-offs represented 3.29% of managed Private Education Loans in repayment for the three months ended March 31, 2006.

## Traditional vs. Non-Traditional Private Loan Performance Update

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	<u>3/31/2008</u>	<u>12/31/2007</u>	<u>9/30/2007</u>	<u>6/30/2007</u>	<u>3/31/2007</u>
<b>Traditional</b>					
Loans Outstanding	\$27,502	\$25,791	\$24,474	\$22,283	\$21,481
Loans in Repay	\$12,683	\$12,711	\$10,784	\$10,871	\$9,879
% with a Co-Borrower	57.6%	57.1%	56.8%	56.4%	56.2%
90 Days Delinq as a % of Repay & Forb	1.5%	1.5%	1.5%	1.2%	1.9%
Forb as a % of Repay & Forb	15.5%	12.8%	12.6%	10.6%	11.8%
Annualized Gross C/O's as a % of Repay	1.8%	1.6%	1.8%	1.8%	1.8%
	<u>3/31/2008</u>	<u>12/31/2007</u>	<u>9/30/2007</u>	<u>6/30/2007</u>	<u>3/31/2007</u>
<b>Non-Traditional</b>					
Loans Outstanding	\$4,811	\$4,580	\$4,368	\$4,119	\$3,907
Loans in Repay	\$2,187	\$2,155	\$2,015	\$1,969	\$1,827
% with a Co-Borrower	25.7%	25.4%	25.0%	24.4%	24.0%
90 Days Delinq as a % of Repay & Forb	8.4%	8.9%	8.5%	7.9%	10.0%
Forb as a % of Repay & Forb	21.4%	19.4%	16.4%	15.0%	14.8%
Annualized Gross C/O's as a % of Repay	13.8%	12.1%	12.8%	15.0%	14.5%

- Reserve coverage of annualized net charge-offs totaled 2.2x and 3.0x for Traditional and Non-Traditional loans respectively for the first quarter of 2008

## Forbearance – Effective Debt Management Tool

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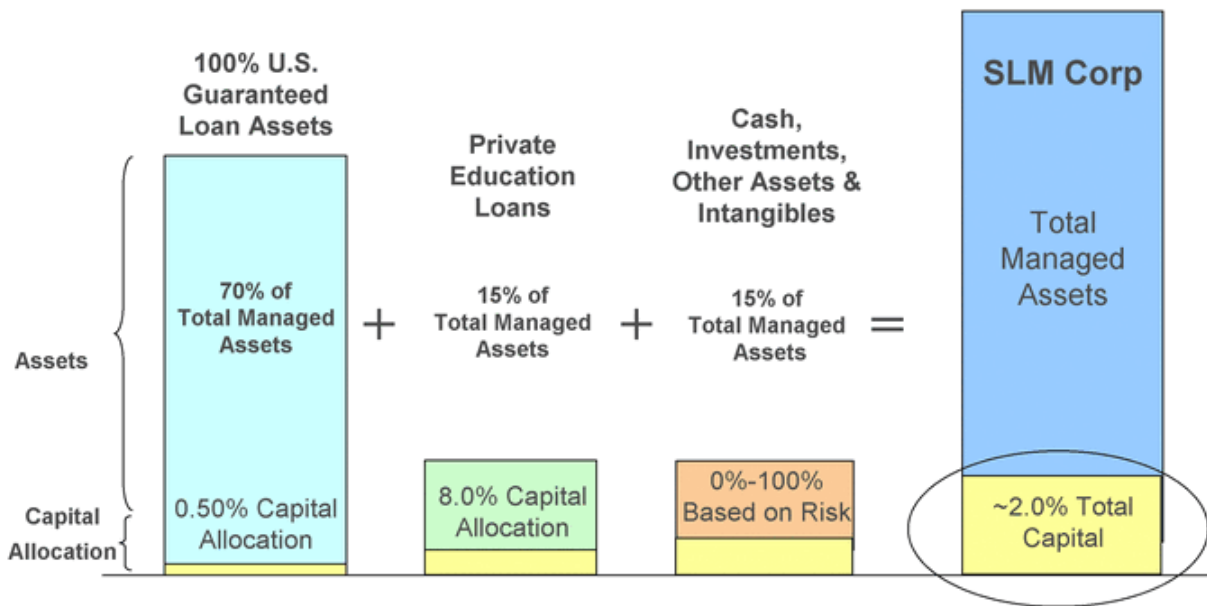
### Tracking by First Forbearance Occurrence Compared to All Loans Entering Repayment

	Status distribution 36 months after ending month in forbearance for the first time	Status distribution 36 months after entering repayment (all loans)
In-School/Grace/Deferment	8.6%	7.8%
Current	61.2%	62.7%
31-60 Days Delinquent	3.0%	1.9%
61-90 Days Delinquent	1.5%	0.9%
90+ Days Delinquent	2.6%	1.7%
Forbearance	7.9%	5.3%
Charged Off	7.7%	5.2%
Paid	<u>7.6%</u>	<u>14.7%</u>
	<u>100%</u>	<u>100%</u>

\* Tracked 36 months after first month-end forbearance, or 36 months after repayment begin date

## Risk-Adjusted Capital Allocation

- SLM allocates capital internally based on the risk of the assets it supports



Note: Figures as of March 31, 2008.

# 1Q2008 and Full Year 2007 Earnings Summary

<b>Earnings Information</b>
Student Loan Legislation
Debt investor Information

(\$ millions)	1Q 2008	1Q 2007	Full Year 2007	Full Year 2006
"Core Earnings" Net Income <sup>(1)</sup>	\$188	\$251	\$560	\$1,253
Stafford/PLUS Originations (\$B)	\$6.3	\$5.6	\$17.4	\$16.0
Private Education Loan Originations (\$B)	\$2.5	\$2.4	\$7.9	\$7.4
Managed FFELP Loans Outstanding (\$B)	\$139.3	\$125.8	\$135.3	\$119.5
Managed Pvt Ed Loans Outstanding (\$B)	\$30.2	\$24.2	\$28.3	\$22.6
Managed Student Loan Portfolio (\$B)	\$169.5	\$150.0	\$163.6	\$142.1
Mgd Pvt Ed Loan % of Total Mgd Student Loans	18%	16%	17%	16%
"Core Earnings" Net Student Loan Spread <sup>(2)</sup>	1.46%	1.77%	1.67%	1.84%
"Core Earnings" Loan Loss Provision	\$181	\$199	\$1,395	\$303
"Core Earnings" Private Loan NCOs as a % of Repay	3.3%	3.4%	3.07%	1.62%
"Core Earnings" Fee and Other Income	\$271	\$288	\$1,173	\$1,100
"Core Earnings" Operating Expenses	\$339	\$332	\$1,417	\$1,253
GAAP Stockholders' Equity	\$5,208	\$4,377	\$5,224	\$4,360
Tangible Capital Ratio	2.0%	1.8%	2.0%	1.8%

(1) GAAP Net Loss for 1Q 2008 was \$104 million compared to GAAP Net Income of \$116 million in 1Q 2007. GAAP Net Loss for 2007 was \$896 million compared to GAAP Net Income of \$1,157 in 2006.

(2) "Core Earnings" Net Student Loan Spread for 1Q 2008 is before the impact of 2008 Asset-Backed Financing Facilities fees.

## “Core Earnings” Presentation

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### “Core Earnings” Performance Measures –

- Used by SLM’s management in developing financial plans, tracking results, establishing corporate performance targets
- Used by securities analysts, credit rating agencies and debt capital providers to measure the company’s business performance
- Treat securitizations as long-term financings and recognize the economic effect of hedges; specifically exclude (i) gains on sales from securitizations and subsequent Retained Interest revenue (ii) derivative unrealized mark-to-market adjustments, (iii) unhedged floor income, and (iv) goodwill and intangible impairment and the amortization of acquired intangibles
- Reflect only current period adjustments to GAAP earnings and are not a substitute for reported results under GAAP
- May not be comparable to similarly titled measures reported by other companies

Note: Both a description of SLM’s “Core Earnings” treatment and a full reconciliation to the GAAP income statement is contained in the supplemental earnings disclosure to the company’s quarterly earnings releases and most recent Form 10-K.

## GAAP to "Core Earnings" EPS Reconciliation

(\$ in thousands, except per share amounts)

	Quarters Ended					
	March 31, 2008		December 31, 2007		March 31, 2007	
	Dollars	Diluted EPS	Dollars	Diluted EPS	Dollars	Diluted EPS
GAAP net income (loss)	\$ (103,804)	\$ (0.28)	\$ (1,635,258)	\$ (3.98)	\$ 116,153	\$ 0.26
Adjustment from GAAP to "Core Earnings"						
Net impact of securitization accounting	79,146		2,547		(421,485)	
Net impact of derivative accounting	363,368		1,396,683		331,724	
Net impact of Floor Income	5,577		49,844		39,021	
Net impact of acquired intangibles	15,329		53,452		23,906	
Total "Core Earnings" Adjustments before income taxes and minority interest in net earnings of subsidiaries	463,420		1,502,526		(26,834)	
Net tax effect	(171,302)		(5,837)		161,889	
Total "Core Earnings" Adjustments	634,722		1,496,689		135,055	
"Core Earnings" net income (loss)	530,918	0.34	(138,569)	(0.36)	251,208	0.57
"Core Earning" net income adjusted for non-recurring items						
Merger-related financing fees	-		7,833		-	
Merger-related professional fees and other costs	-		9,286		-	
Restructuring Expenses	13,110		14,178		-	
Acceleration of premium amortization expense on loans	52,106		-		-	
Total after tax non-recurring items	65,216	0.14	31,297	0.06	-	-
"Core Earnings" net income (loss)	\$ 596,134	\$ 0.48	\$ (107,272)	\$ (0.28)	\$ 251,208	\$ 0.57



The screenshot shows a web browser window titled "Investors - Microsoft Internet Explorer provided by Sallie Mae". The address bar shows the URL "http://www2.salliemae.com/investors". The page features the SallieMae logo and navigation links: "About us | Investors | News | Working@SallieMae | Contact us". A search bar with a "FIND" button is located in the top right. The main content area is divided into several sections:

- Investors**: A sidebar menu with links for "Stockholder information", "Debt/Asset-backed securities", "Plan for college", "Apply for a loan", "Manage your loans", "Find a job", "More financial services", and "Just for parents".
- Stockholder information**: Information for current and potential stockholders includes:
  - SEC Filings
  - Annual reports
  - Earnings information
  - Stock quotes, a stock chart, and dividend history
  - Fundamentals
  - Analyst coverage
  - Email alerts
- Debt/Asset backed securities**: Find information regarding our debt securities issued by the:
  - SJM Corp.
  - SJM Student Loan Trusts
  - SMS Student Loan TrustsQuickly find information on any Sallie Mae security by doing a CUSIP search, either by number or maturity date.
- Webcasts and presentations**: Link to investor related webcasts and presentations:
  - Upcoming investor webcasts
  - Archived and historical webcasts
  - Archived and historical presentations
- 1ST QUARTER EARNINGS**: You can listen to SJM Corp.'s **First Quarter 2006 Earnings Conference Call** beginning at noon EDT on April 20, 2006.
- LATEST FILINGS**: View our latest **SEC filing**.

## Debt Investor Relations Contact Information

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