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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file numbers 001-13251

SLM Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**52-2013874**
(State of Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
300 Continental Drive, Newark, Delaware	**19713**
(Address of Principal Executive Offices)	*(Zip Code)*

(302) 283-8000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act
Common Stock, par value $.20 per share.
Name of Exchange on which Listed:
The NASDAQ Global Select Market
6.97% Cumulative Redeemable Preferred Stock, Series A, par value $.20 per share
Floating Rate Non-Cumulative Preferred Stock, Series B, par value $.20 per share
Name of Exchange on which Listed:
The NASDAQ Global Select Market
Medium Term Notes, Series A, CPI-Linked Notes due 2017
Medium Term Notes, Series A, CPI-Linked Notes due 2018
6% Senior Notes due December 15, 2043
Name of Exchange on which Listed:
The NASDAQ Global Select Market
Securities registered pursuant to Section 12(g) of the Act:
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2011 was $8.7 billion (based on closing sale price of $16.81 per share as reported for the New York Stock Exchange).

As of January 31, 2012, there were 509,322,190 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement relating to the registrant's Annual Meeting of Shareholders scheduled to be held on May 24, 2012 are incorporated by reference into Part III of this Report.

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SLM CORPORATION

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FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This report contains "forward-looking" statements and information based on management's current expectations as of the date of this document. Statements that are not historical facts, including statements about our beliefs, opinions, or expectations and statements that assume or are dependent upon future events, are forward-looking statements. 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 risks and uncertainties set forth in Item 1A "Risk Factors" and elsewhere in this Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission ("SEC"); increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; changes in accounting standards and the impact of related changes in significant accounting estimates; any adverse outcomes in any significant litigation to which we are a party; credit risk associated with our exposure to third parties, including counterparties to our derivative transactions; and changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). We could also be affected by, among other things: changes in our funding costs and availability; reductions to our credit ratings or the credit ratings of the United States of America; failures of our operating systems or infrastructure, including those of third-party vendors; damage to our reputation; failures to successfully implement cost-cutting and restructuring initiatives and adverse effects of such initiatives on our business; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in law and regulations with respect to the student lending business and financial institutions generally; increased competition from banks and other consumer lenders; the creditworthiness of our customers; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of our earning assets versus our funding arrangements; changes in general economic conditions; and changes in the demand for debt management services. The preparation of our consolidated financial statements also requires management to make certain estimates and assumptions including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect. All forward-looking statements contained in this report are qualified by these cautionary statements and are made only as of the date of this document. We do not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in our expectations.

Definitions for certain capitalized terms used in this document can be found in the "Glossary" at the end of this document.

References in this Annual Report to "we," "us," "our" "Sallie Mae" and the "Company," refer to SLM Corporation and its subsidiaries, except as otherwise indicated or unless the context otherwise requires.

AVAILABLE INFORMATION

Our website address is www.SallieMae.com. Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, as well as any amendments to those reports, are available free of charge through our website as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. In addition, copies of our Board Governance Guidelines, Code of Business Conduct (which includes the code of ethics applicable to our chief executive officer, principal financial officer and principal accounting officer) and the governing charters for each committee of our board of directors are available free of charge on our website, as well as in print to any shareholder upon request. We intend to disclose any amendments to or waivers from our Code of Business Conduct (to the extent applicable to our Chief Executive Officer or Chief Financial Officer) by posting such information on our website. Information contained or referenced on our website is not incorporated by reference into and does not form a part of this report.

PART I.

Item 1. Business

SLM Corporation, more commonly known as Sallie Mae, is the nation's leading saving, planning and paying for education company. As we have for nearly 40 years, Sallie Mae makes investing in the college graduate its top priority. We help students and their families save, plan, and pay for college — helping them to responsibly achieve their dreams.

Our primary business is to originate, service and collect loans we make to students and/or their parents to finance the cost of their education. The core of our marketing strategy is to generate student loan originations by promoting our products on campus through the financial aid office and through direct marketing to students and their families. We also provide servicing, loan default aversion and defaulted loan collection services for loans owned by other institutions, including the Department of Education ("ED"). We also provide processing capabilities to educational institutions, 529 college-savings plan program management services and a consumer savings network.

In addition, we are the largest holder, servicer and collector of loans made under the discontinued Federal Family Education Loan Program ("FFELP"). In fact, the majority of our income continues to be derived, directly or indirectly, from our portfolio of FFELP loans. In 2010, President Obama signed into law the Health Care and Education Reconciliation Act of 2010 ("HCERA"). The FFELP, through which we historically generated most of our net income, was eliminated by HCERA though it did not alter or affect the terms and conditions of existing FFELP Loans. Our FFELP Loan portfolio will amortize over approximately 20 years. The fee income we derive from providing servicing and contingent collections services on such loans will similarly decline over time. For a full description of FFELP, see Appendix A "Federal Family Education Loan Program."

At December 31, 2011, we had approximately 6,600 employees.

Private Education Loan Market

Key Drivers of Private Education Loan Market Growth

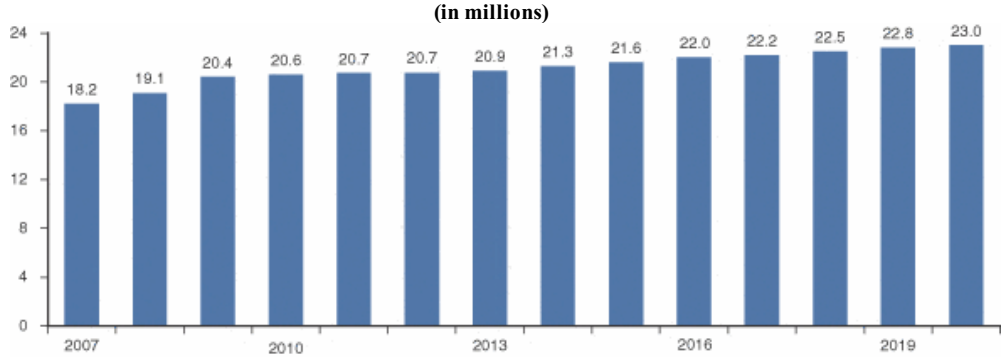
The size of the Private Education Loan market is based on three primary factors: college enrollment levels, the costs of attending college and the availability of funds from the federal government to pay for a college education. If the cost of education continues to increase at a pace that exceeds income and savings growth and the availability of federal funds does not significantly increase, we expect more students and families to borrow from private loan programs. We believe the credit market dislocation of 2008 and 2009 and the elimination of FFELP were largely responsible for lenders exiting the Private Education Loan business. For Academic Year ("AY") 2010-2011, Private Education Loans were primarily originated by seven of the country's largest banks, Sallie Mae and numerous credit unions.

College Enrollment Levels

College enrollment increased by approximately 14 percent from 2007 through 2011 and predicts that college-enrollment will increase 11 percent from 2011 to 2020.

Historical and Projected Enrollment

(in millions)



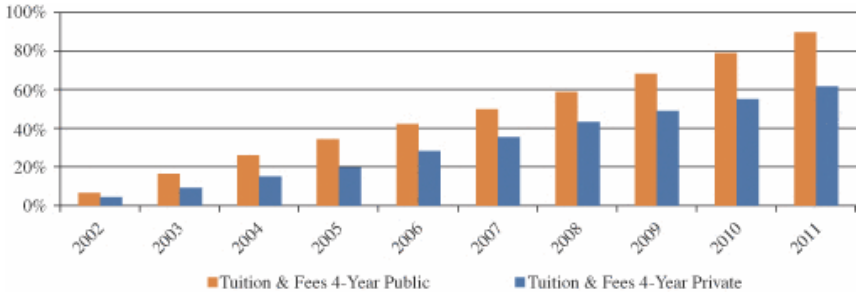
Source: National Center for Education Statistics U.S. Department of Education, National Center for Education Statistics, 1990 through 2009 Integrated Postsecondary Education Data System, "Fall Enrollment Survey" (IPEDS-EF:90–99), Spring 2001 through Spring 2010; and Enrollment in Degree-Granting Institutions Model, 1980–2009.
Note: Total enrollment in all degree-granting institutions; middle alternative projections for 2010 onward.

Costs of Attending College

Tuition and fees at four-year public institutions and four-year private institutions have increased at a compound annual growth rate of 8.1 percent and 5.1 percent, respectively, since AY 2001-2002. The consumer price index experienced 1.9 percent compound annual growth rate for the same period.

Cost of Attendance(1)

Cumulative % Increase from AY 2001-2002



Source: The College Board — *Trends in College Pricing 2011*. © 2011 The College Board. www.collegeboard.org
(1) Cost of attendance is in current dollars and includes tuition, fees and on-campus room and board.

Availability of Federal Funds

There has been a substantial increase in borrowing from federal loan programs in recent years. In the AY ended June 30, 2011, according to the College Board, borrowing from federal loan programs totaled $104 billion, an increase of nearly 70 percent since AY ending June 30, 2007. The College Board also reported that federal grants increased 17 percent to $49.1 billion from $41.9 billion in the most recent AY and have increased more than 150 percent since AY 2006-2007. Over the same period of time, borrowing from Private Education Loan programs decreased nearly 70 percent, dropping to an estimated $6 billion, down significantly from the peak of $21.1 billion in the AY 2007-2008 and down $800 million as compared to AY 2009-2010. We believe the drop in borrowing from Private Education Loan programs has been caused in large measure by these increases in federal loan limits and the increasing availability of federal funds and the strengthening of Private Education Loan underwriting standards.

Students and their families can borrow money directly from the federal government to pay for all or part of college education costs under the Direct Student Loan Program ("DSLP"). The loans can be used to cover the cost of tuition, and room and board. Currently, a dependent undergraduate student can borrow from $5,500 to $7,500 annually, depending on their class level. An independent undergraduate student can borrow from $9,500 to $12,500 annually, depending on their class level. A graduate student can borrow up to the full cost of attendance. Rising enrollment and college costs and increases in borrowing limits have caused federal student loan programs to grow at a 10-year annual growth rate of 12 percent. The number of borrowers using DSLP is expected to increase five percent per year over the next three years.

Our Approach to Advising Students and Their Families

Students and their families use multiple sources of funding to pay for their college education, including savings, current income, grants, scholarships, federal government loans and private education loans.

We advise students and their families to follow the "1-2-3 approach" to paying for college. In recent years, we have increased our focus on business-to-consumer and business-to-business activities that align with each of these three steps and our future plans revolve largely around continuing to develop these types of activities.

Step 1: Use scholarships, grants, savings and income.

Sallie Mae makes available to consumers at no charge an extensive online database of scholarships which includes information about more than 2 million scholarships with an aggregate value in excess of $16 billion.

Our Upromise consumer savings network helps families jumpstart their save-for-college plan by providing financial rewards on everyday purchases. Traditional savings products, like High Yield Savings Accounts, Money Market Accounts and CDs, are available through the Sallie Mae Bank (the "Bank"). In addition, our Upromise Investments Inc. subsidiary is the largest administrator of direct-to-consumer 529 college-savings plans.

We also provide services to families who prefer to pay some or all of their college expenses using current income. Sallie Mae's Campus Solutions business administers interest-free tuition payment plans on behalf of higher education institutions. In addition, we process tuition refunds on behalf of colleges and universities that may be disbursed to students a number of ways, including through the Bank's No-Fee-Student Checking with Debit product.

Step 2: Pursue federal government loan options.

Sallie Mae encourages consumers to explore federal government loan options. Our free online tool, the Education Investment Planner, helps families estimate the full cost of a college degree and build a customized plan to pay for college. The Education Investment Planner takes families through a series of questions, prompting users to model various funding sources — including 529 college savings plans, parent and student savings and income, scholarships, federal and state grants, institutional aid, and if necessary, federal and private student loans. For those who include student loans in their pay-for-college plan, the Education Investment Planner estimates what their monthly payments could be after graduation and helps users project how much a graduate would need to earn to keep payments manageable.

Step 3: Consider affordable Private Education Loans to fill the gap.

We offer Private Education Loan products to bridge the gap between family resources, federal loans, grants, student aid and scholarships, and the cost of a college education. While we actively maintain our presence in school marketing channels, we also continue to develop and evolve our marketing efforts through various other direct and indirect marketing channels, such as direct mailings, internet channels and marketing alliances with various banks and financial institutions.

We regularly review the terms of our Private Education Loan products to explore ways to minimize finance charges and incorporate additional consumer protections. Today, the Smart Option Student Loan offers a choice of payment options: 1) interest-only payments while the student is in school; 2) fixed monthly payments of $25 while the student is in school; and 3) no payment required while the student is in school. We believe these repayment options encourage payments while in school and, when combined with shorter repayment terms customized for each borrower, can result in far lower costs to borrowers over the life of their loans. Our Private Education Loans are certified to us by higher education institutions to ensure borrowing does not exceed the cost of attendance, and can include important protections for the family, including tuition insurance, and death and disability loan forgiveness.

The Higher Education Opportunity Act of 2008 established a series of new disclosures that provide private education loan customers clear, consistent, and easy-to-compare information about Private Education Loans offered by different lenders. These disclosures inform borrowers of the potential life-of-loan costs and provide multiple reminders of the availability of federal loans. When a customer is approved for the loan, we send a disclosure that provides very specific information about the loan's terms and that gives instructions on how to accept the terms of the loan. When a customer accepts the terms of the loan, we send a disclosure that confirms the loan information and also notifies the customer of a right-to-cancel period.

Additionally, we provide information to customers during the application process to allow them to compare the full cost of different repayment plans. We also provide a 60-day loan cancellation period within which borrowers have the ability to repay their loans after disbursement with no interest or fees should a borrower change his or her mind.

Business Segments

We have three primary operating business segments — the Consumer Lending segment, the Business Services segment and FFELP Loans segment. A fourth segment — Other, primarily consists of the financial results of our holding company, including activities related to the repurchase of debt, the corporate liquidity portfolio, all overhead and results from smaller wind-down and discontinued operations within this segment.

A summary of financial information for each of our business segments for each of the last three fiscal years is included in "Note 16—Segment Reporting" to the consolidated financial statements.

Consumer Lending Segment

In this segment, we originate, acquire, finance and service Private Education Loans. The Private Education Loans we make are largely to bridge the gap between the cost of higher education and the amount funded through financial aid, federal loans or borrowers' resources.

Private Education Loans bear the full credit risk of the borrower. We manage this risk by underwriting and pricing according to credit risk based upon customized credit scoring criteria and the addition of qualified cosigners. For the year ended December 31, 2011, our annual charge-off rate for Private Education Loans (as a percentage of loans in repayment) was 3.7 percent, as compared with 5.0 percent for the prior year.

In 2011 we originated $2.7 billion of Private Education Loans, an increase of 19 percent from the prior year even as borrowings under Private Education Loan programs contracted by approximately 12 percent. As of December 31, 2011 and 2010, we had $36.3 billion and $35.7 billion of Private Education Loans outstanding, respectively. See Item 7 "Management's Discussion and Analysis of Financial Condition and Results of

Operations — Business Segment Earnings Summary — 'Core Earnings' Basis — Consumer Lending Segment" for a full discussion of our Consumer Lending business and related loan portfolio. At December 31, 2011, 56 percent of our Private Education Loans were funded with non-recourse, long-term debt; 51 percent of our Private Education Loans being funded to term by securitization trusts.

In this segment, we earn net interest income on the Private Education Loan portfolio (after provision for loan losses) as well as servicing fees, primarily late payment fees. Operating expenses for this segment include costs incurred to acquire and to service our loans.

Since the beginning of 2006, all of our Private Education Loans have been originated and funded by the Bank, a Utah industrial bank subsidiary regulated by the Utah Department of Financial Institutions and the Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2011, the Bank had total assets of $7.6 billion including $5.0 billion in Private Education Loans. As of the same date, the Bank had total deposits of $6.3 billion. The Bank relies on both retail and brokered deposits to fund its assets. The Bank is also a key component of our Campus Solutions and college savings product businesses. Deposits and refunds from our Campus Solutions business are held at the Bank. In addition, Upromise rewards earned by members are held at the Bank.

We face competition for Private Education Loans from a group of the nation's larger banks and local credit unions.

Business Services Segment

Our Business Services segment generates the vast majority of its revenue from servicing our FFELP Loan portfolio and from performing servicing, default aversion and contingency collections work on behalf of ED, Guarantors of FFELP Loans, and other institutions. The elimination of FFELP in July 2010 will cause these FFELP-related revenue sources to continue to decline.

- Servicing revenues from the FFELP Loans we own and manage represent intercompany charges to the FFELP Loans segment at rates paid to us by the trusts which own the loans. These fees are legally the first payment priority of the trusts and exceed the actual cost of servicing the loans. Intercompany loan servicing revenues grew to $739 million in 2011 from $648 million in 2010. The increase in loan servicing revenues was the result of the acquisition of a large portfolio of loans on December 31, 2010. Intercompany loan servicing revenues will decline as the FFELP portfolio amortizes.
- In 2011, we earned account maintenance fees on FFELP Loans serviced for Guarantors of $46 million, down from $56 million in 2010. These fees will continue to decline as the portfolio amortizes.
- In 2011, contingency collection revenue from Guarantor clients totaled $246 million, unchanged compared with the prior year. We anticipate these revenues will begin to steadily decline in 2013.

The scale, diversification and performance of our Business Services segment have been, and we expect them to remain, a competitive advantage for us. As FFELP-related service revenue streams decline, we will strive to replace them over the coming years by exploring both complementary and diversified strategies to expand demand for our services in and beyond the student loan market. For example, in 2011 we launched Sallie Mae Insurance Services to offer tuition, renters' and student health insurance to college students and higher education institutions. We also acquired SC Services & Associates to enhance our ability to provide collections services to local governments and courts.

Our primary Business Services activities that are not directly related to the FFELP include:

Upromise

Upromise generates revenue by providing program management services for 529 college-savings plans with assets of $37.5 billion in 31 college-savings plans in 16 states. We also generate transaction fees through our Upromise consumer savings network, through which members have earned $660 million in rewards by

purchasing products at hundreds of online retailers, booking travel, purchasing a home, dining out, buying gas and groceries, using the Upromise World MasterCard, or completing other qualified transactions. We earn a fee for the marketing and administrative services we provide to companies that participate in the Upromise savings network. We compete for 529 college-savings plan business with a large array of banks, financial services and other processing companies. We also compete with other loyalty shopping services and companies.

ED Servicing and Collection Contracts

In the second quarter of 2009, ED named Sallie Mae as one of four servicers awarded a servicing contract (the "ED Servicing Contract") to service all newly disbursed federal loans owned by ED. The contract spans five years with one, five-year renewal at the option of ED. We compete for Direct Loan servicing volume from ED with the three other servicing companies with whom we share the contract. Account allocations are awarded annually based on each company's performance on five different metrics: defaulted borrower count, defaulted borrower dollar amount, a survey of borrowers, a survey of schools and a survey of ED personnel. Pursuant to the contract terms related to annual volume allocation of new loans, the maximum any servicer could be awarded is 40 percent of net new borrowers in that contract year. We are focused on our performance to increase our allocation of new accounts under the ED Servicing Contract. Our share of new loans serviced for ED under the ED Servicing Contract increased to 26 percent in 2012 from 22 percent in the prior contract year as a result of an improvement of our performance on the ED scorecard.

Since 1997, we have provided collection services on defaulted student loans to ED customers. The current contract runs through December 31, 2012, with two one-year renewal options by ED. There are 21 other collection providers, of which we compete with 16 providers for account allocation based on quarterly performance metrics. As a consistent top performer, our share of allocated accounts has ranged from six percent to eight percent for this contract period.

Other

Our Campus Solutions business offers a suite of solutions designed to help campus business offices increase their services to students and families. The product suite includes electronic billing, collection, payment and refund services plus full tuition payment plan administration. In 2011, we generated servicing revenue from over 1,100 schools.

FFELP Loans Segment

Our FFELP Loans segment consists of our FFELP Loan portfolio and the underlying debt, related derivatives and capital funding the loans. FFELP Loans are insured or guaranteed by state or not-for-profit agencies and are also protected by contractual rights to recovery from the United States pursuant to guaranty agreements among ED and these agencies. These guarantees generally cover at least 97 percent of a FFELP Loan's principal and accrued interest for loans disbursed before and after July 1, 2006, respectively. In the case of death, disability or bankruptcy of the borrower, these guarantees cover 100 percent of the loan's principal and accrued interest. See Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Business Segment Earnings Summary — 'Core Earnings' Basis — FFELP Loans Segment" for a full discussion of our FFELP business and related loan portfolio.

At December 31, 2011, we held $138 billion of FFELP Loans, of which 94 percent were funded with non-recourse, long-term debt; 76 percent of our FFELP Loans being funded to term by securitization trusts, 15 percent funded through the ED Conduit Program which terminates on January 19, 2014, and 3 percent funded through our multi-year asset-backed commercial paper ("ABCP") facility. As a result of the long-term funding used in the FFELP Loan portfolio and the insurance and guarantees provided on these loans, the net interest margin recorded in the FFELP Loans segment is relatively stable and the capital requirements with respect to the segment are

modest. In addition to the net interest margin, we earn fee income largely from late fees on the loans. For a more detailed description of these various funding facilities, see Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

Our FFELP Loan portfolio will amortize over approximately 20 years. Our goal is to maximize the cash flow generated by the portfolio. We will seek to acquire other third-party FFELP Loan portfolios to add net interest income and servicing revenue.

The Higher Education Act (the "HEA") regulates every aspect of the FFELP, including communications with borrowers and default aversion requirements. Failure to service a FFELP Loan properly could jeopardize the insurance and guarantees and federal support on these loans. The insurance and guarantees on our existing loans were not affected by HCERA.

For a more fulsome discussion of the FFELP and various credit support mechanisms, see "Appendix A – Federal Family Education Loan Program."

Other Segment

The Other segment consists primarily of the financial results related to activities of our holding company, including the repurchase of debt, the corporate liquidity portfolio and all overhead. We also include results from smaller wind-down and discontinued operations within this segment. Overhead expenses include costs related to executive management, the board of directors, accounting, finance, legal, human resources, stock-based compensation expense and certain information technology costs related to infrastructure and operations.

Recent Legislation

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was intended to reform and strengthen supervision of the U.S. financial services industry. The Dodd-Frank Act contains comprehensive change to banking laws, imposing significant regulation on almost every aspect of the U.S. financial services industry, including increased capital and liquidity requirements, limits on leverage, and enhanced supervisory authority. A year after passage, most of the component parts of the Dodd-Frank Act remain subject to extensive rulemaking and public comment causing unpredictability of the ultimate effect of the Dodd-Frank Act or of required examinations of the Private Education Loan market. However, the outline of several key components of the law that could apply to some of our businesses are now clearer and we highlight the most significant of these below. Our operational expenses will likely increase to address new or additional compliance requirements as a result of the implementation of various provisions of the Dodd-Frank Act.

Consumer Financial Protection Bureau ("CFPB")

In July 2011, responsibility for many consumer financial protection functions formerly assigned to the federal banking and other agencies were transferred to the CFPB. The CFPB has broad authority with respect to some of the businesses in which we engage. It has authority to write regulations under federal consumer financial protection laws, and to directly or indirectly enforce those laws and examine financial institutions for compliance. It is authorized to collect fines and provide consumer restitution in the event of violations, engage in consumer financial education, track consumer complaints, request data and promote the availability of financial services to underserved consumers and communities. It has authority to prevent unfair, deceptive or abusive practices by issuing regulations that define the same or by using its enforcement authority without first issuing regulations.

Under the Dodd-Frank Act, the CFPB and ED are required to prepare a report on the private education loan industry by July 2012 that examines, among other things, the private education loan market; underwriting criteria

used by lenders; loan terms, conditions and pricing; consumer protections available to borrowers; and fair lending considerations. The Dodd-Frank Act also created a "Private Education Ombudsman" within the CFPB to receive and attempt to informally resolve complaints about Private Education Loans, and the CFPB plans to receive such complaints through its online consumer complaint system. We are currently working with the CFPB and providing information relating to these two important initiatives.

The Dodd-Frank Act also authorizes state officials to enforce regulations issued by the CFPB and to enforce the Dodd-Frank Act's general prohibition against unfair, deceptive or abusive practices, and makes it more difficult than in the past for federal financial regulators to declare state laws that differ from federal standards preempted.

Regulation of Systemically Important Non-Bank Financial Companies

As directed by the Dodd-Frank Act, the Financial Stability Oversight Council ("FSOC") has proposed a process for designating non-bank financial companies as systemically important. The Dodd-Frank Act mandated the development of such a process through which the FSOC would identify and designate non-bank financial companies whose material financial distress could pose a threat to the financial stability of the United States. If designated as a systemically important financial institution (i.e., a "SIFI"), a non-bank financial company will be supervised by the Board of Governors of the Federal Reserve System (the "FRB") and be subject to enhanced prudential supervision and regulatory standards to be developed by the FRB. For a further discussion of the risks and implications of SLM Corporation being designated a SIFI, see Item 1A "Risk Factors — Regulatory and Compliance."

In October 2011, the FSOC published additional proposed rulemaking regarding the designation process. While not yet final, the proposed rules focus the process for determining if a non-bank financial company's distress could pose a threat to the financial stability of the United States on three criteria: the size, substitutability and interconnectedness of the particular company. The proposed rules also stipulate the criteria the FSOC will utilize to focus on the likelihood of material distress within a non-bank financial company: leverage, liquidity risk and maturity mismatch, and existing regulatory scrutiny. Presumably, if the FSOC determines a non-bank financial company does not pose a threat to the financial stability of the United States, no further analysis would be required. However, the proposed rules shed little light on how the FSOC will conduct its evaluation, only the criteria it might utilize.

While we have no way of knowing the qualitative judgments the FSOC will use to determine if SLM Corporation merits SIFI designation, we believe SLM Corporation poses no threat to the financial stability of the United States. While SLM Corporation would meet certain criteria in Stage 1 of the FSOC's second proposed rulemaking, those criteria focus mainly on size and give little or no attention to the nature of the majority of financial assets on our balance sheet, the minimal interconnectivity between our businesses and the financial economy of the United States or the numerous sophisticated competitors who can provide substitute services to those we provide. We believe any review by FSOC should focus primarily on the following:

- For AY 2010-2011, we provided approximately one percent of the $235 billion total funds used to finance post-secondary expenses.[1]
- At December 31, 2011, $138 billion of our $174 billion student loan assets are related to FFELP Loans, of which at least 97 percent of their principal and interest payments are protected by contractual rights to recovery from the United States. As previously noted, FFELP was ended by Congress in 2010 and as a result, these amounts will continue to decline in future years.
- Our annual charge-offs of FFELP Loans were 0.08 percent of loans in repayment in 2011. We have low charge-off rates on FFELP Loans given the previously noted federal backing of these loans.

[1] Source: The College Board — *Trends in Student Aid 2011*.

- At December 31, 2011, 94 percent of our FFELP Loans were funded with non-recourse, long-term debt; 76 percent of our FFELP Loans being funded to term by securitization trusts. Consequently, these arrangements greatly eliminate the risk of unexpected demands being made on our liquidity and minimize the risk that significant, unexpected defaults on these loans could trigger material financial distress within SLM Corporation.
- At December 31, 2011, 56 percent of our Private Education Loans were funded with non-recourse, long-term debt; 51 percent of our Private Education Loans being funded to term by securitization trusts.
- At December 31, 2011, 86 percent of our total student loans were funded with non-recourse, long-term debt; 71 percent of our total student loans being funded to term by securitization trusts.
- SLM Corporation provides credit to individual students and their families, not other institutions or businesses. Our credit and market risk policies minimize the risk of credit counterparty concentrations. Our derivatives are for interest rate hedging, not speculation, and structured with collateral posting and netting features that protect counterparties from potential credit deterioration of SLM Corporation while also providing us the same protection in the event our counterparty's credit deteriorates. At December 31, 2011, our payable position to derivative counterparties was only $89 million.
- We are a large servicer and collector of student loans, both federal and private but, in today's deep and sophisticated financial services industry, we compete with at least 21 private sector companies who provide those services.

Accordingly, we do not believe SLM Corporation poses a systemic threat to the financial stability of the United States.

Oversight of Derivatives

Finally, the Dodd-Frank Act creates a comprehensive new regulatory framework for oversight of derivatives transactions by the Commodity Futures Trading Commission (the "CFTC") and the SEC. This new framework, among other things, subjects certain swap participants to new capital and margin requirements, recordkeeping and business conduct standards and imposes registration and regulation of swap dealers and major swap participants. The scope of potential exemptions remains to be further defined through agency rulemakings. Moreover, while we may or may not qualify for exemptions, many of our derivatives counterparties are likely to be subject to the new capital, margin and business conduct requirements.

Other Significant Sources of Regulation

Many aspects of our businesses are subject to regulation by federal and state regulation and administrative oversight. The most significant of these are described below.

We are subject to the HEA and, from time to time, our student loan operations are reviewed by ED and Guarantors. As a servicer of federal student loans, we are subject to certain ED regulations regarding financial responsibility and administrative capability that govern all third-party servicers of insured student loans. In connection with our Guarantor servicing operations, we must comply with, on behalf of our Guarantor clients, certain ED regulations that govern Guarantor activities as well as agreements for reimbursement between ED and our Guarantor clients.

As a third-party service provider to financial institutions, we are also subject to examination by the Federal Financial Institutions Examination Council ("FFIEC"). The Bank is subject to Utah banking regulations as well as regulations issued by the FDIC, and undergoes periodic regulatory examinations by the FDIC and the Utah Department of Financial Institutions. SLM Corporation is also subject to regulation and periodic examination by these entities as to the nature and extent of services and financial strength it provides to the Bank.

Our originating or servicing of federal and Private Education Loans also subjects us to federal and state consumer protection, privacy and related laws and regulations. Some of the more significant federal laws and regulations that are applicable to our business include:

- the Truth-In-Lending Act;
- the Fair Credit Reporting Act;
- the Equal Credit Opportunity Act;
- the Gramm-Leach-Bliley Act; and
- the U.S. Bankruptcy Code.

Our Business Services segment's debt collection and receivables management activities are subject to federal and state consumer protection, privacy and related laws and regulations. Some of the more significant federal statutes are the Fair Debt Collection Practices Act and additional provisions of the acts listed above, as well as the HEA and under the various laws and regulations that govern government contractors.

These activities are also subject to state laws and regulations similar to the federal laws and regulations listed above.

Our Upromise 529 college-savings activities are subject to regulation by the Municipal Securities Rulemaking Board, the Financial Industry Regulatory Authority ("FINRA") and the SEC, as well as various state regulatory authorities.

Company History

We were formed in 1972 as the Student Loan Marketing Association, a federally chartered government sponsored enterprise ("GSE"), with the goal of furthering access to higher education by providing liquidity to the student loan marketplace. On December 29, 2004, we terminated the federal charter, incorporated SLM Corporation as a business corporation in the State of Delaware, and dissolved the GSE. SLM Corporation is now a publicly-traded holding company operating through its various subsidiaries. Our principal executive offices are located at 300 Continental Drive, Newark, Delaware 19713, and our telephone number is (302) 283-8000.

We established the Bank in 2005 as an industrial bank chartered under the laws of the State of Utah. It is located in Murray, Utah. Under its banking charter, the Bank may make consumer loans and may accept Federal Deposit Insurance Corporation ("FDIC") insured deposits, including NOW accounts. It is a depository institution subject to regulatory oversight and examination by both the FDIC and the Utah Department of Financial Institutions. Applicable federal and state regulations relate to a broad range of banking activities and practices, including minimum capital standards, maintenance of reserves and the terms on which a bank may engage in transactions with its affiliates. In addition, the FDIC has regulatory authority under the Financial Institutions Supervisory Act ("FISA") to prohibit the Bank from engaging in any unsafe or unsound practice in conducting its business.

On August 22, 2006, the Company acquired Upromise Inc. and its subsidiaries, Upromise Investments, Inc. ("UII") and Upromise Investment Advisors, LLC ("UIA"). UII is registered under the Securities and Exchange Act of 1934, as amended, as a broker dealer with the SEC, is a member of FINRA and the Municipal Securities Rulemaking Board ("MSRB"). UIA is registered under the Investment Advisers Act of 1940, as amended, with the SEC as an investment adviser.

Item 1A. Risk Factors

Our business activities involve a variety of risks. Below we describe the significant risk factors affecting our business. The risks described below are not the only risks facing us — other risks also could impact our business.

Funding and Liquidity.

Our business can be affected by the cost and availability of funding in the capital markets. The interest rate characteristics of our earning assets do not always match the interest rate characteristics of our funding arrangements. These factors may increase the price of or decrease our ability to obtain liquidity necessary to maintain and grow our business.

The capital markets continue to experience periods of significant volatility. This volatility can dramatically and adversely affect our financing costs when compared to historical norms. Additional factors that could make financing more expensive or unavailable include, but are not limited to, financial losses, events that have an adverse impact on our reputation, changes in the activities of our business partners, events that have an adverse impact on the financial services industry, counterparty availability, changes affecting our assets, corporate and regulatory actions, absolute and comparative interest rate changes, ratings agencies' actions, general economic conditions and the legal, regulatory, accounting and tax environments governing our funding transactions. If financing becomes more difficult, expensive or unavailable, our business, financial condition and results of operations could be materially and adversely affected.

During 2011, we funded Private Education Loan originations through term-brokered and retail deposits raised by the Bank. Assets funded in this manner result in re-financing risk because the average term of the deposits is shorter than the expected term of some of the assets. There is no assurance that this or other sources of funding, such as the term asset-backed securities market, will be available at a level and a cost that makes new Private Education Loan originations possible or profitable, nor is there any assurance that the loans can be re-financed at profitable margins. For additional discussion on regulatory and compliance risks relating to the Bank, see below at Item 1A "Risk Factors — Regulatory and Compliance." If we were unable to obtain funds from which to make new Private Education Loans, our business, financial condition and results of operations would be materially and adversely affected.

The interest rate characteristics of our earning assets do not always match the interest rate characteristics of our funding arrangements. This mismatch exposes us to risk in the form of basis risk and repricing risk. Moreover, it may not always be possible to hedge all of our exposure to such basis risks. While the asset and hedge indices are short-term with rate movements that are typically highly correlated, there can be no assurance that the historically high correlation will not be disrupted by capital market dislocations or other factors not within our control. In such circumstances, our earnings could be adversely affected, possibly to a material extent.

Further deterioration in the economy could result in a decrease in demand for consumer credit and credit quality could adversely be affected. Higher credit-related losses and weaker credit quality could negatively affect our business, financial condition and results of operations and limit funding options, including capital markets activity, which could also adversely impact our liquidity position.

Downgrades of the credit rating of the United States of America may materially adversely affect our business, financial condition and results of operations.

In August 2011, Standard and Poor's Ratings Services ("S&P") lowered the long-term sovereign credit rating of the United States to AA+ from AAA with negative outlook, stating that its action was based on S&P's view on the rising public debt burden and perception of greater policymaking uncertainty.

If the U.S.'s credit rating were to be further downgraded: (i) our cost of funds on new asset-backed securities ("ABS"), as well as certain existing ABS and conduit facilities collateralized with FFELP Loans ("FFELP ABS") could increase; (ii) we could be required to increase the amount of over-collateralization associated with newly issued ABS and existing conduit facilities particularly to maintain the AAA credit ratings traditionally associated with FFELP ABS offerings and facilities; and (iii) our ability to access and/or maintain existing conduit facilities and to efficiently sell or refinance loans previously funded through these vehicles could be adversely affected.

Operations.

Given the highly competitive markets in which we operate, a failure of our operating systems or infrastructure, or those of our third-party vendors, could disrupt our business, result in disclosure of confidential customer information, damage our reputation, cause significant losses and provide our competitors an opportunity to enhance their position at our expense.

A failure of our operating systems or infrastructure, or those of our third-party vendors, could disrupt our business. Our business is dependent on our ability to process and monitor large numbers of daily transactions in compliance with legal and regulatory standards and our product specifications, which we change to reflect our business needs. As processing demands change and our loan portfolios grow in both volume and differing terms and conditions, developing and maintaining our operating systems and infrastructure becomes increasingly challenging and there is no assurance that we can adequately or efficiently develop and maintain such systems.

Our loan originations and conversions and the servicing, financial, accounting, data processing or other operating systems and facilities that support them may fail to operate properly or become disabled as a result of events that are beyond our control, adversely affecting our ability to process these transactions. Any such failure could adversely affect our ability to service our clients, result in financial loss or liability to our clients, disrupt our business, result in regulatory action or cause reputational damage. Despite the plans and facilities we have in place, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our businesses. This may include a disruption involving electrical, communications, internet, transportation or other services used by us or third parties with which we conduct business. Notwithstanding our efforts to maintain business continuity, a disruptive event impacting our processing locations could adversely affect our business, financial condition and results of operations.

Our operations rely on the secure processing, storage and transmission of personal, confidential and other information in our computer systems and networks. Although we take protective measures, our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses, malicious attacks and other events that could have a security impact beyond our control. If one or more of such events occur, personal, confidential and other information processed and stored in, and transmitted through, our computer systems and networks, could be jeopardized or could cause interruptions or malfunctions in our operations that could result in significant losses or reputational damage. We also routinely transmit and receive personal, confidential and proprietary information, some through third parties. We have put in place secure transmission capability, and work to ensure third parties follow similar procedures. An interception, misuse or mishandling of personal, confidential or proprietary information being sent to or received from a customer or third party could result in legal liability, regulatory action and reputational harm. In the event personal, confidential or other information is jeopardized, intercepted, misused or mishandled, we may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subject to fines, penalties, litigation costs and settlements and financial losses that are either not insured against or not fully covered through any insurance maintained by us. If one or more of such events occur, our business, financial condition or results of operations could be significantly and adversely affected.

We continue to undertake numerous cost-cutting initiatives to realign and restructure our business in light of significant legislative changes in the past several years. Our business, results of operations and financial condition could be adversely affected if we do not effectively align our cost structure with our current business operations and future business prospects.

In response to significant legislative changes in the past several years, we have undertaken and continue to undertake cost-cutting initiatives, including workforce reductions, servicing center closures, restructuring and transfers of business functions to new locations, enhancements to our web-based customer services, adoption of new procurement strategies and investments in operational efficiencies. Our business and financial condition could be adversely affected by these cost-cutting initiatives if cost reductions taken are so dramatic as to cause

disruptions in our business or reductions in the quality of the services we provide. We may be unable to successfully execute on certain growth and other business strategies or achieve certain business goals or objectives if cost reductions are too dramatic. Alternatively, we may not be able to achieve our desired cost savings, and if that is the case our results of operations could be adversely affected.

Incorrect estimates and assumptions by management in connection with the preparation of our consolidated financial statements could adversely affect the reported assets, liabilities, income and expenses.

Incorrect estimates and assumptions by management in connection with the preparation of our consolidated financial statements could adversely affect the reported amounts of assets and liabilities and the reported amounts of income and expenses. The preparation of our consolidated financial statements requires management to make certain critical accounting estimates and assumptions that could affect the reported amounts of assets and liabilities and the reported amounts of income and expense during the reporting periods. A description of our critical accounting estimates and assumptions may be found in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates" and in "Note 2 — Significant Accounting Policies." If we make incorrect assumptions or estimates, we may under- or overstate reported financial results, which could materially and adversely affect our business, financial condition and results of operations.

Political and Reputational.

The scope and profitability of our lending businesses remain subject to risks arising from legislative and administrative actions.

Through the HCERA, the U.S. Congress mandated that all future federal student loans be made through the DSLP, eliminating the FFELP. Further legislative action by Congress could adversely affect our business, financial condition and results of operations. For instance, during the fourth-quarter 2011, the Administration announced a Special Direct Consolidation Loan Initiative that provides a temporary incentive to borrowers who have at least one student loan owned by ED and at least one held by a FFELP lender to consolidate the FFELP lender's loans into the DSLP program by providing a 0.25 percentage point interest rate reduction on the FFELP loans that are eligible for consolidation. We currently do not foresee the initiative having a significant impact on our FFELP Loans segment. However, the initiative is an example of how the Administration and Congress could detrimentally affect future estimated cash flows and profitability from our FFELP Loan portfolios through their actions. Likewise, additional restrictions or requirements imposed on Private Education lending could increase our costs, affect our ability to service and collect loans and materially and adversely impact our business, financial condition and results of operations.

Our ability to continue to grow our businesses related to contracting with state and federal governments is partly reliant on our ability to remain compliant with the laws and regulations applicable to those contracts.

We are subject to a variety of laws and regulations related to our government contracting businesses, including our contracts with ED. In addition, these government contracts are subject to termination rights, audits and investigations. If we were found in noncompliance with the contract provisions or applicable laws or regulations, or the government exercised its termination or other rights for that or other reasons, our reputation could be negatively affected, and our ability to compete for new contracts could be diminished. If this were to occur, the future prospects, revenues and results of operations of this portion of our business could be negatively affected.

Competition.

We operate in a competitive environment, and our product offerings are primarily concentrated in loan and savings products for higher education.

We compete in the private credit lending business with banks and other consumer lending institutions, many with strong consumer brand name recognition. We compete based on our products, origination capability and customer service. To the extent our competitors compete aggressively or more effectively, we could lose market share to them or subject our existing loans to refinancing risk. In addition, there is a risk that any new education or loan products that we introduce will not be accepted in the marketplace. Our product offerings may not prove to be profitable and may fail to offset the loss of business in the education credit market.

We are a leading provider of saving- and paying-for-college products and programs. This concentration gives us a competitive advantage in the marketplace. This concentration also creates risks in our business, particularly in light of our concentration as a private credit lender and servicer for the FFELP and DSLP. If population demographics result in a decrease in college-age individuals, if demand for higher education decreases, if the cost of attendance of higher education decreases, if public resistance to higher education costs increases, or if the demand for higher education loans decreases, our private credit lending business could be negatively affected. In addition, the federal government, through the DSLP, poses significant competition to our private credit loan products. If loan limits under the DSLP increase, DSLP loans could be more widely available to students and their families and DSLP loans could increase, resulting in a further decrease in the size of the private credit education loan market and reduced demand for our private credit education loan products.

Credit and Counterparty.

Unexpected and sharp changes in the overall economic environment may negatively impact the performance of our loan and credit portfolios.

Unexpected changes in the overall economic environment, including unemployment, may result in the credit performance of our loan portfolio being materially different from what we expect. Our earnings are critically dependent on the evolving creditworthiness of our student loan customers. We maintain a reserve for credit losses based on expected future charge-offs which considers many factors, including levels of past due loans and forbearances and expected economic conditions. However, management's determination of the appropriate reserve level may under- or over-estimate future losses. If the credit quality of our customer base materially decreases, if a market risk changes significantly, or if our reserves for credit losses are not adequate, our business, financial condition and results of operations could suffer.

In addition to the credit risk associated with our education loan customers, we are also subject to the creditworthiness of other third parties, including counterparties to our derivative transactions. For example, we have exposure to the financial condition of various lending, investment and derivative counterparties. If any of our counterparties is unable to perform its obligations, we could, depending on the type of counterparty arrangement, experience a loss of liquidity or an economic loss. In addition, we might not be able to cost effectively replace the derivative position depending on the type of derivative and the current economic environment, and thus be exposed to a greater level of interest rate and/or foreign currency exchange rate risk which could lead to additional losses. Our counterparty exposure is more fully discussed in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Counterparty Exposure." If our counterparties are unable to perform their obligations, our business, financial condition and results of operations could suffer.

Regulatory and Compliance.

Delays and continuing uncertainties surrounding the ultimate scope and implementation of various provisions of the Dodd-Frank Act cause us to continue to be unable to fully assess the risks and implications the law could have on our profitability, results of operations, financial condition, cash flows or future business prospects.

The Dodd-Frank Act contains comprehensive change to banking laws, imposing significant regulation on almost every aspect of the U.S. financial services industry, including increased capital and liquidity requirements, limits on leverage, and enhanced supervisory authority. A year after passage, most of the component parts of the Dodd-Frank Act remain subject to intensive rulemaking and public comment causing continuing uncertainty in our ability to predict the ultimate effect the Dodd-Frank Act or required examinations of the private education loan market could have on our operations or those of our subsidiaries. Our operational expenses will likely increase to address new or additional compliance requirements that could be imposed on our operations as a result of the implementation of various provisions of the Dodd-Frank Act as the risk of penalties and fines on all businesses may increase and our profitability, results of operations, financial condition, cash flows or future business prospects could be affected as a result.

The Consumer Financial Protection Bureau ("CFPB") is now authorized to exercise the full authority provided to it by the Dodd-Frank Act though much uncertainty remains about how this authority will be implemented or utilized. A number of our businesses will likely be subject to new rules and regulations not yet proposed or finalized and we may face complaints and challenges to our practices from the CFPB or state regulatory counterparts.

In July 2011, responsibility for many consumer financial protection functions formerly assigned to the federal banking and other agencies were transferred to the CFPB. The CFPB has broad authority with respect to some of the businesses in which we engage. It has authority to write regulations under federal consumer financial protection laws, and to directly or indirectly enforce those laws and examine financial institutions for compliance. It is authorized to collect fines and provide consumer restitution in the event of violations, engage in consumer financial education, track consumer complaints, request data and promote the availability of financial services to underserved consumers and communities. It has authority to prevent unfair, deceptive or abusive practices by issuing regulations that define the same or by using its enforcement authority without first issuing regulations.

Under the Dodd-Frank Act, the CFPB and ED are required to prepare a report on the Private Education Loan industry by July 2012 that examines, among other things, the private education loan market; underwriting criteria used by lenders; loan terms, conditions and pricing; consumer protections available to borrowers; and fair lending considerations. The Dodd-Frank Act also created a "Private Education Ombudsman" within the CFPB to receive and attempt to informally resolve complaints about Private Education Loans, and the CFPB plans to receive such complaints through its online consumer complaint system.

The Dodd-Frank Act authorizes state officials to enforce regulations issued by the CFPB and to enforce the Dodd-Frank Act's general prohibition against unfair, deceptive or abusive practices, and makes it more difficult than in the past for federal financial regulators to declare state laws that differ from federal standards preempted. To the extent states enact requirements that differ from federal standards or state officials and courts adopt interpretations of federal consumer laws that differ from those adopted by the CFPB, our compliance costs could increase and reduce our ability to offer the same products and services to consumers nationwide and we may be subject to a higher risk of state enforcement actions.

The Financial Stability Oversight Council ("FSOC") could designate SLM Corporation as a systemically important non-bank financial company to be supervised by the Board of Governors of the Federal Reserve System (the "FRB"). Designation of SLM Corporation as a so-called "SIFI" would impose significant additional statutorily–defined monitoring and compliance regimes on our business and could significantly increase the levels of risk-based capital and highly liquid assets we are required to hold. Required implementation of some or all of the measures currently proposed by the FRB to be applicable to SIFIs would have a material impact on our business, results of operations and financial condition.

On October 11, 2011, FSOC published a second notice of proposed rulemaking and related interpretive guidance under the Dodd-Frank Act regarding the designation of non-bank systemically important financial institutions ("SIFIs"). If designated as a SIFI, a non-bank financial company will be supervised by the FRB and be subject to enhanced prudential supervision and regulatory standards to be developed by the FRB. The new proposal sets forth a three-stage determination process for designating non-bank SIFIs. In Stage 1, FSOC would apply a set of uniform quantitative thresholds to identify the non-bank financial companies that will be subject to further evaluation. Based on its financial condition as of December 31, 2011, SLM Corporation would meet the criteria in Stage 1 and would be subject to further evaluation by FSOC in the SIFI determination process. Because Stages 2 and 3 as proposed would involve qualitative judgment by FSOC, we cannot predict whether SLM Corporation will be designated as a SIFI under the rule as currently proposed. For a further discussion of our belief as to the limited risk SLM Corporation poses to the financial stability of the United States, see Item 1 "Business—Recent Legislation—Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010."

On December 20, 2011 the FRB issued proposed rules to implement the enhanced prudential supervisory and regulatory standards required of bank holding companies with $50 billion or more in consolidated assets, as well as SIFIs. As currently proposed, the rules would require, among other things, that SIFIs:

- Be subject to a minimum Tier 1 common risk-based capital ratio of 5 percent and generally be required to comply with bank regulatory capital and leverage requirements, subject to any case-by-case exceptions as the FRB might approve;
- Comply with formal regulatory liquidity standards and hold highly liquid assets on hand sufficient to survive a projected 30-day liquidity crisis;
- Be subject to new liquidity risk management and governance requirements, approval of liquidity risk models, and implementation of liquidity monitoring and compliance regimes;
- Employ a chief risk officer to report directly to the chief executive officer and a required risk committee of the Board of Directors;
- Be subject to periodic company and FRB-run supervisory stress tests; and
- Periodically report to the FDIC and FRB on plans for rapid and orderly resolution of company affairs in the event of a material financial distress or failure.

We currently maintain significantly more than 5 percent capital against our Private Education Loans and significantly less than 5 percent capital against our FFELP Loans. We are not currently subject to consolidated capital requirements. Unless an exception were made to recognize the unique, federally insured nature of FFELP Loans, if we were designated as a SIFI, our risk-based capital requirements would likely increase. While we maintain our own contingency funding plans and conduct our own internal periodic stress tests, we have never been subject to an FRB supervised stress test nor have we developed a plan for orderly resolution of the scope and magnitude currently being demanded of large bank holding companies. Complying with these measures and implementing any or all of these as yet undefined, formalized statutory monitoring and compliance regimes could significantly increase our cost of doing business and the levels of capital and liquidity we are required to hold and, consequently, have a material impact on our business, results of operations and financial condition.

Our businesses are regulated by various state and federal laws and regulations, and our failure to comply with these laws and regulations may result in significant costs, sanctions, litigation or the loss of insurance and guarantees on affected FFELP Loans.

Our businesses are subject to numerous state and federal laws and regulations and our failure to comply with these laws and regulations may result in significant costs, including litigation costs, and/or business sanctions. In addition, changes to such laws and regulations could adversely impact our business and results of operations if we are not able to adequately mitigate the impact of such changes.

Our private credit lending and debt collection businesses are subject to regulation and oversight by various state and federal agencies, particularly in the area of consumer protection. Some state attorneys general have been active in this area of consumer protection regulation. We are subject, and may be subject in the future, to inquiries and audits from state and federal regulators as well as frequent litigation from private plaintiffs.

The Bank is subject to state and FDIC regulation, oversight and regular examination. The FDIC and state regulators have the authority to impose fines, penalties or other limitations on the Bank's operations should they conclude that its operations are not compliant with applicable laws and regulations. At the time of this filing, the Bank was the subject of a cease and desist order for weaknesses in its compliance function. While the issues addressed in the order have largely been remediated, the order has not yet been lifted. Our failure to comply with various laws and regulations or with the terms of the cease and desist order or to have issues raised during an examination could result in litigation expenses, fines, business sanctions, and limitations on our ability to fund our Private Education Loans, which are currently funded by deposits raised by the Bank, or restrictions on the operations of the Bank. The imposition of fines, penalties or other limitations on the Bank's business could negatively impact our business, financial condition and results of operations.

Loans serviced under the FFELP are subject to the HEA and related regulations. Our servicing operations are designed and monitored to comply with the HEA, related regulations and program guidance; however ED could determine that we are not in compliance for a variety of reasons, including that we misinterpreted ED guidance or incorrectly applied the HEA and its related regulations or policies. Failure to comply could result in fines, the loss of the insurance and related federal guarantees on affected FFELP Loans, expenses required to cure servicing deficiencies, suspension or termination of our right to participate as a servicer, negative publicity and potential legal claims. A summary of the FFELP may be found in Appendix A "Federal Family Education Loan Program." The imposition of significant fines, the loss of the insurance and related federal guarantees on a material number of FFELP Loans, the incurrence of additional expenses and/or the loss of our ability to participate as a FFELP servicer could individually or in the aggregate have a material, negative impact on our business, financial condition or results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following table lists the principal facilities owned by us as of December 31, 2011:

Location	Function	Business Segment(s)	Approximate Square Feet
Fishers, IN	Loan Servicing and Data Center	Consumer Lending; Business Services; FFELP Loans	450,000
Newark, DE	Headquarters	Consumer Lending; Business Services; FFELP Loans; Other	160,000
Wilkes-Barre, PA	Loan Servicing Center	Consumer Lending; Business Services; FFELP Loans	133,000
Indianapolis, IN	Loan Servicing Center	Business Services	100,000
Big Flats, NY	GRC — Collections Center	Business Services	60,000
Arcade, NY(1)	Pioneer Credit Recovery — Collections Center	Business Services	46,000
Perry, NY(1)	Pioneer Credit Recovery — Collections Center	Business Services	45,000

(1) In the first quarter of 2003, we entered into a ten year lease with the Wyoming County Industrial Development Authority with a right of reversion to us for the Arcade and Perry, New York facilities.

The following table lists the principal facilities leased by us as of December 31, 2011:

Location	Function	Business Segment(s)	Approximate Square Feet
Reston, VA	Administrative Offices	Consumer Lending; Business Services; FFELP Loans; Other	90,000
Newark, DE	Sallie Mae —Operations Center	Consumer Lending; Business Services; Other	86,000
Niles, IL	Collections Center	Other	84,000
Newton, MA	Upromise	Business Services	78,000
Cincinnati, OH	GRC Headquarters and Collections Center	Business Services	59,000
Muncie, IN	Collections Center	Consumer Lending; Business Services	54,000
Moorestown, NJ	Pioneer Credit Recovery — Collections Center	Business Services	30,000
White Plains, NY(1)	N/A	N/A	26,000
Kansas City, MO	Upromise and Campus Payment Solutions	Business Services	21,000
Whitewater, WI(2)	N/A	N/A	16,000
Murray, UT	Sallie Mae Bank	Consumer Lending; Business Services	10,000

(1) Space vacated in December 2009 and lease terminated in February 2012.

(2) Space vacated in September 2010; we are actively searching for subtenants or tenants.

None of the facilities that we own is encumbered by a mortgage. We believe that our headquarters, loan servicing centers, data center, back-up facility and data management and collections centers are generally adequate to meet our long-term student loan and business goals. Our headquarters are currently in owned space at 300 Continental Drive, Newark, Delaware, 19713. We relocated our headquarters to Newark, Delaware from Reston, Virginia on March 31, 2011.

Item 3. Legal Proceedings

Investor Litigation

In Re SLM Corporation Securities Litigation. On January 31, 2008, a putative class action lawsuit was filed in the U.S. District Court for the Southern District of New York alleging that the Company and certain officers violated federal securities laws by, among other things, issuing a series of materially false and misleading statements with respect to our financial results for year-end 2006 and the first quarter of 2007. This case and other actions arising out of the same circumstances and alleged acts have been consolidated and are now identified as *In Re SLM Corporation Securities Litigation*. The case purports to be brought on behalf of those who acquired our common stock between January 18, 2007 and January 23, 2008. On January 24, 2012, the court certified a class, appointed class counsel and appointed a class representative. On February 10, 2012, the parties entered into a settlement term sheet under which we agreed to pay $35 million, which amount includes all

attorneys' fees, administration costs, expenses, class member benefits, and costs of any kind associated with the resolution of this matter. We have denied vigorously all claims asserted against us, but agreed to settle to avoid the burden, expense, risk and uncertainty of continued litigation. The entire settlement amount will be paid by our insurers and the settlement is subject to us entering into a formal settlement agreement and Court approval.

In Re SLM Corporation ERISA Litigation. A similar case is pending against the Company, certain current and former officers, retirement plan fiduciaries, and the Board of Directors of the Company, formerly in the U.S. District Court for the Southern District of New York and now before the U.S. Court of Appeals for the Second Circuit, alleging breaches of fiduciary duties and prohibited transactions in violation of the Employee Retirement Income Security Act arising out of alleged false and misleading public statements regarding our business made during the 401K Class Period and investments in our common stock by plan participants in the 401K Plans. The case was originally filed on May 8, 2008 and the purported class consists of participants in or beneficiaries of the Sallie Mae 401(K) Retirement Savings Plan and Sallie Mae 401(k) Savings Plan (together, the "401K Plans") between January 18, 2007 and "the present" whose accounts included investments in our common stock ("401K Class Period"). On September 24, 2010, this case was dismissed; however, the Plaintiffs appealed. The appeal is pending. In addition, the Plaintiffs filed a motion to hold the appeal in abeyance pending the U.S. Court of Appeals for the Second Circuit's decision in *In re: Citigroup ERISA Litigation* and *Garren v. McGraw-Hill Cos., Inc.*, two cases with related issues of law. On October 11, 2011, the U.S. Court of Appeals for the Second Circuit held, among other things, that the Citigroup defendants' decision not to divest the plan of Citigroup stock or impose restrictions on participants' investment in that stock was entitled to a "presumption of prudence" and subject to "abuse of discretion" standard. The Plaintiffs in both those cases are seeking en banc review. The Plaintiffs/Appellants seek unspecified damages, attorneys' fees, costs, and equitable and injunctive relief.

Lending and Collection Litigation and Investigations

U.S. ex rel. Batiste v. SLM Corporation, et al. On July 15, 2009, the U.S. District Court for the District of Columbia unsealed the *qui tam* False Claims Act complaint of relator Sheldon Batiste, a former employee of SLM Financial Corporation, which alleged that we violated the False Claims Act by our "systemic failure to service loans and abide by forbearance regulations" and our "receipt of U.S. subsidies to which it was not entitled" through FFELP. On November 4, 2011, the U.S. Court of Appeals for the District of Columbia Circuit affirmed the U.S. District Court's previous dismissal of the complaint in the fall of 2010.

Mark A. Arthur et al. v. Sallie Mae, Inc. On February 2, 2010, a putative class action suit was filed by a borrower in U.S. District Court for the Western District of Washington alleging that we contacted consumers on their cellular telephones via autodialer without their consent in violation of the Telephone Consumer Protection Act, 47 U.S.C. § 227 et seq. ("TCPA"). Each violation under the TCPA provides for $500 in statutory damages ($1,500 if a willful violation is shown). Plaintiffs were seeking statutory damages, damages for willful violations, attorneys' fees, costs, and injunctive relief. On October 7, 2011, we entered into an amended settlement agreement under which the Company agreed to a settlement fund of $24.15 million. We have denied vigorously all claims asserted against us, but agreed to settle to avoid the burden, expense, risk and uncertainty of continued litigation. On January 10, 2012, the Court denied, without prejudice, the Motion for Preliminary Approval of the amended settlement agreement noting, however, that although the proposed settlement satisfies the Court's requirement of overall fairness, the Court expressed concern regarding the proposed form of notice and other forms to be provided in connection with the settlement. On February 9, 2012, the Plaintiffs filed a Renewed Motion for Preliminary Approval addressing the Court's concerns.

Rodriguez v. SLM Corporation et al. On December 17, 2007, plaintiffs filed a complaint against us in the U.S. District Court for the District of Connecticut alleging that we engaged in underwriting practices which, among other things, resulted in certain applicants for student loans being directed into substandard and expensive loans on the basis of race. On June 20, 2011, we agreed to settle the case and denied all allegations of wrongdoing and liability. We entered into the settlement to avoid the burden, expense, risk and uncertainty of

continued litigation. On October 17, 2011, the court provided final approval of the settlement. We do not expect the settlement to have a material impact on our financial position or our business.

The Company and its subsidiaries and affiliates also are subject to various claims, lawsuits and other actions that arise in the normal course of business. Most of these matters are claims by borrowers disputing the manner in which their loans have been processed or the accuracy of our reports to credit bureaus. In addition, our collections subsidiaries are routinely named in individual plaintiff or class action lawsuits in which the plaintiffs allege that those subsidiaries have violated a federal or state law in the process of collecting their accounts. We believe that these claims, lawsuits and other actions will not have a material adverse effect on our business, financial condition or results of operations. Finally, from time to time, the Company receives information and document requests from state attorneys general and Congressional committees concerning certain business practices. Our practice has been and continues to be to cooperate with the state attorneys general and Congressional committees and to be responsive to any such requests.

Item 4. Mine Safety Disclosures

N/A

PART II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed and traded on the NASDAQ Global Select Market under the symbol SLM since December 12, 2011. Previously, our common stock was listed and traded on the New York Stock Exchange. As of January 31, 2012, there were 509,322,190 shares of our common stock outstanding and 504 holders of record. The following table sets forth the high and low sales prices for our common stock for each full quarterly period within the two most recent fiscal years.

Common Stock Prices

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2011	High	$ 15.60	$ 17.11	$ 17.11	$ 14.53
	Low	12.61	14.40	11.60	10.91
2010	High	$ 13.32	$ 13.96	$ 12.40	$ 13.14
	Low	10.01	9.85	10.05	10.92

We paid quarterly cash dividends on our common stock of $.10 per share for the last three quarters of 2011.

Issuer Purchases of Equity Securities

The following table provides information relating to our purchase of shares of our common stock in the three months ended December 31, 2011.

(Common shares in millions)	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs[2]
Period:				
October 1 – October 31, 2011	—	$ —	—	—
November 1 –November 30, 2011	.1	13.49	—	—
December 1 –December 31, 2011	—		—	—
Total fourth quarter	.1	$ 13.49	—	

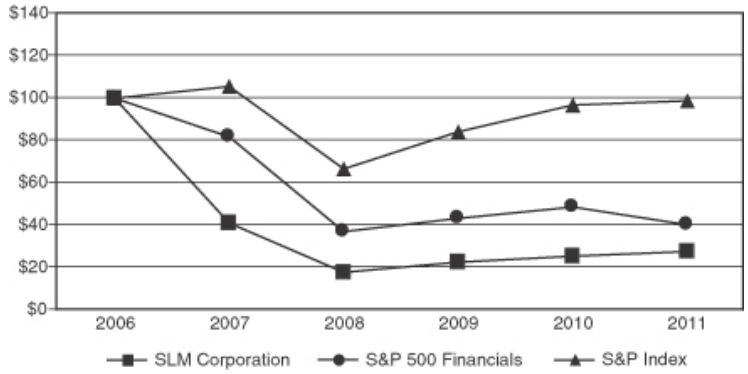
(1) The total number of shares purchased includes: (i) shares purchased under the stock repurchase program discussed below and (ii) shares of our common stock tendered to us to satisfy the exercise price in connection with cashless exercise of stock options, and tax withholding obligations in connection with exercise of stock options and vesting of restricted stock and restricted stock units.

(2) In April 2011, our board of directors authorized us to purchase up to $300 million of shares of our common stock in open market transactions, and terminated all previous authorizations. As of September 30, 2011, we had fully utilized this authorization and purchased 19.1 million shares of our common stock.

Stock Performance

The following graph compares the yearly change in our cumulative total shareholder return on our common stock to that of Standard & Poor's 500 Stock Index and Standard & Poor's Financials Index. The graph assumes a base investment of $100 at December 31, 2006 and reinvestment of dividends through December 31, 2011.

Five Year Cumulative Total Shareholder Return



Company/Index	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
SLM Corporation	$100.0	$ 41.5	$ 18.4	$ 23.2	$ 26.0	$ 28.2
S&P 500 Financials.	100.0	81.9	37.5	43.7	49.0	40.7
S&P Index	100.0	105.5	66.9	84.3	96.8	98.8

Source: Bloomberg Total Return Analysis

Item 6. Selected Financial Data

Selected Financial Data 2007-2011
(Dollars in millions, except per share amounts)

The following table sets forth our selected financial and other operating information prepared in accordance with GAAP. The selected financial data in the table is derived from our consolidated financial statements. The data should be read in conjunction with the consolidated financial statements, related notes, and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	2011	2010	2009	2008	2007
Operating Data:					
Net interest income	$ 3,529	$ 3,479	$ 1,723	$ 1,365	$ 1,588
Net income (loss) attributable to SLM Corporation:					
Continuing operations, net of tax	$ 600	$ 597	$ 544	$ 2	$ (938)
Discontinued operations, net of tax	33	(67)	(220)	(215)	42
Net income (loss) attributable to SLM Corporation	$ 633	$ 530	$ 324	$ (213)	$ (896)
Basic earnings (loss) per common share attributable to SLM Corporation:					
Continuing operations	$ 1.13	$ 1.08	$ .85	$ (.23)	$ (2.36)
Discontinued operations	.06	(.14)	(.47)	(.46)	.10
Total	$ 1.19	$ .94	$ .38	$ (.69)	$ (2.26)
Diluted earnings (loss) per common share attributable to SLM Corporation:					
Continuing operations	$ 1.12	$ 1.08	$ .85	$ (.23)	$ (2.36)
Discontinued operations	.06	(.14)	(.47)	(.46)	.10
Total	$ 1.18	$ .94	$ .38	$ (.69)	$ (2.26)
Dividends per common share attributable to SLM Corporation common shareholders	$ .30	$ —	$ —	$ —	$ .25
Return on common stockholders' equity	14%	13%	5%	(9)%	(22)%
Net interest margin	1.85	1.82	1.05	.93	1.26
Return on assets	.33	.28	.20	(.14)	(.71)
Dividend payout ratio	25	—	—	—	(11)
Average equity/average assets	2.54	2.47	2.96	3.45	3.51
Balance Sheet Data:					
Student loans, net	$174,420	$184,305	$143,807	$144,802	$124,153
Total assets	193,345	205,307	169,985	168,768	155,565
Total borrowings	183,966	197,159	161,443	160,158	147,046
Total SLM Corporation stockholders' equity	5,243	5,012	5,279	4,999	5,224
Book value per common share	9.20	8.44	8.05	7.03	7.84
Other Data:					
Off-balance sheet securitized student loans, net	$ —	$ —	$ 32,638	$ 35,591	$ 39,423

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and related Notes included elsewhere in this Annual Report on Form 10-K. This discussion and analysis also contains forward-looking statements and should also be read in conjunction with the disclosures and information contained in "Forward-Looking and Cautionary Statements" and Item 1A "Risk Factors" in this Annual Report on Form 10-K.

Through this discussion and analysis, we intend to provide the reader with some narrative context for how our management views our consolidated financial statements, additional context within which to assess our operating results, and information on the quality and variability of our earnings, liquidity and cash flows.

Overview

Our primary business is to originate, service and collect loans we make to students and/or their parents to finance the cost of their education. The core of our marketing strategy is to generate student loan originations by promoting our products on campus through the financial aid office and through direct marketing to students and their families. We also provide servicing, loan default aversion and defaulted loan collection services for loans owned by other institutions, including ED. We also provide processing capabilities to educational institutions, 529 college-savings plan program management services and a consumer savings network.

In addition we are the largest holder, servicer and collector of loans made under FFELP, a program that was discontinued in 2010.

We monitor and assess our ongoing operations and results based on the following four reportable segments:

(1) Consumer Lending, (2) Business Services, (3) FFELP Loans and (4) Other.

Consumer Lending Segment

In this segment, we originate, acquire, finance and service Private Education Loans. The Private Education Loans we make are largely to bridge the gap between the cost of higher education and the amount funded through financial aid, federal loans or borrowers' resources. In this segment, we earn net interest income on the Private Education Loan portfolio (after provision for loan losses) as well as servicing fees, primarily late fees. As of December 31, 2011, we had $36.3 billion of Private Education Loans outstanding. In 2011, we originated $2.7 billion of Private Education Loans, up 19 percent from $2.3 billion in the prior year.

Business Services Segment

In our Business Services segment we provide loan servicing to our FFELP Loans segment, ED and other third parties. We provide servicing, default aversion and contingency collections work on behalf of ED, Guarantors of FFELP Loans, and other institutions. Our Campus Solutions business provides comprehensive transaction processing solutions and associated technology to college financial aid offices and students to streamline the financial aid process. We provide 529 college-savings plan account asset servicing and other transaction processing activities. We offer, tuition, renters' and student health insurance to college students and higher education institutions.

FFELP Loans Segment

Our FFELP Loans segment consists of our $138 billion FFELP Loan portfolio and underlying debt and capital funding these loans. Because we no longer originate FFELP Loans the portfolio is in runoff and is expected to amortize over approximately the next 20 years with a weighted average remaining life of 7.6 years.

We actively seek to acquire FFELP Loan portfolios to leverage our servicing scale and expertise to generate incremental earnings and cash flow. Of our total FFELP Loan portfolio, 94 percent was funded with non-recourse, long-term debt; 76 percent of our FFELP Loan portfolio being funded to term by securitization trusts, 15 percent funded through the ED Conduit Program which terminates on January 19, 2014, and 3 percent funded in our multi-year ABCP facility. This segment is expected to generate a stable net interest margin and significant amounts of cash as the FFELP portfolio amortizes.

Other

Our Other segment primarily consists of the financial results related to activities of our holding company, including the repurchase of debt, the corporate liquidity portfolio and all overhead. We also include results from smaller wind-down and discontinued operations within this segment.

Key Financial Measures

Our operating results are primarily driven by net interest income from our student loan portfolios (which includes financing costs), provision for loan losses, the revenues and expenses generated by our service businesses, and gains and losses on loan sales and debt repurchases. We manage and assess the performance of each business segment separately as each is focused on different customers and each derives its revenue from different activities and services. A brief summary of our key financial measures are listed below.

Net Interest Income

The most significant portion of our earnings is generated by the spread earned between the interest income we receive on assets in our student loan portfolios and the interest expense of funding these loans. We report these earnings as net interest income. Net interest income in our Consumer Lending and FFELP Loans segments are driven by significantly different factors.

Consumer Lending Segment

Net interest income in this segment is determined by the Private Education Loan asset yields, which are determined by interest rates established by us based upon the credit of the borrower and any co-borrower and the level of price competition in the Private Education Loan market less our cost of funds. Our Private Education Loans earn variable rate interest and are funded primarily with variable rate liabilities. The Consumer Lending segment's "Core Earnings" net interest margin was 4.1 percent in 2011 compared with 3.9 percent in 2010. Our cost of funds can be influenced by a number of factors including the quality of the loans in our portfolio, our corporate credit rating, general economic conditions, investor demand for Private Education Loan ABS and corporate unsecured debt and competition in the deposit market. At December 31, 2011, 56 percent of our Private Education Loan portfolio was funded with non-recourse, long-term debt; 51 percent of our Private Education Loans being funded to term by securitization trusts.

FFELP Loans Segment

Net interest income will be the primary source of cash flow generated by this segment over the next 20 years as this portfolio runs off. Historically, interest earned on our FFELP Loans was primarily indexed to commercial paper rates and our cost of funds was indexed to three-month LIBOR, creating the possibility of significant basis and repricing risk related to these assets. Recent changes to the applicable law will allow us, beginning in the second quarter of 2012, to index interest earned to one-month LIBOR rather than commercial paper rates, significantly reducing basis and repricing risk on $130 billion of our FFELP Loans. The FFELP Loans segment's "Core Earnings" net interest margin was 0.98 percent in 2011 compared with 0.93 percent in 2010.

The major source of variability in net interest income is expected to be Floor Income. Pursuant to the terms of the FFELP, certain FFELP Loans, in certain situations, continue to earn interest at the stated fixed rate of

interest even if underlying debt costs decrease. We refer to this additional spread income as "Floor Income". This Floor Income can be volatile as rates on underlying debt move up and down. We generally hedge this risk by selling Floor Income Contracts which lock in the value of the Floor Income over the term of the contract.

Additional cash flow should be generated within this segment as many of our secured financing vehicles are over-collateralized, creating the potential for additional cash flow to be distributed to us over time as the loans amortize.

Provisions for Loan Losses

Management estimates and maintains an allowance for loan losses generally at a level sufficient to cover charge-offs expected over the next two years, plus additional allowance to cover life-of-loan expected losses for loans classified as a troubled debt restructuring. The provision is an income statement item that reduces segment revenues. Generally the allowance rises when charge-offs are expected to increase and falls when charge-offs are expected to decline. Our loss exposure and resulting provision for losses is smaller for FFELP Loans than for Private Education Loans because we bear a maximum of 3 percent loss exposure on our FFELP Loans whereas we bear the full credit exposure on our Private Education Loans. Our provision for losses in our FFELP Loans segment was $86 million in 2011 compared with $98 million in 2010. Losses in our Consumer Lending segment are primarily driven by risk characteristics such as school type, loan status (in-school, grace, forbearance, repayment and delinquency), loan seasoning (number of months in active repayment for which a scheduled payment was due), underwriting criteria (e.g., credit scores), existence or absence of a cosigner and the current economic environment. Our provision for loan losses in our Consumer Lending segment was $1.2 billion in 2011 compared with $1.3 billion in 2010.

Charge-Offs and Delinquencies

When we conclude a loan is uncollectable, the unrecoverable portion of the loan is charged against the allowance for loan losses in the applicable lending segment. Information regarding charge-offs provides relevant information over time with respect to the actual performance of our loan portfolios as compared against the provisions for loan losses on those portfolios. Management focuses on the overall level of delinquencies as well as the progression of loans from early to late stage delinquency. The FFELP segment charge-off rate was 0.08 percent of loans in repayment in 2011 compared with 0.11 percent in 2010. The Consumer Lending segment's charge-off rate was 3.7 percent of loans in repayment in 2011 compared with 5.0 percent of loans in repayment in 2010. Delinquencies are a very important indicator of the potential future credit performance. Private Education Loan delinquencies as a percentage of Private Education Loans in repayment decreased from 10.6 percent at December 31, 2010 to 10.1 percent at December 31, 2011.

Servicing and Contingency Revenues

We earn servicing revenues from servicing student loans, Campus Solutions, and from account asset servicing related to 529 college-savings plans. We earn contingency revenue related to default aversion and contingency collections work we perform primarily on federal loans. The fees we recognize are primarily driven by our success in collecting or rehabilitating defaulted loans, the number of transactions processed and the underlying volume of loans we are servicing on behalf of others.

Other Income / (Loss)

In managing our loan portfolios and funding sources we periodically engage in sales of loans and the repurchase of our outstanding debt. In each case, depending on market conditions, we may incur gains or losses from these transactions that affect our results from operations.

Operating Expenses

The operating expenses reported for our Consumer Lending and Business Services segments are those that are directly attributable to the generation of revenues by those segments. The operating expenses for the FFELP Loans segment primarily represent an intercompany servicing charge from the Business Services segment and do not reflect our actual underlying costs incurred to service the loans. We have included corporate overhead expenses and certain information technology costs (together referred to as "Overhead") in our Other segment rather than allocate those expenses by segment. These overhead expenses include costs related to executive management, the board of directors, accounting, finance, legal, human resources, stock-based compensation expense and certain information technology costs related to infrastructure and operations.

Core Earnings

We report financial results on a GAAP basis and also present certain "Core Earnings" performance measures. Our management, equity investors, credit rating agencies and debt capital providers use these "Core Earnings" measures to monitor our business performance. "Core Earnings" is the basis in which we prepare our segment disclosures as required by GAAP under ASC 280 "Segment Reporting" (see "Note 16—Segment Reporting"). For a full explanation of the contents and limitations of "Core Earnings," see "'Core Earnings'—Definition and Limitations" of this Item 7.

2011 Summary of Results

We continue to operate in a challenging macroeconomic environment marked by high unemployment and uncertainty which contributes added uncertainty to Private Education Loan repayment and default patterns. On July 1, 2010, the HCERA eliminated FFELP Loan originations, a major source of our net income. All federal loans to students are now made through the DSLP and as discussed above, we no longer originate FFELP Loans. In addition, on July 21, 2010, President Obama signed into law the Dodd-Frank Act that represents a comprehensive change to banking laws, imposing significant new regulation on almost every aspect of the U.S. financial services industry. A discussion of HCERA and the Dodd-Frank Act can be found in Item 1 "Business" and in Item 1A "Risk Factors" in our 2011 Form 10-K.

Despite this environment, we were able to achieve significant accomplishments during 2011 as discussed below.

GAAP 2011 net income was $633 million ($1.18 diluted earnings per share), versus net income of $530 million ($.94 diluted earnings per share) in the prior year. The changes in GAAP net income are driven by the same "Core Earnings" items discussed below as well as changes in "mark-to-market" unrealized gains and losses on derivative contracts and impairment of goodwill and intangible assets that are recognized in GAAP but not in core earnings results. In 2011, we had a $623 million increase in unrealized mark-to-market losses on derivative contracts and $660 million less goodwill and intangible asset impairment compared with 2010.

"Core Earnings" for the year were $977 million ($1.83 diluted earnings per share) compared to $1.03 billion ($1.92 diluted earnings per share) in 2010. "Core Earnings" were down due to a decrease in gains on loan sales and debt repurchases from the prior year ($574 million or $.69 per diluted share in 2010). Excluding these gains on loan sales and debt repurchases in 2010, "Core Earnings" were up $521 million year-over-year due to improvements in net interest income, loan loss provision, expenses and discontinued operations.

During 2011, we raised $2 billion of unsecured debt and issued $2.4 billion of FFELP ABS and $2.1 billion of Private Education Loan ABS. We also repurchased $894 million of debt and realized "Core Earnings" gains of $64 million in 2011, compared with $4.9 billion and $317 million in 2010.

In the fourth-quarter 2011, we also closed a $3.4 billion Private Education Loan asset-backed commercial paper facility that matures in January 2014. This facility was used to finance the call of Private Education Loan asset-backed securities at significant discounts to the par value.

We also achieved a key management objective of again being able to return capital to our shareholders. During the second and third quarters of 2011, we repurchased 19.1 million common shares on the open market as part of our previously announced $300 million share repurchase program authorization. We have fully utilized this authorization. We declared and paid a $.10 per share dividend during the second, third and fourth quarters of 2011.

2011 Management Objectives

In 2011 we set out five major goals to create shareholder value. They were: (1) reduce our operating expenses; (2) prudently grow Consumer Lending segment assets and revenue; (3) increase Business Services segment revenue; (4) maximize cash flows from FFELP Loans; and (5) reinstate dividends and/or share repurchases. We believe we achieved each of these objectives in 2011. The following describes our performance relative to each of our 2011 goals.

Reduce Operating Expenses

The elimination of FFELP by HCERA greatly reduced our revenue generating capabilities. In 2010 we originated $14 billion of loans, 84 percent of them FFELP Loans; in 2011 we originated $2.7 billion of new loans, all of them Private Education Loans. As a result of the decline in our FFELP related revenue, we determined we must effectively match our cost structure to our ongoing business. As such, we set a goal of having a quarterly operating expense of $250 million in the fourth quarter of 2011 (by comparison, our 2010 fourth-quarter operating expenses were $308 million). We achieved this goal as our fourth-quarter 2011 operating expenses were $243 million.

Prudently Grow Consumer Lending Segment Assets and Revenue

Successfully growing Private Education Loan lending is the key component of our long-term plan to grow shareholder value. We achieved this goal by originating increasing numbers of high quality Private Education Loans, with higher net interest margins and lower charge-offs and provision for loan losses. Originations were 19 percent higher in 2011 compared with 2010 with average FICO and cosigner rates higher compared with the prior year. “Core Earnings” net interest margin increased from 3.9 percent to 4.1 percent. Charge-offs decreased to 3.7 percent of loans in repayment from 5.0 percent in 2010. Provision for loan loss decreased to $1.18 billion from $1.3 billion in 2010.

Increase Business Services Segment Revenue

Our Business Services segment comprises several businesses with customers related to FFELP that will experience revenue declines and several businesses with customers that provide growth opportunities. Our growth businesses are ED servicing, ED collections, other school-based asset type servicing and collections, Campus Solutions, Sallie Mae Insurance Services, transaction processing and 529 college-savings plan account asset servicing. We achieved this goal as our Business Services segment revenue increased from $1.3 billion in 2010 to $1.4 billion in 2011.

- Our allocation of new customer loans awarded for servicing under our ED Servicing Contract increased from 22 percent to 26 percent for the current contract year ending August 15, 2012. The increase was driven primarily by our top ranking for default prevention performance results. We are servicing approximately 3.6 million accounts under the ED Servicing Contract as of December 31, 2011.
- Campus Solutions added 44 new refund disbursement clients in 2011. We also announced a Sallie Mae Bank No-Fee Student Checking Account with Debit as an enhanced refund disbursement choice for schools and students. This new option complements existing Campus Solutions refund disbursement choices that include electronic deposit to the bank account of the student’s choice, debit card or a check.

- Assets under management in 529 college-savings plans total $37.5 billion and grew 9 percent year-over-year. We recently were selected to continue as the program manager for New York's 529 College Savings Program under a seven-year contract, which is currently being negotiated. New York has the largest direct 529 plan in the country.
- We launched Sallie Mae Insurance Services in 2011, offering college students and higher education institutions tuition, renters' and student health insurance.
- We acquired SC Services & Associates, Inc., a provider of collections services to local governments and courts to enhance and complement our other contingency collection businesses.

Maximize Cash Flows from FFELP Loans

We have a $138 billion portfolio of FFELP Loans that is expected to generate significant amounts of cash flow and earnings in the coming years. We planned to improve our net interest margin, further minimize income volatility and opportunistically purchase additional FFELP Loan portfolios such as the portfolio we purchased at the end of 2010. We achieved this goal in 2011 by acquiring $1.6 billion of FFELP loans and improving our net interest margin from 93 basis points in 2010 to 98 basis points in 2011.

Reinstate Dividends and/or Share Repurchases

We achieved our objective of either paying dividends or repurchasing shares, or both by the second half of 2011. Beginning in June, we began to pay quarterly dividends of $.10 per share on our common stock, the first since 2007. In April 2011, we authorized the repurchase of up to $300 million of outstanding common stock in open-market transactions and terminated all previous authorizations. During the second and third quarters of 2011, we paid $300 million to repurchase 19.1 million common shares on the open market.

2012 Outlook

We expect the operating strength we demonstrated in 2011 to continue in 2012. We plan to increase "Core Earnings" primarily through improving Private Education Loan portfolio performance and lower operating expenses. Loan originations are also expected to increase in 2012.

We expect to remain an active participant in the capital markets in 2012. Our term ABS activity will feature multiple transactions backed by both FFELP collateral, primarily reducing the ED Conduit Facility, as well as Private Education Loan collateral. We will remain an opportunistic issuer in the unsecured debt markets primarily to facilitate asset liability management activities. Recent transactions in all of the above mentioned categories have been met with strong demand and provide term financing which is a key component of our business model.

Recognizing the strong financial position we are in, the Board of Directors approved a 25 percent increase in our quarterly dividend and a $500 million share repurchase program in January 2012. Despite this significant return of capital to our shareholders from earnings, we expect to end 2012 with a stronger balance sheet and better capital ratios.

Credit losses within our Private Education Loan portfolio are primarily driven by the quality of loans entering repayment, improving underlying portfolio quality, the quality of new originations and the general economic environment. The fourth-quarter 2011 repayment cohort, at $1.5 billion, was the smallest in the last five years, and had better FICO scores and higher cosigner rates than in previous years which should result in lower future losses. The underlying portfolio has continued to improve with 62 percent of the loans cosigned, less than 10 percent non-traditional and over 72 percent of our customers currently in repayment having made more than 12 payments. In addition, the loans originated in 2011 had an average FICO score of 748 and were 91 percent cosigned; these statistics are our highest ever for a loan origination cohort. As a result, we believe that charge-offs and provision for loan losses will continue their downward trend.

2012 Management Objectives

In 2012 we have set out five major goals to create shareholder value. They are: (1) prudently grow Consumer Lending segment assets and revenue; (2) sustain Business Services segment revenue; (3) maximize cash flows from FFELP Loans; (4) reduce our operating expenses; and (5) improve our financial strength. Here is how we plan to achieve these objectives:

Prudently Grow Consumer Lending Segment Assets and Revenues

We will continue to pursue managed growth in our Private Education Loan portfolio in 2012, currently targeting $3.2 billion in new originations for the year compared to $2.7 billion in 2011. We will also be increasing our efforts to improve our return on these assets projecting even lower charge-off rates and provision for loan losses, continuing to build on the improvements we have been demonstrating in these measures since 2009.

Sustain Business Services Segment Revenue

Our Business Services segment generates the vast majority of its revenue from servicing and collecting on our FFELP Loan portfolio and FFELP Loans for others. As a result of the elimination of FFELP in 2010, servicing and collection revenues derived from FFELP-related sources are in decline. In 2012 we will work to offset these declines through two primary means—pursuing additional growth and expansion of our non-FFELP - related servicing and collection businesses and seeking to increase the FFELP-related loan servicing and collection work we do for third parties. In 2012 we are targeting significant growth in the number of customers we service for ED under our ED servicing and collection contracts, as well as in the total assets under management in our 529 college-savings plans. We will explore both complementary and diversified strategies to expand demand for our services in and beyond the student loan market. We will also more aggressively seek to leverage our existing FFELP servicing platforms to be able to provide lower cost FFELP servicing to others while increasing segment revenues from these sources.

Maximize Cash Flows from FFELP Loans

In 2012 we will continue to focus on opportunistically purchasing additional FFELP Loan portfolios from other lenders. As cash flows from our existing FFELP Loans decline over coming years, it also becomes increasingly important that we actively manage and continue to reduce operating and overhead costs attributable to the maintenance and management of this segment. Continuing to reduce these operating and overhead costs will also increase net income for our Business Services segment.

Reduce Operating Expenses

We achieved our 2011 management objective of having a quarterly operating expense of $250 million or less in the fourth quarter of 2011. In 2012 we will strive to sustain or improve on this quarterly run rate for the full fiscal year.

Improve Our Financial Strength

In January 2012 we announced an increase in our quarterly dividend to $0.125 per share and a new $500 million common share repurchase program. Of equal note, it is management's objective for 2012 to provide these increased shareholder distributions while at the same time ending 2012 with a balance sheet and capital positions as strong or stronger than those with which we ended in 2011.

Results of Operations

We present the results of operations first on a consolidated basis in accordance with GAAP. As discussed earlier, we have four business segments, Consumer Lending, Business Services, FFELP Loans and Other. Since these segments operate in distinct business environments, the discussion following the Consolidated Earnings Summary is presented on a segment basis and is shown on a "Core Earnings" basis. See Item 1 "Business — Business Segments" for further discussion on the components of each segment.

GAAP Statements of Income

(Dollars in millions, except per share amounts)	Years Ended December 31,			Increase (Decrease) 2011 vs. 2010		Increase (Decrease) 2010 vs. 2009	
	2011	2010	2009	$	%	$	%
Interest income							
FFELP Loans	$3,461	$3,345	$3,094	$ 116	3%	$ 251	8%
Private Education Loans	2,429	2,353	1,582	76	3	771	49
Other loans	21	30	56	(9)	(30)	(26)	(46)
Cash and investments	19	26	26	(7)	(27)	—	—
Total interest income	5,930	5,754	4,758	176	3	996	21
Total interest expense	2,401	2,275	3,035	126	6	(760)	(25)
Net interest income	3,529	3,479	1,723	50	1	1,756	102
Less: provisions for loan losses	1,295	1,419	1,119	(124)	(9)	300	27
Net interest income after provisions for loan losses	2,234	2,060	604	174	8	1,456	241
Other income (loss):							
Securitization servicing and Residual Interest revenue	—	—	295	—	—	(295)	(100)
Gains (losses) on loans and investments, net	(35)	325	284	(360)	(111)	41	14
Losses on derivative and hedging activities, net	(959)	(361)	(604)	(598)	166	243	(40)
Servicing revenue	381	405	440	(24)	(6)	(35)	(8)
Contingency revenue	333	330	294	3	1	36	12
Gains on debt repurchases	38	317	536	(279)	(88)	(219)	(41)
Other income	68	6	88	62	1,033	(82)	(93)
Total other income (loss)	(174)	1,022	1,333	(1,196)	(117)	(311)	(23)
Expenses:							
Operating expenses	1,100	1,208	1,043	(108)	(9)	165	16
Goodwill and acquired intangible assets impairment and amortization expense	24	699	76	(675)	(97)	623	820
Restructuring expenses	9	85	10	(76)	(89)	75	750
Total expenses	1,133	1,992	1,129	(859)	(43)	863	76
Income from continuing operations, before income tax expense	927	1,090	808	(163)	(15)	282	35
Income tax expense	328	493	264	(165)	(33)	229	87
Net income from continuing operations	599	597	544	2	—	53	10
Income (loss) from discontinued operations, net of tax	33	(67)	(220)	100	149	153	(70)
Net income	632	530	324	102	19	206	64
Less: net loss attributable to noncontrolling interest	(1)	—	—	(1)	(100)	—	—
Net income attributable to SLM Corporation	633	530	324	103	19	206	64
Preferred stock dividends	18	72	146	(54)	(75)	(74)	(51)
Net income attributable to SLM Corporation common stock	$ 615	$ 458	$ 178	$ 157	34%	$ 280	157%
Basic earnings (loss) per common share attributable to SLM Corporation:							
Continuing operations	$ 1.13	$ 1.08	$ .85	$ .05	5%	$ .23	27%
Discontinued operations	.06	(.14)	(.47)	.20	143	.33	(70)
Total	$ 1.19	$ .94	$ .38	$ .25	27%	$ .56	147%
Diluted earnings (loss) per common share attributable to SLM Corporation:							
Continuing operations	$ 1.12	$ 1.08	$ .85	$ .04	4%	$ .23	27%
Discontinued operations	.06	(.14)	(.47)	.20	143	.33	(70)
Total	$ 1.18	$ .94	$ .38	$ .24	26%	$ .56	147%
Dividends per common share	$ .30	$ —	$ —	$ .30	100%	$ —	— %

Consolidated Earnings Summary — GAAP-basis

Year Ended December 31, 2011 Compared with Year Ended December 31, 2010

For the years ended December 31, 2011 and 2010, net income was $633 million, or $1.18 diluted earnings per common share, and $530 million, or $.94 diluted earnings per common share, respectively. The increase in net income for the year ended December 31, 2011 as compared with the prior year period was primarily due to $660 million of goodwill and intangible asset impairment charges, which were partially non-tax deductible, recorded in the year-ago period, a $124 million decrease in the provisions for loan losses, a $100 million increase in income from discontinued operations and $108 million of lower operating expenses. These improvements were partially offset by a $598 million increase in net losses on derivative and hedging activities, a $279 million decrease in gains on debt repurchases and a $360 million decrease in net gains on loans and investments.

The primary contributors to each component of net income for the current year compared with the year-ago period are as follows:

- Net interest income increased by $50 million primarily from incremental net interest income earned on $25 billion of securitized FFELP loans acquired on December 31, 2010.
- Provisions for loan losses decreased by $124 million, as the $124 million of additional provision related to the implementation of new accounting guidance for troubled debt restructurings ("TDRs") in the third quarter of 2011 (see "Consumer Lending Segment — Private Education Loans Provision for Loan Losses and Charge-offs" for further discussion), was more than offset by overall improvements in credit quality and delinquency and charge-off trends.
- Gains on loans and investments, net, declined $360 million as a result of a $321 million gain recognized in the fourth quarter of 2010 from the sale of FFELP Loans to ED as part of the ED's Loan Purchase Commitment Program (the "Purchase Program") which ended in 2010. Also, in 2011 we recorded $26 million of impairment on certain aircraft leases which were primarily related to leveraged lease investments with American Airlines, which filed for bankruptcy in the fourth quarter of 2011. 2011 also has a $9 million mark-to-market loss related to classifying our entire $12 million portfolio of non-U.S. dollar-denominated student loans as held-for-sale.
- Net losses on derivatives and hedging activities increased by $598 million primarily due to interest rate and foreign currency fluctuations, affecting the valuations of our Floor Income Contracts, basis swaps and foreign currency hedges during the period. Valuations of derivative instruments vary based upon many factors including changes in interest rates, credit risk, foreign currency fluctuations and other market factors. As a result, net gains and losses on derivatives and hedging activities may vary significantly in future periods.
- Servicing revenue decreased by $24 million primarily due to the end of FFELP in 2010, thereby eliminating Guarantor issuance fees we earn on new FFELP Loans. Outstanding FFELP Loans on which we earn additional fees also declined.
- Gains on debt repurchases decreased $279 million as we repurchased less debt in the current period. Debt repurchase activity will fluctuate based on market fundamentals and our liability management strategy.
- Other income increased by $62 million primarily as a result of a $25 million gain from the termination and replacement of a credit card affiliation contract and $27 million from an increase in foreign currency translation gains. The foreign currency translation gains relate to a portion of our foreign currency denominated debt that does not receive hedge accounting treatment. These gains were partially offset by "losses on derivative and hedging activities, net" line item in the consolidated statements of income related to the derivatives used to economically hedge these debt investments.
- Operating expenses decreased $108 million primarily as a result of our on-going cost savings initiative.

- Goodwill and acquired intangible assets impairment and amortization expense declined $675 million compared with the prior year primarily due to the $660 million impairment recognized in the third quarter of 2010 in response to the passage of the Health Care and Education Reconciliation Act of 2010 ("HCERA"), which resulted in the elimination of the FFELP and significantly reduced the future earnings for several of our reporting units.
- Restructuring expenses decreased $76 million primarily as a result of the substantial completion of our plan for restructuring initiated in response to legislation ending FFELP in 2010.
- The effective tax rates for the years ended December 31, 2011 and 2010 were 35 percent and 45 percent, respectively. The improvement in the effective tax rate was primarily driven by the impact of non-tax deductible goodwill impairments recorded in 2010.
- Net income from discontinued operations for the year ended December 31, 2011 was $33 million compared with a net loss from discontinued operations of $67 million for the year ended December 31, 2010. The change was primarily driven by a $23 million after-tax gain realized from the sale of our Purchased Paper — Non-Mortgage portfolio in the third quarter of 2011 compared to $52 million of after-tax impairments recognized in 2010.

Year Ended December 31, 2010 Compared with Year Ended December 31, 2009

For the years ended December 31, 2010 and 2009, net income was $530 million, or $.94 diluted earnings per common share, and $324 million, or $.38 diluted earnings per common share, respectively. The increase in net income for the year ended December 31, 2010, compared with the prior year was primarily due to a $1.5 billion increase in net interest income after provisions for loan losses and a $243 million decrease in net losses on derivative and hedging activities. These improvements were partially offset by a $660 million goodwill and intangible asset impairment charge in 2010, a $165 million increase in operating expenses, a $219 million decrease in gains on debt repurchases and a decrease in securitization servicing and Residual Interest revenue of $295 million.

The primary contributors to each of the identified drivers of changes in income from continuing operations before income tax expense for the year-over-year period are as follows:

- Net interest income after provisions for loan losses increased by $1.5 billion in the year ended December 31, 2010 from the year ended December 31, 2009. The increase in net interest income and provisions for loan losses was partially due to the adoption as of January 1, 2010 of the new consolidation accounting guidance which resulted in the consolidation of $35.0 billion of assets and $34.4 billion of liabilities in certain securitizations trusts. (See "Note 2 — Significant Accounting Policies" for a further discussion of the effect of adopting the new consolidation accounting guidance). The consolidation of these securitization trusts as of January 1, 2010 resulted in $998 million of additional net interest income and $355 million of additional provisions for loan losses for the year ended December 31, 2010. Excluding the effect of the trusts being consolidated as of January 1, 2010, net interest income increased $758 million from the year ended 2009 and provisions for loan losses decreased $55 million from the year ended 2009. The increase in net interest income, excluding the effect of the new consolidation accounting guidance, was primarily the result of an increase in the FFELP Loans net interest margin primarily due to an improvement in our funding costs, a 24 basis point tightening of the CP/LIBOR spread and the effect of not receiving hedge accounting treatment for derivatives used to economically hedge risk affecting net interest income. The decrease in the provisions for loan losses relates to the Private Education Loan loss provision, which decreased as a result of the improving performance of the portfolio.
- Securitization servicing and Residual Interest revenue was no longer recorded in fiscal year 2010 due to the adoption of the new consolidation accounting guidance; however, we recognized $295 million in the prior year.

- Gains on loans and investments, net, increased $41 million from the prior year primarily related to the gains on sales of additional FFELP Loans to ED as part of ED's Loan Purchase Commitment Program (the "Purchase Program"). These gains will not occur in the future as the Purchase Program ended in 2010.
- Losses on derivatives and hedging activities, net, declined by $243 million in 2010 compared with 2009, primarily due to interest rate and foreign currency fluctuations, which primarily affected the valuations of our Floor Income Contracts, basis swaps and foreign currency hedges during the period. Valuations of derivative instruments vary based upon many factors including changes in interest rates, credit risk, foreign currency fluctuations and other market factors. As a result, net gains and losses on derivatives and hedging activities may vary significantly in future periods.
- Servicing revenue decreased by $35 million primarily due to HCERA becoming effective as of July 1, 2010, thereby eliminating our ability to earn additional Guarantor issuance fees on new FFELP Loans, as well as to a decline in outstanding FFELP Loans for which we were earning additional fees.
- Contingency revenue increased $36 million primarily from increased collections on defaulted FFELP Loans.
- Gains on debt repurchases decreased $219 million year-over-year while the principal amount of debt repurchased increased to $4.9 billion, as compared with the $3.4 billion repurchased in fiscal year 2009. Debt repurchase activity will fluctuate based on market fundamentals and our liability management strategy.
- Other income declined by $82 million primarily due to a $71 million decrease in foreign currency translation gains. The foreign currency translation gains relate to a portion of our foreign currency denominated debt that does not receive hedge accounting treatment. These gains were partially offset by the "losses on derivative and hedging activities, net" line item on the income statement related to the derivatives used to economically hedge these debt instruments.
- Operating expenses, excluding restructuring-related asset impairments of $19 million in 2010, increased $146 million year-over-year primarily due to an increase in legal contingency expense, costs related to the ED Servicing Contract, higher collection and servicing costs from a higher number of loans in repayment and in delinquent status, and higher marketing and technology enhancement costs related to Private Education Loans.
- Goodwill and intangible asset impairment and amortization increased $623 million for the year ended December 31, 2010, primarily due to the $660 million of impairment recognized as a result of the passage of HCERA and its negative effects on the anticipated cash flows for certain of our reporting units and the reduced market values of these units. The amortization of acquired intangibles for continuing operations and for discontinued operations each remained relatively unchanged for the years ended December 31, 2010 and 2009, respectively. For additional discussion regarding the impairment of goodwill and intangible assets see "Note 5 — Goodwill and Acquired Intangible Assets."
- Restructuring expenses increased $69 million in the year ended December 31, 2010, which is a result of a $75 million increase in restructuring expenses in continuing operations partially offset by a $6 million decrease in restructuring expenses attributable to discontinued operations. The following details our ongoing restructuring efforts:
    - On March 30, 2010, President Obama signed into law H.R. 4872, HCERA, which included the SAFRA Act. Effective July 1, 2010, this legislation eliminated FFELP and requires all new federal loans to be made through the DSLP. The new law did not alter or affect the terms and conditions of existing FFELP Loans. We have and will continue to restructure our operations in response to this change in law which has and will continue to result in a significant reduction of operating costs due to the elimination of positions and facilities associated with the origination of FFELP Loans. Restructuring expenses associated with continuing operations under this restructuring plan were $83 million for the year ended December 31, 2010. We expect to incur an estimated $10 million of additional restructuring expenses.

- In response to the College Cost Reduction and Access Act of 2007 ("CCRAA") and challenges in the capital markets, we also initiated a restructuring plan in the fourth quarter of 2007. Under this ongoing plan, restructuring expenses associated with continuing operations of $2 million and $10 million were recognized in the years ended December 31, 2010 and 2009, respectively. This restructuring plan was essentially completed in the fourth quarter of 2009.

- Income tax expense from continuing operations increased $229 million for the year ended December 31, 2010 as compared with the prior year. The effective tax rates for fiscal years 2010 and 2009 were 45 percent and 33 percent, respectively. The change in the effective tax rate was primarily driven by the impact of non-deductible goodwill impairments recorded in 2010 and state tax rate changes recorded in both periods.

- Net loss from discontinued operations in the year ended December 31, 2010 was $67 million compared with a net loss from discontinued operations of $220 million for the year ended December 31, 2009. In the fourth quarter of 2009, we sold our Purchased Paper — Mortgage/Properties business for $280 million which resulted in an after-tax loss of $95 million. As a result of this sale, the results of operations of this business were presented in discontinued operations in the fourth quarter of 2009. In the fourth quarter of 2010, we began actively marketing our Purchased Paper — Non Mortgage business for sale and began presenting its results in discontinued operations. We recorded an after-tax loss of $52 million from discontinued operations in the fourth quarter of 2010, primarily due to adjusting the value of this business to its estimated fair value. We sold our Purchased Paper — Non-Mortgage business in the third quarter of 2011. Our Purchased Paper businesses are presented in discontinued operations for the current and prior periods. The additional losses for both years that are more than the losses discussed above relate to ongoing impairment recorded as a result of the weakened economy's effect on our ability to collect the receivables.

"Core Earnings" — Definition and Limitations

We prepare financial statements in accordance with GAAP. However, we also evaluate our business segments on a basis that differs from GAAP. We refer to this different basis of presentation as "Core Earnings". We provide this "Core Earnings" basis of presentation on a consolidated basis for each business segment because this is what we internally review when making management decisions regarding our performance and how we allocate resources. We also refer to this information in our presentations with credit rating agencies, lenders and investors. Because our "Core Earnings" basis of presentation corresponds to our segment financial presentations, we are required by GAAP to provide "Core Earnings" disclosure in the notes to our consolidated financial statements for our business segments. For additional information, see "Note 16 — Segment Reporting."

"Core Earnings" are not a substitute for reported results under GAAP. We use "Core Earnings" to manage each business segment because "Core Earnings" reflect adjustments to GAAP financial results for three items, discussed below, that create significant volatility mostly due to timing factors generally beyond the control of management. Accordingly, we believe that "Core Earnings" provide management with a useful basis from which to better evaluate results from ongoing operations against the business plan or against results from prior periods. Consequently, we disclose this information as we believe it provides investors with additional information regarding the operational and performance indicators that are most closely assessed by management. The three items adjusted for in our "Core Earnings" presentations are (1) our use of derivatives instruments to hedge our economic risks that do not qualify for hedge accounting treatment or do qualify for hedge accounting treatment but result in ineffectiveness (2) the accounting for goodwill and acquired intangible assets and (3) the off-balance sheet treatment of certain securitization transactions.

While GAAP provides a uniform, comprehensive basis of accounting, for the reasons described above, our "Core Earnings" basis of presentation does not. "Core Earnings" are subject to certain general and specific limitations that investors should carefully consider. For example, there is no comprehensive, authoritative guidance for management reporting. Our "Core Earnings" are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. Accordingly, our "Core Earnings" presentation does not represent a comprehensive basis of accounting. Investors, therefore, may not be able to compare our performance with that of other financial services companies based upon "Core Earnings." "Core Earnings" results are only meant to supplement GAAP results by providing additional information regarding the operational and performance indicators that are most closely used by management, our board of directors, rating agencies, lenders and investors to assess performance.

Specific adjustments that management makes to GAAP results to derive our "Core Earnings" basis of presentation are described in detail in the section entitled "'Core Earnings' — Definition and Limitations — Differences between 'Core Earnings' and GAAP" of this Item 7.

The following tables show "Core Earnings" for each business segment and our business as a whole along with the adjustments made to the income/expense items to reconcile the amounts to our reported GAAP results as required by GAAP and reported in "Note 16 — Segment Reporting."

(Dollars in millions)	Year Ended December 31, 2011							
	Consumer Lending	Business Services	FFELP Loans	Other	Eliminations[1]	Total "Core Earnings"	Adjustments[2]	Total GAAP
Interest income:								
Student loans	$ 2,429	$ —	$ 2,914	$ —	$ —	$ 5,343	$ 547	$5,890
Other loans	—	—	—	21	—	21	—	21
Cash and investments	9	11	5	5	(11)	19	—	19
Total interest income	2,438	11	2,919	26	(11)	5,383	547	5,930
Total interest expense	804	—	1,472	54	(11)	2,319	82	2,401
Net interest income	1,634	11	1,447	(28)	—	3,064	465	3,529
Less: provisions for loan losses	1,179	—	86	30	—	1,295	—	1,295
Net interest income after provisions for loan losses	455	11	1,361	(58)	—	1,769	465	2,234
Servicing revenue	64	970	85	1	(739)	381	—	381
Contingency revenue	—	333	—	—	—	333	—	333
Gains on debt repurchases	—	—	—	64	—	64	(26)	38
Other income (loss)	(9)	70	1	(9)	—	53	(979)	(926)
Total other income (loss)	55	1,373	86	56	(739)	831	(1,005)	(174)
Expenses:								
Direct operating expenses	304	482	760	12	(739)	819	—	819
Overhead expenses	—	—	—	281	—	281	—	281
Operating expenses	304	482	760	293	(739)	1,100	—	1,100
Goodwill and acquired intangible assets impairment and amortization	—	—	—	—	—	—	24	24
Restructuring expenses	3	3	1	2	—	9	—	9
Total expenses	307	485	761	295	(739)	1,109	24	1,133
Income (loss) from continuing operations, before income tax expense (benefit)	203	899	686	(297)	—	1,491	(564)	927
Income tax expense (benefit)[3]	75	330	252	(109)	—	548	(220)	328
Net income (loss) from continuing operations	128	569	434	(188)	—	943	(344)	599
Income from discontinued operations, net of taxes	—	—	—	33	—	33	—	33
Net income (loss)	128	569	434	(155)	—	976	(344)	632
Less: loss attributable to noncontrolling interest	—	(1)	—	—	—	(1)	—	(1)
Net income (loss) attributable to SLM Corporation	$ 128	$ 570	$ 434	$ (155)	$ —	$ 977	$ (344)	$ 633

(1) The eliminations in servicing revenue and direct operating expense represent the elimination of intercompany servicing revenue where the Business Services segment performs the loan servicing function for the FFELP Loans segment.

(2) "Core Earnings" adjustments to GAAP:

(Dollars in millions)	Year Ended December 31, 2011		
	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income after provisions for loan losses	$ 465	$ —	$ 465
Total other loss	(1,005)	—	(1,005)
Goodwill and acquired intangible assets impairment and amortization	—	24	24
Total "Core Earnings" adjustments to GAAP	$ (540)	$ (24)	(564)
Income tax benefit			(220)
Net loss			$ (344)

(3) Income taxes are based on a percentage of net income before tax for the individual reportable segment.

	Year Ended December 31, 2010							
(Dollars in millions)	Consumer Lending	Business Services	FFELP Loans	Other	Eliminations[1]	Total "Core Earnings"	Adjustments[2]	Total GAAP
Interest income:								
Student loans	$ 2,353	$ —	$ 2,766	$ —	$ —	$ 5,119	$ 579	$5,698
Other loans	—	—	—	30	—	30	—	30
Cash and investments	14	17	9	3	(17)	26	—	26
Total interest income	2,367	17	2,775	33	(17)	5,175	579	5,754
Total interest expense	758	—	1,407	45	(17)	2,193	82	2,275
Net interest income (loss)	1,609	17	1,368	(12)	—	2,982	497	3,479
Less: provisions for loan losses	1,298	—	98	23	—	1,419	—	1,419
Net interest income (loss) after provisions for loan losses	311	17	1,270	(35)	—	1,563	497	2,060
Servicing revenue	72	912	68	1	(648)	405	—	405
Contingency revenue	—	330	—	—	—	330	—	330
Gains on debt repurchases	—	—	—	317	—	317	—	317
Other income (loss)	—	51	320	13	—	384	(414)	(30)
Total other income	72	1,293	388	331	(648)	1,436	(414)	1,022
Expenses:								
Direct operating expenses	350	500	736	12	(648)	950	—	950
Overhead expenses	—	—	—	258	—	258	—	258
Operating expenses	350	500	736	270	(648)	1,208	—	1,208
Goodwill and acquired intangible assets impairment and amortization	—	—	—	—	—	—	699	699
Restructuring expenses	12	7	54	12	—	85	—	85
Total expenses	362	507	790	282	(648)	1,293	699	1,992
Income from continuing operations, before income tax expense	21	803	868	14	—	1,706	(616)	1,090
Income tax expense[3]	8	288	311	4	—	611	(118)	493
Net income from continuing operations	13	515	557	10	—	1,095	(498)	597
Loss from discontinued operations, net of taxes	—	—	—	(67)	—	(67)	—	(67)
Net income (loss)	$ 13	$ 515	$ 557	$ (57)	$ —	$ 1,028	$ (498)	$ 530

(1) The eliminations in servicing revenue and direct operating expense represent the elimination of intercompany servicing revenue where the Business Services segment performs the loan servicing function for the FFELP Loans segment.

(2) "Core Earnings" adjustments to GAAP:

	Year Ended December 31, 2010		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income after provisions for loan losses	$ 497	$ —	$ 497
Total other loss	(414)	—	(414)
Goodwill and acquired intangible assets impairment and amortization	—	699	699
Total "Core Earnings" adjustments to GAAP	$ 83	$ (699)	(616)
Income tax benefit			(118)
Net loss			$(498)

(3) Income taxes are based on a percentage of net income before tax for the individual reportable segment.

	Year Ended December 31, 2009							
(Dollars in millions)	Consumer Lending	Business Services	FFELP Loans	Other	Eliminations[1]	Total "Core Earnings"	Adjustments[2]	Total GAAP
Interest income:								
Student loans	$ 2,254	$ —	$ 3,252	$ —	$ —	$ 5,506	$ (830)	$4,676
Other loans	—	—	—	56	—	56	—	56
Cash and investments	13	20	26	(10)	(20)	29	(3)	26
Total interest income	2,267	20	3,278	46	(20)	5,591	(833)	4,758
Total interest expense	721	—	2,238	66	(20)	3,005	30	3,035
Net interest income (loss)	1,546	20	1,040	(20)	—	2,586	(863)	1,723
Less: provisions for loan losses	1,399	—	119	46	—	1,564	(445)	1,119
Net interest income (loss) after provisions for loan losses	147	20	921	(66)	—	1,022	(418)	604
Servicing revenue	70	954	75	—	(659)	440	—	440
Contingency revenue	—	294	—	—	—	294	—	294
Gains on debt repurchases	—	—	—	536	—	536	—	536
Other income	—	55	292	1	—	348	(285)	63
Total other income	70	1,303	367	537	(659)	1,618	(285)	1,333
Expenses:								
Direct operating expenses	265	440	754	6	(659)	806	—	806
Overhead expenses	—	—	—	237	—	237	—	237
Operating expenses	265	440	754	243	(659)	1,043	—	1,043
Goodwill and acquired intangible assets impairment and amortization	—	—	—	—	—	—	76	76
Restructuring expenses	2	2	8	(2)	—	10	—	10
Total expenses	267	442	762	241	(659)	1, 053	76	1,129
Income (loss) from continuing operations, before income tax expense (benefit)	(50)	881	526	230	—	1,587	(779)	808
Income tax expense (benefit)[3]	(18)	311	186	81	—	560	(296)	264
Net income (loss) from continuing operations	(32)	570	340	149	—	1,027	(483)	544
Loss from discontinued operations, net of taxes	—	—	—	(220)	—	(220)	—	(220)
Net income (loss)	$ (32)	$ 570	$ 340	$ (71)	$ —	$ 807	$ (483)	$ 324

(1) The eliminations in servicing revenue and direct operating expense represent the elimination of intercompany servicing revenue where the Business Services segment performs the loan servicing function for the FFELP Loans segment.

(2) "Core Earnings" adjustments to GAAP:

	Year Ended December 31, 2009			
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Net Impact of Securitization Accounting	Total
Net interest income (loss)	$ 78	$ —	$ (941)	$(863)
Less: provisions for loan losses	—	—	(445)	(445)
Net interest income (loss) after provisions for loan losses	78	—	(496)	(418)
Total other income (loss)	(580)	—	295	(285)
Goodwill and acquired intangible assets impairment and amortization	—	76	—	76
Total "Core Earnings" adjustments to GAAP	$ (502)	$ (76)	$ (201)	(779)
Income tax benefit				(296)
Net loss				$(483)

(3) Income taxes are based on a percentage of net income before tax for the individual reportable segment.

Differences between "Core Earnings" and GAAP

The three adjustments required to reconcile from our "Core Earnings" results to our GAAP results of operations relate to differing treatments for: (1) our use of derivatives instruments to hedge our economic risks that do not qualify for hedge accounting treatment or do qualify for hedge accounting treatment but result in ineffectiveness (2) the accounting for goodwill and acquired intangible assets and (3) the off-balance sheet treatment of certain securitization transactions. The following table reflects aggregate adjustments associated with these areas.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
"Core Earnings" adjustments to GAAP:			
Net impact of derivative accounting	$(540)	$ 83	$(502)
Net impact of goodwill and acquired intangibles	(24)	(699)	(76)
Net impact of securitization accounting	—	—	(201)
Net income tax effect	220	118	296
Total "Core Earnings" adjustments to GAAP	$(344)	$(498)	$(483)

1) **Derivative Accounting:** "Core Earnings" exclude periodic unrealized gains and losses that are caused primarily by the mark-to-market valuations on derivatives that do not qualify for hedge accounting treatment under GAAP. To a lesser extent, these periodic unrealized gains and losses are also a result of ineffectiveness recognized related to effective hedges. These unrealized gains and losses occur in our Consumer Lending, FFELP Loans and Other business segments. Under GAAP, for our derivatives that are held to maturity, the cumulative net unrealized gain or loss over the life of the contract will equal $0 except for Floor Income Contracts where the cumulative unrealized gain will equal the amount for which we sold the contract. In our "Core Earnings" presentation, we recognize the economic effect of these hedges, which generally results in any net settlement cash paid or received being recognized ratably as an interest expense or revenue over the hedged item's life.

The accounting for derivatives requires that changes in the fair value of derivative instruments be recognized currently in earnings, with no fair value adjustment of the hedged item, unless specific hedge accounting criteria are met. We believe that our derivatives are effective economic hedges, and as such, are a critical element of our interest rate and foreign currency risk management strategy. However, some of our derivatives, primarily Floor Income Contracts and certain basis swaps, do not qualify for hedge accounting treatment and the stand-alone derivative must be marked-to-market in the income statement with no consideration for the corresponding change in fair value of the hedged item. These gains and losses recorded in "Gains (losses) on derivative and hedging activities, net" are primarily caused by interest rate and foreign currency exchange rate volatility and changing credit spreads during the period as well as the volume and term of derivatives not receiving hedge accounting treatment.

Our Floor Income Contracts are written options that must meet more stringent requirements than other hedging relationships to achieve hedge effectiveness. Specifically, our Floor Income Contracts do not qualify for hedge accounting treatment because the pay down of principal of the student loans underlying the Floor Income embedded in those student loans does not exactly match the change in the notional amount of our written Floor Income Contracts. Additionally, the term and the interest rate index of the Floor Income Contract is different than that of the student loans. Under derivatives accounting treatment, the upfront payment is deemed a liability and changes in fair value are recorded through income throughout the life of the contract. The change in the value of Floor Income Contracts is primarily caused by changing interest rates that cause the amount of Floor Income earned on the underlying student loans and paid to the counterparties to vary. This is economically offset by the change in value of the student loan portfolio earning Floor Income but that offsetting change in value is not recognized. We believe the Floor Income Contracts are economic hedges because they effectively fix the amount of Floor Income earned over the contract period, thus eliminating the timing and uncertainty that changes

in interest rates can have on Floor Income for that period. Therefore, for purposes of "Core Earnings", we have removed the unrealized gains and losses related to these contracts and added back the amortization of the net premiums received on the Floor Income Contracts. The amortization of the net premiums received on the Floor Income Contracts for "Core Earnings" is reflected in student loan interest income. Under GAAP accounting, the premium received on the Floor Income Contracts is recorded as revenue in the "gains (losses) on derivatives and hedging activities, net" line item by the end of the contracts' life.

Basis swaps are used to convert floating rate debt from one floating interest rate index to another to better match the interest rate characteristics of the assets financed by that debt. We primarily use basis swaps to hedge our student loan assets that are primarily indexed to a commercial paper, Prime or Treasury bill index. In addition, we use basis swaps to convert debt indexed to the Consumer Price Index to three-month LIBOR debt. The accounting for derivatives requires that when using basis swaps, the change in the cash flows of the hedge effectively offset both the change in the cash flows of the asset and the change in the cash flows of the liability. Our basis swaps hedge variable interest rate risk; however, they generally do not meet this effectiveness test because the index of the swap does not exactly match the index of the hedged assets as required for hedge accounting treatment. Additionally, some of our FFELP Loans can earn at either a variable or a fixed interest rate depending on market interest rates and therefore swaps economically hedging these FFELP Loans do not meet the criteria for hedge accounting treatment. As a result, under GAAP, these swaps are recorded at fair value with changes in fair value reflected currently in the income statement.

The table below quantifies the adjustments for derivative accounting on our net income.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
"Core Earnings" derivative adjustments:			
Gains (losses) on derivative and hedging activities, net, included in other income[1]	$(959)	$(361)	$(604)
Plus: Realized losses on derivative and hedging activities, net[1]	806	815	322
Unrealized gains (losses) on derivative and hedging activities, net	(153)	454	(282)
Amortization of net premiums on Floor Income Contracts in net interest income for "Core Earnings"	(355)	(317)	(197)
Other pre-change in derivatives accounting adjustments	(32)	(54)	(23)
Total net impact derivative accounting[2]	$(540)	$ 83	$(502)

(1) See *"Reclassification of Realized Gains (Losses) on Derivative and Hedging Activities"* below for a detailed breakdown of the components of realized losses on derivative and hedging activities.

(2) Negative amounts are subtracted from "Core Earnings" to arrive at GAAP net income and positive amounts are added to "Core Earnings" to arrive at GAAP net income.

Reclassification of Realized Gains (Losses) on Derivative and Hedging Activities

Derivative accounting requires net settlement income/expense on derivatives and realized gains/losses related to derivative dispositions (collectively referred to as "realized gains (losses) on derivative and hedging activities") that do not qualify as hedges to be recorded in a separate income statement line item below net interest income. Under our "Core Earnings" presentation, these gains and losses are reclassified to the income statement line item of the economically hedged item. For our "Core Earnings" net interest margin, this would primarily include: (a) reclassifying the net settlement amounts related to our Floor Income Contracts to student loan interest income and (b) reclassifying the net settlement amounts related to certain of our basis swaps to debt interest expense. The table below summarizes the realized losses on derivative and hedging activities and the associated reclassification on a "Core Earnings" basis.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Reclassification of realized gains (losses) on derivative and hedging activities:			
Net settlement expense on Floor Income Contracts reclassified to net interest income	$(902)	$(888)	$(717)
Net settlement income (expense) on interest rate swaps reclassified to net interest income	71	69	412
Foreign exchange derivatives gains/(losses) reclassified to other income	—	—	(15)
Net realized gains (losses) on terminated derivative contracts reclassified to other income	25	4	(2)
Total reclassifications of realized (gains) losses on derivative and hedging activities	(806)	(815)	(322)
Add: Unrealized gains (losses) on derivative and hedging activities, net[1]	(153)	454	(282)
Gains (losses) on derivative and hedging activities, net	$(959)	$(361)	$(604)

(1) "Unrealized gains (losses) on derivative and hedging activities, net" comprises the following unrealized mark-to-market gains (losses):

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Floor Income Contracts	$ (267)	$156	$ 483
Basis swaps	104	341	(413)
Foreign currency hedges	(32)	(83)	(255)
Other	42	40	(97)
Total unrealized gains (losses) on derivative and hedging activities, net	$(153)	$454	$(282)

Cumulative Impact of Derivative Accounting under GAAP compared to "Core Earnings"

As of December 31, 2011, derivative accounting has reduced GAAP equity by approximately $1.0 billion as a result of approximately $1.0 billion (after-tax) of cumulative net unrealized net losses recognized for GAAP, but not in "Core Earnings." The following table rolls forward the cumulative impact to GAAP equity due to these unrealized net losses related to derivative accounting.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Beginning impact of derivative accounting on GAAP equity	$(676)	$(737)	$(452)
Net impact of net unrealized gains/(losses) under derivative accounting	(301)	61	(285)
Ending impact of derivative accounting on GAAP equity	$(977)	$(676)	$(737)

In addition, net Floor premiums received on Floor Income Contracts that have not been amortized into "Core Earnings" as of the respective year-ends are presented in the table below. These net premiums will be recognized in "Core Earnings" in future periods and are presented below net of tax. As of December 31, 2011, the remaining amortization term of the net floor premiums was approximately 4.5 years.

(Dollars in millions)	December 31, 2011	December 31, 2010	December 31, 2009
Unamortized net Floor premiums (net of tax)	$ (772)	$ (363)	$ (421)

2) **Goodwill and Acquired Intangibles:** Our "Core Earnings" exclude goodwill and intangible impairment and the amortization of acquired intangibles. The following table summarizes the goodwill and acquired intangible adjustments.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
"Core Earnings" goodwill and acquired intangibles adjustments:			
Goodwill and intangible impairment of acquired intangibles from continuing operations	$ —	$ (660)	$ (36)
Goodwill and intangible impairment of acquired intangibles from discontinued operations, net of tax	—	—	(1)
Amortization of acquired intangibles from continuing operations	(24)	(39)	(38)
Amortization of acquired intangibles from discontinued operations, net of tax	—	—	(1)
Total "Core Earnings" goodwill and acquired intangibles adjustments[1]	$ (24)	$ (699)	$ (76)

(1) Negative amounts are subtracted from "Core Earnings" to arrive at GAAP net income and positive amounts are added to "Core Earnings" to arrive at GAAP net income.

3) **Securitization Accounting:** On January 1, 2010, we adopted the new consolidation accounting guidance which consolidated our off-balance sheet securitization trusts. As a result, from 2010 forward, there is no longer a difference between our GAAP and "Core Earnings" presentation for securitization accounting. (See "Note 2 — Significant Accounting Policies" for further detail). Prior to the adoption of the new consolidation accounting guidance on January 1, 2010, certain securitization transactions in our FFELP Loans and Consumer Lending business segments were accounted for as sales of assets. Under "Core Earnings" for the FFELP Loans and Consumer Lending business segments, we present all securitization transactions as long-term non-recourse financings. The upfront "gains" on sale from securitization transactions, as well as ongoing "securitization servicing and Residual Interest revenue (loss)" presented in accordance with GAAP, were excluded from "Core Earnings" and were replaced by interest income, provisions for loan losses, and interest expense as earned or incurred on the securitization loans. The additional net interest margin included in "Core Earnings" contained any related fees or costs such as Consolidation Loan Rebate Fees, premium and discount amortization as well as any Repayment Borrower Benefit yield adjustments. We also excluded transactions with our off-balance sheet trusts from "Core Earnings" as they were considered intercompany transactions on a "Core Earnings" basis. While we believe that our "Core Earnings" presentation presents the economic substance of results from our loan portfolios, when compared to GAAP results, it understates earnings volatility from securitization gains, securitization servicing income and Residual Interest income.

The following table summarizes "Core Earnings" securitization adjustments for the Consumer Lending and FFELP Loans business segments for the year ended December 31, 2009.

(Dollars in millions)	Year Ended December 31, 2009
"Core Earnings" securitization adjustments:	
Net interest income on securitized loans, before provisions for loan losses and before intercompany transactions	$ (942)
Provisions for loan losses	445
Net interest income on securitized loans, after provisions for loan losses, before intercompany transactions	(497)
Intercompany transactions with off-balance sheet trusts	1
Net interest income on securitized loans, after provisions for loan losses	(496)
Securitization servicing and Residual Interest revenue	295
Total "Core Earnings" securitization adjustments[1]	$ (201)

(1) Negative amounts are subtracted from "Core Earnings" to arrive at GAAP net income and positive amounts are added to "Core Earnings" to arrive at GAAP net income.

Business Segment Earnings Summary — "Core Earnings" Basis

Consumer Lending Segment

The following table includes "Core Earnings" results for our Consumer Lending segment.

(Dollars in millions)	Years Ended December 31, 2011	2010	2009	% Increase (Decrease) 2011 vs. 2010	2010 vs. 2009
"Core Earnings" interest income:					
Private Education Loans	$2,429	$2,353	$2,254	3%	4%
Cash and investments	9	14	13	(36)	8
Total "Core Earnings" interest income	2,438	2,367	2,267	3	4
Total "Core Earnings" interest expense	804	758	721	6	5
Net "Core Earnings" interest income	1,634	1,609	1,546	2	4
Less: provisions for loan losses	1,179	1,298	1,399	(9)	(7)
Net "Core Earnings" interest income after provisions for loan losses	455	311	147	46	112
Servicing revenue	64	72	70	(11)	3
Other income (loss)	(9)	—	—	(100)	—
Total income	55	72	70	(24)	3
Direct operating expenses	304	350	265	(13)	32
Restructuring expenses	3	12	2	(75)	500
Total expenses	307	362	267	(15)	36
Income (loss) before income tax expense (benefit)	203	21	(50)	867	142
Income tax expense (benefit)	75	8	(18)	838	144
"Core Earnings" (loss)	$ 128	$ 13	$ (32)	885%	(141)%

"Core Earnings" were $128 million in 2011, compared with "Core Earnings" of $13 million in 2010. This increase was primarily the result of lower provision for loan losses and operating expenses.

Highlights compared to 2010 included:

- Loan originations increased to $2.7 billion, up 19 percent from $2.3 billion.
- The portfolio, net of loan loss allowance, totaled $36.3 billion at December 31, 2011, compared with $35.7 billion at December 31, 2010.
- Net interest margin, before loan loss provision, improved to 4.1 percent, up from 3.9 percent.
- Delinquencies of 90 days or more (as a percentage of loans in repayment) improved to 4.9 percent, compared with 5.3 percent.
- The annual charge-off rate (as a percentage of loans in repayment) improved to 3.7 percent, compared with 5.0 percent.

Consumer Lending Net Interest Margin

The following table shows the Consumer Lending "Core Earnings" net interest margin along with reconciliation to the GAAP-basis Consumer Lending net interest margin before provision for loan losses.

	Years Ended December 31,		
	2011	2010	2009
"Core Earnings" basis Private Education student loan yield	6.34%	6.15%	5.99%
Discount amortization	.23	.29	.26
"Core Earnings" basis Private Education Loan net yield	6.57	6.44	6.25
"Core Earnings" basis Private Education Loan cost of funds	(1.99)	(1.79)	(1.78)
"Core Earnings" basis Private Education Loan spread	4.58	4.65	4.47
"Core Earnings" basis other asset spread impact	(.49)	(.80)	(.62)
"Core Earnings" basis Consumer Lending net interest margin(1)	4.09%	3.85%	3.85%
"Core Earnings" basis Consumer Lending net interest margin(1)	4.09%	3.85%	3.85%
Adjustment for GAAP accounting treatment	(.08)	.02	(.16)
GAAP-basis Consumer Lending net interest margin(1)	4.01%	3.87%	3.69%

(1) The average balances of our Consumer Lending "Core Earnings" basis interest-earning assets for the respective periods are:

(Dollars in millions)			
Private Education Loans	$36,955	$36,534	$36,046
Other interest-earning assets	3,015	5,204	4,072
Total Consumer Lending "Core Earnings" basis interest-earning assets	$39,970	$41,738	$40,118

The increase in the "Core Earnings" basis Consumer Lending net interest margin for 2011 over the prior year was primarily due to the decline in the average balance of our other asset portfolio. The size of the other asset portfolio, which is primarily securitization trust restricted cash and cash held at the Bank, has decreased significantly. This other asset portfolio earns a negative yield and as a result, when its relative weighting decreases compared to the Private Education Loan portfolio, the overall net interest margin increases.

Private Education Loans Provision for Loan Losses and Charge-Offs

The following table summarizes the total Private Education Loans provisions for loan losses and charge-offs on both a GAAP-basis and a "Core Earnings" basis.

	Years Ended December 31,		
(Dollars in millions)	2011(1)	2010	2009
Private Education Loan provision for loan losses, GAAP	$1,179	$1,298	$ 967
Private Education Loan provision for loan losses, "Core Earnings" basis	$1,179	$1,298	$1,399
Private Education Loan charge-offs, GAAP	$1,072	$1,291	$ 876
Private Education Loan charge-offs, "Core Earnings" basis	$1,072	$1,291	$1,299

(1) We recorded an additional $124 million of provision for Private Education Loan losses in the third quarter of 2011 in connection with adopting new accounting rules related to troubled debt restructurings ("TDRs"). For a complete discussion of the effect of these new rules on our provision for Private Education Loan losses, see "Critical Accounting Policies and Estimates — Allowance for Loan Losses".

In establishing the allowance for Private Education Loan losses as of December 31, 2011, we considered several factors with respect to our Private Education Loan portfolio. In particular, we continue to see improving credit quality and continuing positive delinquency and charge-off trends in connection with this portfolio. Improving credit quality is seen in higher FICO scores and cosigner rates, as well as a more seasoned portfolio compared with the previous year. The delinquency rate has declined to 10.1 percent from 10.6 percent and the charge-off rate has declined to 3.7 percent from 5.0 percent compared with the previous year.

Apart from these overall improvements in credit quality, delinquency and charge-off trends, Private Education Loans which defaulted between 2008 and 2011 for which we have previously charged off estimated losses have, to varying degrees, not met our post-default recovery expectations to date and may continue not to do so. We have been charging off these periodic shortfalls in expected recoveries against our allowance for Private Education Loan losses and the related receivable for partially charged-off Private Education Loans and we will continue to do so. Differences in actual future recoveries on these defaulted loans could affect our receivable for partially charged-off Private Education Loans. In the third quarter of 2011, we increased our provision for Private Education Loan losses for the quarter in the amount of $143 million to reflect these uncertainties. Continuing historically high unemployment rates may negatively affect future Private Education Loan default and recovery expectations over our estimated two-year loss confirmation period. Consequently, we have also given consideration to these factors in projecting charge-offs for this period and establishing our allowance for Private Education Loan losses. We will continue to monitor defaults and recoveries in light of the continuing weak economy and high unemployment rates. For a more detailed discussion of our policy for determining the collectability of Private Education Loan and maintaining our allowance for Private Education Loan losses, see “Critical Accounting Policies and Estimates—Allowance for Loan Losses.”

Servicing Revenue and Other Income — Consumer Lending Segment

Servicing revenue for our Consumer Lending segment primarily includes late fees and forbearance fees. For the years ended December 31, 2011, 2010 and 2009, servicing revenue for our Consumer Lending segment totaled $64 million, $72 million and $70 million, respectively. Included in other income for the year ended December 31, 2011 was a $9 million mark-to-market loss related to classifying our entire $12 million portfolio of non-U.S. dollar-denominated student loans as held-for-sale.

Operating Expenses — Consumer Lending Segment

Operating expenses for our Consumer Lending segment include costs incurred to originate Private Education Loans and to service and collect on our Private Education Loan portfolio. For the years ended December 31, 2011, 2010 and 2009, operating expenses for our Consumer Lending segment totaled $304 million, $350 million and $265 million, respectively.

2011 versus 2010

The decrease in operating expenses in the year ended December 31, 2011 compared with the year-ago period was primarily the result of our cost cutting initiatives. Operating expenses, excluding restructuring-related asset impairments, were 82 basis points and 96 basis points of average Private Education Loans in the years ended December 31, 2011 and 2010, respectively.

2010 versus 2009

Operating expenses increased $85 million from 2009, primarily as the result of a non-recurring $11 million benefit in 2009 related to reversing a contingency reserve, an increase in collection and servicing costs from a higher number of loans in repayment and delinquency status and higher marketing and technology enhancement costs related to Private Education Loans in 2010. Operating expenses, excluding restructuring-related asset impairments, were 96 basis points and 74 basis points, respectively, of average “Core Earnings” basis Private Education Loans in the years ended December 31, 2010 and 2009.

Business Services Segment

The following tables include "Core Earnings" results for our Business Services segment.

(Dollars in millions)	Years Ended December 31, 2011	2010	2009	% Increase (Decrease) 2011 vs. 2010	2010 vs. 2009
Net interest income after provision	$ 11	$ 17	$ 20	(35)%	(15)%
Servicing revenue:					
Intercompany loan servicing	739	648	659	14	(2)
Third-party loan servicing	82	77	53	6	45
Guarantor servicing	52	93	152	(44)	(39)
Other servicing	97	94	90	3	4
Total servicing revenue	970	912	954	6	(4)
Contingency revenue	333	330	294	1	12
Other Business Services revenue	70	51	55	37	(7)
Total other income	1,373	1,293	1,303	6	(1)
Direct operating expenses	482	500	440	(4)	14
Restructuring expenses	3	7	2	(57)	250
Total expenses	485	507	442	(4)	15
Income from continuing operations, before income tax expense	899	803	881	12	(9)
Income tax expense	330	288	311	15	(7)
"Core Earnings"	569	515	570	10	(10)
Less: net loss attributable to noncontrolling interest	(1)	—	—	(100)	—
"Core Earnings" attributable to SLM Corporation	$ 570	$ 515	$ 570	11%	(10)%

"Core Earnings" were $570 million for the year ended December 31, 2011, compared to $515 million in the year-ago period. The improvement was primarily driven by the acquisition of existing FFELP Loans from other lenders, including $25 billion acquired in the fourth quarter of 2010.

Our Business Services segment earns intercompany loan servicing fees from servicing the FFELP Loans in our FFELP Loans segment. The average balance of this portfolio was $141 billion, $128 billion and $135 billion for the years ended December 31, 2011, 2010 and 2009, respectively. The increase in intercompany loan servicing revenue from the year-ago periods is primarily the result of the acquisition of an existing $25 billion FFELP Loan portfolio on December 31, 2010 partially offset by amortization of the underlying portfolio and FFELP Loans sold to ED as part of ED's Purchase Program in 2010.

We are servicing approximately 3.6 million accounts under the ED Servicing Contract as of December 31, 2011. Third-party loan servicing fees in the years ended December 31, 2011 and 2010 included $63 million and $44 million, respectively, of servicing revenue related to the ED Servicing Contract. Our allocation of loans awarded for servicing under the ED contract increased from 22 percent to 26 percent for the contract year ending August 2012. The increase was driven primarily by our top ranking for default prevention performance results.

The decrease in Guarantor servicing revenue compared with the year-ago periods was primarily due to the elimination of FFELP in 2010, thereby eliminating any new Guarantor issuance fees we could earn. Outstanding FFELP Loans on which we earn additional fees also declined.

Other servicing revenue includes account asset servicing revenue and Campus Solutions revenue. Account asset servicing revenue represents fees earned on program management, transfer and servicing agent services and

administration services for our various 529 college-savings plans. Assets under administration in our 529 college savings plans totaled $37.5 billion as of December 31, 2011, a 9 percent increase from 2010. Campus Solutions revenue is earned from our Campus Solutions business whose services include comprehensive transaction processing solutions and associated technology that we provide to college financial aid offices and students to streamline the financial aid process.

The following table presents the outstanding inventory of contingent collections receivables that our Business Services segment will collect on behalf of others. We expect the inventory of contingent collections receivables to decline over time as a result of the elimination of FFELP.

	December 31,		
(Dollars in millions)	2011	2010	2009
Contingency:			
Student loans	$11,553	$10,362	$ 8,762
Other	2,017	1,730	1,262
Total	$13,570	$12,092	$10,024

Other Business Services revenue is primarily transaction fees that are earned in conjunction with our rewards program from participating companies based on member purchase activity, either online or in stores, depending on the contractual arrangement with the participating company. Typically, a percentage of the purchase price of the consumer members' eligible purchases with participating companies is set aside in an account maintained by us on behalf of our members. In fourth quarter 2011, we terminated our credit card affiliation program with a third-party bank and concurrently entered into an affiliation program with a new bank. In terminating the old program we recognized a $25 million gain which primarily represented prior cash advances we received that were previously recorded as deferred revenue.

Revenues related to services performed on FFELP Loans accounted for 76 percent, 78 percent and 79 percent of total segment revenues for the years ended December 31, 2011, 2010 and 2009, respectively.

In 2011, we launched Sallie Mae Insurance Services, which offers directly to college students and higher education institutions tuition, renters' and student health insurance. We also include a Tuition Insurance Benefit with our Smart Option Student Loan.

On September 1, 2011, we acquired SC Services & Associates, Inc., a provider of collections services to local governments and courts. This acquisition enhances and complements our other contingency collection businesses.

Operating Expenses — Business Services Segment

For the years ended December 31, 2011, 2010 and 2009, operating expenses for the Business Services segment totaled $482 million, $500 million and $440 million, respectively.

2011 versus 2010

Operating expenses for 2011 decreased from 2010, primarily as a result of our cost cutting initiatives. Included in operating expenses for the year ended December 31, 2011 is approximately $33 million in third-party servicing costs associated with our acquisition of $25 billion of existing FFELP Loans at the end of 2010. During third-quarter 2011, we began transitioning these loans to our own servicing platform and completed the transfer in October 2011. With the portfolio fully transitioned, the servicing costs associated with these loans will be significantly less in 2012.

2010 versus 2009

Operating expenses increased $60 million from 2009 to 2010 primarily due to higher technology and other expenses related to preparation for higher volumes for the ED Servicing Contract as well as an increase in legal contingency expenses.

FFELP Loans Segment

The following table includes "Core Earnings" results for our FFELP Loans segment.

	Years Ended December 31,			% Increase (Decrease)	
(Dollars in millions)	2011	2010	2009	2011 vs. 2010	2010 vs. 2009
"Core Earnings" interest income:					
FFELP Loans	$2,914	$2,766	$3,252	5%	(15)%
Cash and investments	5	9	26	(44)	(65)
Total "Core Earnings" interest income	2,919	2,775	3,278	5	(15)
Total "Core Earnings" interest expense	1,472	1,407	2,238	5	(37)
Net "Core Earnings" interest income	1,447	1,368	1,040	6	32
Less: provisions for loan losses	86	98	119	(12)	(18)
Net "Core Earnings" interest income after provisions for loan losses	1,361	1,270	921	7	38
Servicing revenue	85	68	75	25	(9)
Other income	1	320	292	(100)	10
Total other income	86	388	367	(78)	6
Direct operating expenses	760	736	754	3	(2)
Restructuring expenses	1	54	8	(98)	575
Total expenses	761	790	762	(4)	4
Income from continuing operations, before income tax expense	686	868	526	(21)	65
Income tax expense	252	311	186	(19)	67
"Core Earnings"	$ 434	$ 557	$ 340	(22)%	64%

"Core Earnings" from the FFELP Loans segment were $434 million in fiscal year 2011, compared with $557 million in the year-ago period. The prior year had a $321 million gain from the sale of loans. Key financial measures include:

- Net interest margin of .98 percent in the year ended December 31, 2011 compared with .93 percent in the year-ago period.
- The provision for loan losses of $86 million in the year ended December 31, 2011 decreased from $98 million in the year-ago period.

FFELP Loans Net Interest Margin

The following table shows the FFELP Loans "Core Earnings" net interest margin along with reconciliation to the GAAP-basis FFELP Loans net interest margin.

	Years Ended December 31,		
	2011	2010	2009
"Core Earnings" basis FFELP student loan yield	2.59%	2.57%	2.68%
Hedged Floor Income	.25	.23	.14
Unhedged Floor Income	.12	.02	.22
Consolidation Loan Rebate Fees	(.65)	(.59)	(.59)
Repayment Borrower Benefits	(.12)	(.10)	(.11)
Premium amortization	(.15)	(.18)	(.17)
"Core Earnings" basis FFELP student loan net yield	2.04	1.95	2.17
"Core Earnings" basis FFELP student loan cost of funds	(.98)	(.93)	(1.44)
"Core Earnings" basis FFELP student loan spread	1.06	1.02	.73
"Core Earnings" basis FFELP other asset spread impact	(.08)	(.09)	(.06)
"Core Earnings" basis FFELP Loans net interest margin(1)	.98%	.93%	.67%
"Core Earnings" basis FFELP Loans net interest margin(1)	.98%	.93%	.67%
Adjustment for GAAP accounting treatment	.34	.33	(.08)
GAAP-basis FFELP Loans net interest margin	1.32%	1.26%	.59%

(1) The average balances of our FFELP "Core Earnings" basis interest-earning assets for the respective periods are:

(Dollars in millions)			
FFELP Loans	$ 143,109	$ 142,043	$ 150,059
Other interest-earning assets	5,194	5,562	5,126
Total FFELP "Core Earnings" basis interest-earning assets	$ 148,303	$ 147,605	$ 155,185

The increase in the "Core Earnings" basis FFELP Loans net interest margin of 5 basis points for 2011 compared with 2010 was primarily the result of an increase in Floor Income due to lower interest rates.

The "Core Earnings" basis FFELP Loans net interest margin for 2010 increased by 26 basis points from 2009. This was primarily the result of a significant reduction in the cost of our ABCP Facility, a 24 basis point improvement in the CP/LIBOR Spread and a significantly higher margin on the loans within the ED's Loan Participation Purchase Program (the "Participation Program") facility compared with the prior year.

As of December 31, 2011, our FFELP Loan portfolio totaled approximately $138.1 billion, comprised of $50.4 billion of FFELP Stafford and $87.7 billion of FFELP Consolidation Loans. The weighted-average life of these portfolios is 5.0 years and 9.2 years, respectively, assuming a Constant Prepayment Rate ("CPR") of 5 percent and 3 percent, respectively.

On December 23, 2011, the President signed the Consolidated Appropriations Act of 2012 into law. This law includes changes that permit FFELP lenders or beneficial holders to change the index on which the Special Allowance Payments ("SAP") are calculated for FFELP Loans first disbursed on or after January 1, 2000. The law allows holders to elect to move the index from the Commercial Paper ("CP") Rate to the one-month LIBOR rate. Such elections must be made by April 1, 2012. As of December 31, 2011, we had $130 billion of loans where we intend to elect the change. This change will help us to better match lender payments with our financing costs. We currently expect the new formula to be developed and available for use in the second quarter of 2012.

During the fourth-quarter 2011, the Administration announced a Special Direct Consolidation Loan Initiative. The initiative provides an incentive to borrowers who have at least one student loan owned by the Department of Education and at least one held by a FFELP lender to consolidate the FFELP lender's loans into the Direct Loan program by providing a 0.25 percentage point interest rate reduction on the FFELP loans that are eligible for consolidation. The program is available from January 17, 2012 through June 30, 2012. We currently do not foresee the initiative having a significant impact on our FFELP segment.

On December 31, 2010, we closed on our agreement to purchase an interest in $26.1 billion of securitized federal student loans and related assets from the Student Loan Corporation ("SLC"), a subsidiary of Citibank, N.A. The purchase price was approximately $1.1 billion and included the residual interest in 13 of SLC's 14 FFELP loan securitizations and its interest in SLC Funding Note Issuer. We service these assets and administer the securitization trusts. Because we have determined that we are the primary beneficiary of these trusts we have consolidated these trusts onto our balance sheet.

Floor Income

The following table analyzes the ability of the FFELP Loans in our portfolio to earn Floor Income after December 31, 2011 and 2010, based on interest rates as of those dates.

	December 31, 2011			December 31, 2010		
(Dollars in billions)	Fixed Borrower Rate	Variable Borrower Rate	Total	Fixed Borrower Rate	Variable Borrower Rate	Total
Student loans eligible to earn Floor Income	$ 118.3	$ 17.7	$136.0	$ 124.5	$ 21.0	$145.5
Less: post-March 31, 2006 disbursed loans required to rebate Floor Income	(62.7)	(1.2)	(63.9)	(66.1)	(1.3)	(67.4)
Less: economically hedged Floor Income Contracts	(41.5)	—	(41.5)	(39.2)	—	(39.2)
Student loans eligible to earn Floor Income	$ 14.1	$ 16.5	$ 30.6	$ 19.2	$ 19.7	$ 38.9
Student loans earning Floor Income	$ 14.1	$ 2.3	$ 16.4	$ 19.2	$ 1.3	$ 20.5

We have sold the above referenced Floor Income contracts to economically hedge the potential Floor Income from specifically identified pools of FFELP Consolidation Loans that are eligible to earn Floor Income.

The following table presents a projection of the average balance of FFELP Consolidation Loans for which Fixed Rate Floor Income has been economically hedged through the sale of Floor Income Contracts for the period January 1, 2012 to June 30, 2016. The Floor Income Contracts related to these loans do not qualify as effective hedges under GAAP accounting.

	Years Ended December 31,				
(Dollars in billions)	2012	2013	2014	2015	2016
Average balance of FFELP Consolidation Loans whose Floor Income is economically hedged	$38.3	$32.6	$28.3	$27.2	$10.4

FFELP Loans Provision for Loan Losses and Charge-Offs

The following table summarizes the total FFELP Loan provision for loan losses and charge-offs on both a GAAP-basis and a "Core Earnings" basis.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
FFELP Loan provision for loan losses, GAAP	$ 86	$ 98	$ 106
FFELP Loan provision for loan losses, "Core Earnings" basis	$ 86	$ 98	$ 119
FFELP Loan charge-offs, GAAP	$ 78	$ 87	$ 79
FFELP Loan charge-offs, "Core Earnings" basis	$ 78	$ 87	$ 94

Servicing Revenue and Other Income — FFELP Loans Segment

The following table summarizes the components of "Core Earnings" other income for our FFELP Loans segment.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Servicing revenue	$ 85	$ 68	$ 75
Gains on loans and investments, net	—	325	284
Other	1	(5)	8
Total other income, net	$ 86	$ 388	$ 367

Servicing revenue for our FFELP Loans segment primarily consists of borrower late fees.

The gains on loans and investments in 2010 and 2009 related primarily to the sale of $20.4 billion and $18.5 billion loans, respectively, of FFELP Loans to ED as part of the ED Purchase Program.

Operating Expenses — FFELP Loans Segment

Operating expenses for our FFELP Loans segment primarily include the contractual rates we pay to service loans in term asset-backed securitization trusts or a similar rate if a loan is not in a term financing facility (which is presented as an intercompany charge from the Business Services segment who services the loans), the fees we pay for third-party loan servicing and costs incurred to acquire loans. The intercompany revenue charged from the Business Services segment and included in those amounts was $739 million, $648 million and $659 million for the years ended December 31, 2011, 2010 and 2009, respectively. These amounts exceed the actual cost of servicing the loans.

2011 versus 2010

The increase in operating expenses from the prior year was primarily the result of the increase in servicing costs related to the $25 billion loan portfolio acquisition on December 31, 2010. Operating expenses, excluding restructuring-related asset impairments, were 53 basis points and 51 basis points of average FFELP Loans in the years ended December 31, 2011 and 2010, respectively.

2010 versus 2009

Operating expenses decreased $18 million from the prior year, primarily due to the effect of our cost cutting initiative in connection with the passage of HCERA. This was partially offset by a one-time fee paid to acquire

the SLC portfolio, an increase in legal contingency expenses and costs related to closing and selling two loan originations centers in 2010. Operating expenses, excluding restructuring-related asset impairments, were 51 basis points and 50 basis points of average "Core Earnings" basis FFELP Loans in the years ended December 31, 2010 and 2009, respectively.

Other Segment

The Other segment primarily consists of the financial results related to the repurchase of debt, the corporate liquidity portfolio and all overhead. We also include results from smaller wind-down and discontinued operations within this segment. These are the Purchased Paper businesses and mortgage and other loan businesses. The Other segment includes our remaining businesses that do not pertain directly to the primary segments identified above. Overhead expenses include costs related to executive management, the board of directors, accounting, finance, legal, human resources, stock-based compensation expense and certain information technology costs related to infrastructure and operations.

The following table includes "Core Earnings" results for our Other segment.

	Years Ended December 31,			% Increase (Decrease)	
(Dollars in millions)	2011	2010	2009	2011 vs. 2010	2010 vs. 2009
Net interest loss after provision	$ (58)	$ (35)	$ (66)	66%	(47)%
Gains on debt repurchases	64	317	536	(80)	(41)
Other	(8)	14	1	(157)	1,300
Total income	56	331	537	(83)	(38)
Direct operating expenses	13	12	6	8	100
Overhead expenses:					
Corporate overhead	163	128	138	27	(7)
Unallocated information technology costs	117	130	99	(10)	31
Total overhead expenses	280	258	237	9	9
Total operating expenses	293	270	243	9	11
Restructuring expenses	2	12	(2)	(83)	700
Total expenses	295	282	241	5	17
Income (loss) from continuing operations, before income tax expense (benefit)	(297)	14	230	(2,221)	(94)
Income tax expense (benefit)	(109)	4	81	(2,825)	(95)
Net income (loss) from continuing operations	(188)	10	149	(1,980)	(93)
Income (loss) from discontinued operations, net of tax	33	(67)	(220)	149	(70)
"Core Earnings" net loss	$(155)	$ (57)	$ (71)	172%	(20)%

Purchased Paper Business

Our Purchased Paper businesses are presented as discontinued operations for the current and prior periods (see "Consolidated Earnings Summary — GAAP-basis" for a further discussion). We sold our Purchased Paper — Non-Mortgage business, resulting in a $23 million after-tax gain, in the third quarter of 2011.

Gains on Debt Repurchases

We began repurchasing our outstanding debt in the second quarter of 2008. We repurchased $894 million, $4.9 billion and $3.4 billion face amount of our senior unsecured notes in 2011, 2010 and 2009, respectively. Since the second quarter of 2008, we repurchased $11.1 billion face amount of our senior unsecured notes in the aggregate, with maturity dates ranging from 2008 to 2016.

Other Income

2011 had $26 million of impairment recorded related to our investments in leveraged leases. The impairment was primarily related to American Airlines filing for bankruptcy in the fourth quarter of 2011. As a result of their bankruptcy filing we fully impaired our related leveraged lease investments. We also have $13 million in operating leases at December 31, 2011 with American Airlines which we have determined are not impaired. As of December 31, 2011, our total remaining investment in airline leases is $40 million.

Overhead

Corporate overhead is comprised of costs related to executive management, the board of directors, accounting, finance, legal, human resources and stock-based compensation expense. Unallocated information technology costs are related to infrastructure and operations.

2011 versus 2010

The increase in overhead from 2010 to 2011 was primarily the result of a change in the terms of our stock-based compensation plans, additional expense related to the termination of our defined benefit pension plan, and restructuring-related consulting expenses incurred in the first half of 2011. In the first quarter of 2011, we changed our stock-based compensation plans so that retirement eligible employees would not forfeit unvested stock-based compensation upon their retirement. This change had the effect of accelerating the future stock-based compensation expenses associated with these unvested stock grants into the current period for those retirement-eligible employees. We also recognized $16 million of additional expense in 2011 related to the termination of our defined benefit pension plan due to changes in estimates related to the employee termination benefits as well as changes in interest rates.

2010 versus 2009

Operating expenses increased $27 million from 2009 to 2010. This increase in corporate overhead was primarily attributable to increased technology costs associated with disaster recovery modernization, enterprise architecture and information security upgrades.

Financial Condition

This section provides additional information regarding the changes related to our loan portfolio assets and related liabilities as well as credit performance indicators related to our loan portfolio. Many of these disclosures will show both GAAP-basis as well as “Core Earnings” basis disclosures. Because certain trusts were not consolidated prior to the adoption of the new consolidation accounting guidance on January 1, 2010, these trusts were treated as off-balance sheet for GAAP purposes but we considered them on-balance sheet for “Core Earnings” purposes. Subsequent to the adoption of the new consolidation accounting guidance on January 1, 2010, this difference no longer exists because all of our trusts are treated as on-balance sheet for GAAP purposes. Below and elsewhere in the document, “Core Earnings” basis disclosures include all historically (pre-January 1, 2010) off-balance sheet trusts as though they were on-balance sheet. We believe that providing “Core Earnings” basis disclosures is meaningful because when we evaluate the performance and risk characteristics of the Company we have always considered the effect of any off-balance sheet trusts as though they were on-balance sheet.

Average Balance Sheets — GAAP

The following table reflects the rates earned on interest-earning assets and paid on interest-bearing liabilities and reflects our net interest margin on a consolidated basis.

	Years Ended December 31,					
	2011		2010		2009	
(Dollars in millions)	Balance	Rate	Balance	Rate	Balance	Rate
Average Assets						
FFELP Loans	$143,109	2.42%	$142,043	2.36%	$128,538	2.41%
Private Education Loans	36,955	6.57	36,534	6.44	23,154	6.83
Other loans	233	9.16	323	9.20	561	9.98
Cash and investments	10,636	.18	12,729	.20	11,046	.24
Total interest-earning assets	190,933	3.11%	191,629	3.00%	163,299	2.91%
Non-interest-earning assets	5,308		5,931		8,693	
Total assets	$196,241		$197,560		$171,992	
Average Liabilities and Equity						
Short-term borrowings	$ 31,413	.89%	$ 38,634	.86%	$ 44,485	1.84%
Long-term borrowings	156,151	1.36	150,768	1.29	118,699	1.87
Total interest-bearing liabilities	187,564	1.28%	189,402	1.20%	163,184	1.86%
Non-interest-bearing liabilities	3,679		3,280		3,719	
Equity	4,998		4,878		5,089	
Total liabilities and equity	$196,241		$197,560		$171,992	
Net interest margin		1.85%		1.82%		1.05%

Rate/Volume Analysis — GAAP

The following rate/volume analysis shows the relative contribution of changes in interest rates and asset volumes.

	Increase	Change Due To[1]	
(Dollars in millions)	(Decrease)	Rate	Volume
2011 vs. 2010			
Interest income	$ 176	$ 197	$ (21)
Interest expense	126	149	(23)
Net interest income	$ 50	$ 63	$ (13)
2010 vs. 2009			
Interest income	$ 996	$ 149	$ 847
Interest expense	(760)	(1,194)	434
Net interest income	$ 1,756	$ 1,416	$ 340

(1) Changes in income and expense due to both rate and volume have been allocated in proportion to the relationship of the absolute dollar amounts of the change in each. The changes in income and expense are calculated independently for each line in the table. The totals for the rate and volume columns are not the sum of the individual lines.

Summary of our Student Loan Portfolio

Ending Student Loan Balances, net

(Dollars in millions)	December 31, 2011 FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total
Total student loan portfolio:					
In-school[1]	$ 3,100	$ —	$ 3,100	$ 2,263	$ 5,363
Grace, repayment and other[2]	46,618	86,925	133,543	35,830	169,373
Total, gross	49,718	86,925	136,643	38,093	174,736
Unamortized premium/(discount)	839	835	1,674	(873)	801
Receivable for partially charged-off loans	—	—	—	1,241	1,241
Allowance for losses	(117)	(70)	(187)	(2,171)	(2,358)
Total student loan portfolio	$ 50,440	$ 87,690	$138,130	$36,290	$174,420
% of total FFELP	37%	63%	100%		
% of total	29%	50%	79%	21%	100%

(Dollars in millions)	December 31, 2010 FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Private Education Loans	Total
Total student loan portfolio:					
In-school[1]	$ 6,333	$ —	$ 6,333	$ 3,752	$ 10,085
Grace, repayment and other[2]	49,068	91,537	140,605	33,780	174,385
Total, gross	55,401	91,537	146,938	37,532	184,470
Unamortized premium/(discount)	971	929	1,900	(894)	1,006
Receivable for partially charged-off loans	—	—	—	1,040	1,040
Allowance for losses	(120)	(69)	(189)	(2,022)	(2,211)
Total student loan portfolio	$ 56,252	$ 92,397	$148,649	$35,656	$184,305
% of FFELP	38%	62%	100%		
% of total	31%	50%	81%	19%	100%

(1) Loans for borrowers still attending school and are not yet required to make payments on the loan.

(2) Includes loans in deferment or forbearance.

Average Student Loan Balances (net of unamortized premium/discount)

(Dollars in millions)	Year Ended December 31, 2011 FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Private Education Loans	Total
Total[1]	$ 53,163	$ 89,946	$143,109	$36,955	$180,064
% of FFELP	37%	63%	100%		
% of total	29%	50%	79%	21%	100%

(Dollars in millions)	Year Ended December 31, 2010 FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Private Education Loans	Total
Total[1]	$ 61,034	$ 81,009	$142,043	$36,534	$178,577
% of FFELP	43%	57%	100%		
% of total	34%	46%	80%	20%	100%

(Dollars in millions)	Year Ended December 31, 2009 FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Private Education Loans	Total
GAAP-basis	$ 58,492	$ 70,046	$128,538	$23,154	$151,692
Off-balance sheet	6,365	15,156	21,521	12,892	34,413
Total “Core Earnings” basis	$ 64,857	$ 85,202	$150,059	$36,046	$186,105
% of GAAP-basis FFELP	46%	54%	100%		
% of “Core Earnings” basis FFELP	43%	57%	100%		
% of total	35%	46%	81%	19%	100%

(1) Upon the adoption of the new consolidation accounting guidance on January 1, 2010, we consolidated all of our off-balance sheet securitization trusts.

Student Loan Activity

(Dollars in millions)	Year Ended December 31, 2011				
	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Total Private Education Loans	Total Portfolio
Beginning balance	$ 56,252	$ 92,397	$148,649	$35,656	$184,305
Acquisitions and originations	814	802	1,616	2,942	4,558
Capitalized interest and premium/discount amortization	1,506	1,535	3,041	1,269	4,310
Consolidations to third parties	(2,741)	(1,058)	(3,799)	(69)	(3,868)
Sales	(754)	—	(754)	—	(754)
Repayments/defaults/other	(4,637)	(5,986)	(10,623)	(3,508)	(14,131)
Ending balance	$ 50,440	$ 87,690	$138,130	$36,290	$174,420

(Dollars in millions)	Year Ended December 31, 2010				
	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Total Private Education Loans	Total Portfolio
Beginning balance — GAAP-basis	$ 52,675	$ 68,379	$121,054	$22,753	$143,807
Consolidation of off-balance sheet loans[1]	5,500	14,797	20,297	12,341	32,638
Beginning balance — total portfolio	58,175	83,176	141,351	35,094	176,445
Acquisitions and originations	14,349	76	14,425	2,434	16,859
Capitalized interest and premium/discount amortization	1,324	1,357	2,681	1,462	4,143
Consolidations to third parties	(2,092)	(793)	(2,885)	(46)	(2,931)
Loan acquisition on December 31, 2010	11,237	13,652	24,889	—	24,889
Sales	(21,054)	(71)	(21,125)	—	(21,125)
Repayments/defaults/other	(5,687)	(5,000)	(10,687)	(3,288)	(13,975)
Ending balance	$ 56,252	$ 92,397	$148,649	$35,656	$184,305

(1) On January 1, 2010, upon adoption of the new consolidation accounting guidance, all off-balance sheet loans are included in the GAAP-basis.

(Dollars in millions)	GAAP-Basis Year Ended December 31, 2009				
	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Total Private Education Loans	Total On-Balance Sheet Portfolio
Beginning balance	$ 52,476	$ 71,744	$124,220	$20,582	$ 144,802
Consolidations to third parties	(1,113)	(518)	(1,631)	(8)	(1,639)
Acquisitions and originations[1]	25,677	1,150	26,827	4,343	31,170
Net acquisitions and originations	24,564	632	25,196	4,335	29,531
Securitization-related[2]	645	—	645	—	645
Sales	(19,300)	—	(19,300)	—	(19,300)
Repayments/defaults/resales/other	(5,710)	(3,997)	(9,707)	(2,164)	(11,871)
Ending balance	$ 52,675	$ 68,379	$121,054	$22,753	$ 143,807

(Dollars in millions)	Off-Balance Sheet Year Ended December 31, 2009				
	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Total Private Education Loans	Total Off-Balance Sheet Portfolio
Beginning balance	$ 7,143	$ 15,531	$ 22,674	$12,917	$ 35,591
Consolidations to third parties	(413)	(138)	(551)	(18)	(569)
Acquisitions and originations[1]	135	208	343	498	841
Net acquisitions and originations	(278)	70	(208)	480	272
Securitization-related[2]	(645)	—	(645)	—	(645)
Repayments/defaults/resales/other	(720)	(804)	(1,524)	(1,056)	(2,580)
Ending balance	$ 5,500	$ 14,797	$ 20,297	$12,341	$ 32,638

(Dollars in millions)	"Core Earnings" Basis Portfolio Year Ended December 31, 2009				
	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP	Total Private Education Loans	Total "Core Earnings" Basis Portfolio
Beginning balance	$ 59,619	$ 87,275	$146,894	$33,499	$ 180,393
Consolidations to third parties	(1,526)	(656)	(2,182)	(26)	(2,208)
Acquisitions and originations[1]	25,812	1,358	27,170	4,841	32,011
Net acquisitions and originations	24,286	702	24,988	4,815	29,803
Securitization-related[2]	—	—	—	—	—
Sales	(19,300)	—	(19,300)	—	(19,300)
Repayments/defaults/resales/other	(6,430)	(4,801)	(11,231)	(3,220)	(14,451)
Ending balance	$ 58,175	$ 83,176	$141,351	$35,094	$ 176,445

(1) Includes accrued interest receivable capitalized to principal during the period.

(2) Represents loans within securitization trusts that we are required to consolidate under GAAP once the trusts' loan balances are below the clean-up call threshold.

Private Education Loan Originations

Total Private Education Loan originations increased 19 percent from 2010 to $2.7 billion in the year ended December 31, 2011.

The following table summarizes our Private Education Loan originations.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Total Private Education Loan originations	$2,737	$2,307	$3,176

Consumer Lending Portfolio Performance

Private Education Loan Delinquencies and Forbearance

The tables below present our Private Education Loan delinquency trends.

	GAAP-Basis Private Education Loan Delinquencies					
	December 31, 2011		December 31, 2010		December 31, 2009	
(Dollars in millions)	Balance	%	Balance	%	Balance	%
Loans in-school/grace/deferment[1]	$ 6,522		$ 8,340		$ 8,910	
Loans in forbearance[2]	1,386		1,340		967	
Loans in repayment and percentage of each status:						
Loans current	27,122	89.9%	24,888	89.4%	12,421	86.4%
Loans delinquent 31-60 days[3]	1,076	3.6	1,011	3.6	647	4.5
Loans delinquent 61-90 days[3]	520	1.6	471	1.7	340	2.4
Loans delinquent greater than 90 days[3]	1,467	4.9	1,482	5.3	971	6.7
Total Private Education Loans in repayment	30,185	100%	27,852	100%	14,379	100%
Total Private Education Loans, gross	38,093		37,532		24,256	
Private Education Loan unamortized discount	(873)		(894)		(559)	
Total Private Education Loans	37,220		36,638		23,697	
Private Education Loan receivable for partially charged-off loans	1,241		1,040		499	
Private Education Loan allowance for losses	(2,171)		(2,022)		(1,443)	
Private Education Loans, net	$36,290		$35,656		$22,753	
Percentage of Private Education Loans in repayment		79.2%		74.2%		59.3%
Delinquencies as a percentage of Private Education Loans in repayment		10.1%		10.6%		13.6%
Loans in forbearance as a percentage of loans in repayment and forbearance		4.4%		4.6%		6.3%
Loans in repayment greater than 12 months as a percentage of loans in repayment[4]		72.4%		64.3%		55.4%

(1) Deferment includes borrowers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation.

(2) Loans for borrowers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors, consistent with established loan program servicing policies and procedures.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

(4) Based on number of months in an active repayment status for which a scheduled monthly payment was due.

(Dollars in millions)	Off-Balance Sheet Private Education Loan Delinquencies(5) December 31, 2009 Balance	%
Loans in-school/grace/deferment(1)	$ 2,546	
Loans in forbearance(2)	453	
Loans in repayment and percentage of each status:		
Loans current	8,987	90.0%
Loans delinquent 31-60 days(3)	332	3.3
Loans delinquent 61-90 days(3)	151	1.5
Loans delinquent greater than 90 days(3)	517	5.2
Total Private Education Loans in repayment	9,987	100%
Total Private Education Loans, gross	12,986	
Private Education Loan unamortized discount	(349)	
Total Private Education Loans	12,637	
Private Education Loan receivable for partially charged-off loans	229	
Private Education Loan allowance for losses	(524)	
Private Education Loans, net	$12,342	
Percentage of Private Education Loans in repayment		76.9%
Delinquencies as a percentage of Private Education Loans in repayment		10.0%
Loans in forbearance as a percentage of loans in repayment and forbearance		4.3%
Loans in repayment greater than 12 months as a percentage of loans in repayment(4)		56.3%

(1) Deferment includes borrowers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation.

(2) Loans for borrowers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors, consistent with established loan program servicing policies and procedures.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

(4) Based on number of months in an active repayment status for which a scheduled monthly payment was due.

(5) On January 1, 2010, upon adoption of the new consolidation accounting guidance, all off-balance sheet loans are included in GAAP-basis.

(Dollars in millions)	"Core Earnings" Basis Private Education Loan Delinquencies December 31, 2011 Balance	%	December 31, 2010 Balance	%	December 31, 2009 Balance	%
Loans in-school/grace/deferment[1]	$ 6,522		$ 8,340		$11,456	
Loans in forbearance[2]	1,386		1,340		1,420	
Loans in repayment and percentage of each status:						
Loans current	27,122	89.9%	24,888	89.4%	21,408	87.9%
Loans delinquent 31-60 days[3]	1,076	3.6	1,011	3.6	979	4.0
Loans delinquent 61-90 days[3]	520	1.6	471	1.7	491	2.0
Loans delinquent greater than 90 days[3]	1,467	4.9	1,482	5.3	1,488	6.1
Total Private Education Loans in repayment	30,185	100%	27,852	100%	24,366	100%
Total Private Education Loans, gross	38,093		37,532		37,242	
Private Education Loan unamortized discount	(873)		(894)		(908)	
Total Private Education Loans	37,220		36,638		36,334	
Private Education Loan receivable for partially charged-off loans	1,241		1,040		728	
Private Education Loan allowance for losses	(2,171)		(2,022)		(1,967)	
Private Education Loans, net	$36,290		$35,656		$35,095	
Percentage of Private Education Loans in repayment		79.2%		74.2%		65.4%
Delinquencies as a percentage of Private Education Loans in repayment		10.1%		10.6%		12.1%
Loans in forbearance as a percentage of loans in repayment and forbearance		4.4%		4.6%		5.5%
Loans in repayment greater than 12 months as a percentage of loans in repayment[4]		72.4%		64.3%		55.8%

(1) Deferment includes borrowers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation.

(2) Loans for borrowers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors, consistent with established loan program servicing policies and procedures.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

(4) Based on number of months in an active repayment status for which a scheduled monthly payment was due.

Allowance for Private Education Loan Losses

The following table summarizes changes in the allowance for Private Education Loan losses.

	Activity in Allowance for Private Education Loans								
	GAAP-Basis Years Ended December 31,			Off-Balance Sheet Years Ended December 31,			"Core Earnings" Basis Years Ended December 31,		
(Dollars in millions)	2011[1]	2010	2009	2011	2010[2]	2009	2011[1]	2010	2009
Allowance at beginning of period	$ 2,022	$ 1,443	$ 1,308	$—	$ 524	$ 505	$ 2,022	$ 1,967	$ 1,813
Provision for Private Education Loan losses[1]	1,179	1,298	967	—	—	432	1,179	1,298	1,399
Charge-offs	(1,072)	(1,291)	(876)	—	—	(423)	(1,072)	(1,291)	(1,299)
Reclassification of interest reserve[3]	42	48	44	—	—	10	42	48	54
Consolidation of securitization trusts[2]	—	524	—	—	(524)	—	—	—	—
Allowance at end of period	$ 2,171	$ 2,022	$ 1,443	$—	$ —	$ 524	$ 2,171	$ 2,022	$ 1,967
Charge-offs as a percentage of average loans in repayment	3.7%	5.0%	7.2%	— %	— %	4.4%	3.7%	5.0%	6.0%
Charge-offs as a percentage of average loans in repayment and forbearance	3.6%	4.8%	6.7%	— %	— %	4.2%	3.6%	4.8%	5.6%
Allowance as a percentage of the ending total loan balance[4]	5.5%	5.2%	5.8%	— %	— %	4.0%	5.5%	5.2%	5.2%
Allowance as a percentage of ending loans in repayment	7.2%	7.3%	10.0%	— %	— %	5.2%	7.2%	7.3%	8.1%
Allowance coverage of charge-offs	2.0	1.6	1.6	—	—	1.2	2.0	1.6	1.5
Ending total loans[4]	$39,334	$38,572	$24,755	$—	$ —	$13,215	$39,334	$38,572	$37,970
Average loans in repayment	$28,790	$25,596	$12,137	$—	$ —	$ 9,597	$28,790	$25,596	$21,734
Ending loans in repayment	$30,185	$27,852	$14,379	$—	$ —	$ 9,987	$30,185	$27,852	$24,366

(1) See "Critical Accounting Policies and Estimates – Allowance for Loan Losses" for a discussion regarding the impact of adopting new accounting guidance related to TDRs in the third quarter of 2011, which increased provisions for loan losses by $124 million in the third quarter of 2011.

(2) On January 1, 2010, upon the adoption of the new consolidation accounting guidance, all off-balance sheet loans are included in the GAAP-basis.

(3) Represents the additional allowance related to the amount of uncollectible interest reserved within interest income that is transferred in the period to the allowance for loan losses when interest is capitalized to a loan's principal balance.

(4) Ending total loans represents gross Private Education Loans, plus the receivable for partially charged-off loans.

The following table provides the detail for our traditional and non-traditional "Core Earnings" basis Private Education Loans.

	Years Ended								
	December 31, 2011			December 31, 2010			December 31, 2009		
(Dollars in millions)	Traditional	Non-Traditional	Total	Traditional	Non-Traditional	Total	Traditional	Non-Traditional	Total
Ending total loans[1]	$ 35,233	$ 4,101	$39,334	$ 34,177	$ 4,395	$38,572	$ 33,223	$ 4,747	$37,970
Ending loans in repayment	27,467	2,718	30,185	25,043	2,809	27,852	21,453	2,913	24,366
Private Education Loan allowance for losses	1,542	629	2,171	1,231	791	2,022	1,056	911	1,967
Charge-offs as a percentage of average loans in repayment	2.8%	12.3%	3.7%	3.6%	16.8%	5.0%	3.6%	21.4%	6.0%
Allowance as a percentage of ending total loan balance[1]	4.4%	15.3%	5.5%	3.6%	18.0%	5.2%	3.2%	19.2%	5.2%
Allowance as a percentage of ending loans in repayment	5.6%	23.1%	7.2%	4.9%	28.2%	7.3%	4.9%	31.3%	8.1%
Allowance coverage of charge-offs	2.1	1.9	2.0	1.5	1.7	1.6	1.6	1.5	1.5
Delinquencies as a percentage of Private Education Loans in repayment	8.6%	26.0%	10.1%	8.8%	27.4%	10.6%	9.5%	31.4%	12.1%
Delinquencies greater than 90 days as a percentage of Private Education Loans in repayment	4.0%	13.6%	4.9%	4.2%	15.0%	5.3%	4.6%	17.5%	6.1%
Loans in forbearance as a percentage of loans in repayment and forbearance	4.2%	6.6%	4.4%	4.4%	6.1%	4.6%	5.3%	7.1%	5.5%
Loans that entered repayment during the period[2]	$ 1,514	$ 110	$ 1,624	$ 2,510	$ 187	$ 2,697	$ 2,966	$ 261	$ 3,227
Percentage of Private Education Loans with a cosigner	65%	29%	62%	63%	28%	59%	61%	28%	57%
Average FICO at origination	726	624	717	725	623	715	725	623	713

(1) Ending total loans represents gross Private Education Loans, plus the receivable for partially charged-off loans.

(2) Includes loans that are required to make a payment for the first time.

As part of concluding on the adequacy of the allowance for loan loss, we review key allowance and loan metrics. The most significant of these metrics considered are the allowance coverage of charge-offs ratio; the allowance as a percentage of total loans and of loans in repayment; and delinquency and forbearance percentages.

Receivable for Partially Charged-Off Private Education Loans

At the end of each month, for loans that are 212 days past due, we charge off the estimated loss of a defaulted loan balance. Actual recoveries are applied against the remaining loan balance that was not charged off. We refer to this remaining loan balance as the "receivable for partially charged-off loans." If actual periodic recoveries are less than expected, the difference is immediately charged off through the allowance for loan losses with an offsetting reduction in the receivable for partially charged-off Private Education Loans. If actual periodic recoveries are greater than expected, they will be reflected as a recovery through the allowance for Private Education Loan losses once the cumulative recovery amount exceeds the cumulative amount originally expected to be recovered. There was $143 million in provision for Private Education Loan losses recorded in 2011 to reflect possible additional future charge-offs related to the receivable for partially charged-off Private Education Loans (see "Consumer Lending Segment — Private Education Loans Provision for Loan Losses and Charge-Offs" for a further discussion).

The following table summarizes the activity in the receivable for partially charged-off loans.

	Activity in Receivable for Partially Charged-Off Loans								
	GAAP-Basis			Off-Balance Sheet			"Core Earnings" Basis		
	Years Ended December 31,			Years Ended December 31,			Years Ended December 31,		
(Dollars in millions)	2011	2010	2009	2011	2010[4]	2009	2011	2010	2009
Receivable at beginning of period	$1,040	$ 499	$222	$—	$ 229	$ 92	$1,040	$ 728	$314
Expected future recoveries of current period defaults[1]	391	459	324	—	—	156	391	459	480
Recoveries[2]	(155)	(104)	(43)	—	—	(17)	(155)	(104)	(60)
Charge-offs[3]	(35)	(43)	(4)	—	—	(2)	(35)	(43)	(6)
Consolidation of securitization trusts[4]	—	229	—	—	(229)	—	—	—	—
Receivable at end of period	$1,241	$1,040	$499	$—	$ —	$229	$1,241	$1,040	$728

(1) Remaining loan balance expected to be collected from contractual loan balances partially charged-off during the period. This is the difference between the defaulted loan balance and the amount of the defaulted loan balance that was charged off.

(2) Current period cash collections.

(3) Represents the current period recovery shortfall – the difference between what was expected to be collected and what was actually collected.

(4) Upon the adoption of the new consolidation accounting guidance on January 1, 2010, we consolidated all of our off-balance sheet securitization trusts.

Use of Forbearance as a Private Education Loan Collection Tool

Forbearance involves granting the borrower a temporary cessation of payments (or temporary acceptance of smaller than scheduled payments) for a specified period of time. Using forbearance extends the original term of the loan. Forbearance does not grant any reduction in the total repayment obligation (principal or interest). While in forbearance status, interest continues to accrue and is capitalized to principal when the loan re-enters repayment status. Our forbearance policies include limits on the number of forbearance months granted consecutively and the total number of forbearance months granted over the life of the loan. In some instances, we require good-faith payments before granting forbearance. Exceptions to forbearance policies are permitted when such exceptions are judged to increase the likelihood of collection of the loan. Forbearance as a collection tool is used most effectively when applied based on a borrower's unique situation, including historical information and judgments. We leverage updated borrower information and other decision support tools to best determine who will be granted forbearance based on our expectations as to a borrower's ability and willingness to repay their obligation. This strategy is aimed at mitigating the overall risk of the portfolio as well as encouraging cash resolution of delinquent loans.

Forbearance may be granted to borrowers who are exiting their grace period to provide additional time to obtain employment and income to support their obligations, or to current borrowers who are faced with a

hardship and request forbearance time to provide temporary payment relief. In these circumstances, a borrower's loan is placed into a forbearance status in limited monthly increments and is reflected in the forbearance status at month-end during this time. At the end of their granted forbearance period, the borrower will enter repayment status as current and is expected to begin making their scheduled monthly payments on a go-forward basis.

Forbearance may also be granted to borrowers who are delinquent in their payments. In these circumstances, the forbearance cures the delinquency and the borrower is returned to a current repayment status. In more limited instances, delinquent borrowers will also be granted additional forbearance time.

The table below reflects the historical effectiveness of using forbearance. Our experience has shown that three years after being granted forbearance for the first time, 66 percent of the loans are current, paid in full, or receiving an in-school grace or deferment, and 20 percent have defaulted. The default experience associated with loans which utilize forbearance is considered in our allowance for loan losses. The monthly average number of loans granted forbearance as a percentage of loans in repayment and forbearance remained steady at 5.3 percent in the fourth quarter of 2011 compared to the year-ago quarter. As of December 31, 2011, 2.6 percent of loans in current status were delinquent as of the end of the prior month, but were granted a forbearance that made them current as of December 31, 2011 (borrowers made payments on approximately 22 percent of these loans immediately prior to being granted forbearance).

Tracking by First Time in Forbearance Compared to All Loans Entering Repayment

	Status distribution 36 months after being granted forbearance for the first time	Status distribution 36 months after entering repayment (all loans)	Status distribution 36 months after entering repayment for loans never entering forbearance
In-school/grace/deferment	9.7%	9.0%	5.2%
Current	49.5	58.0	65.8
Delinquent 31-60 days	3.1	2.0	0.4
Delinquent 61-90 days	1.9	1.1	0.2
Delinquent greater than 90 days	4.8	2.7	0.3
Forbearance	4.3	3.3	—
Defaulted	19.7	10.8	6.0
Paid	7.0	13.1	22.1
Total	100%	100%	100%

The tables below show the composition and status of the "Core Earnings" basis Private Education Loan portfolio aged by number of months in active repayment status (months for which a scheduled monthly payment was due). As indicated in the tables, the percentage of loans in forbearance status decreases the longer the loans have been in active repayment status. At December 31, 2011, loans in forbearance status as a percentage of loans in repayment and forbearance were 6.9 percent for loans that have been in active repayment status for less than 25 months. The percentage drops to 1.3 percent for loans that have been in active repayment status for more than 48 months. Approximately 80 percent of our "Core Earnings" basis Private Education Loans in forbearance status has been in active repayment status less than 25 months.

(Dollars in millions) December 31, 2011	Monthly Scheduled Payments Due 0 to 12	13 to 24	25 to 36	37 to 48	More than 48	Not Yet in Repayment	Total
Loans in-school/grace/deferment	$ —	$ —	$ —	$ —	$ —	$ 6,522	$ 6,522
Loans in forbearance	920	194	126	66	80	—	1,386
Loans in repayment — current	6,866	6,014	5,110	3,486	5,646	—	27,122
Loans in repayment — delinquent 31-60 days	506	212	158	83	117	—	1,076
Loans in repayment — delinquent 61-90 days	245	100	78	41	56	—	520
Loans in repayment — delinquent greater than 90 days	709	317	205	102	134	—	1,467
Total	$ 9,246	$ 6,837	$ 5,677	$ 3,778	$ 6,033	$ 6,522	38,093
Unamortized discount							(873)
Receivable for partially charged-off loans							1,241
Allowance for loan losses							(2,171)
Total "Core Earnings" basis Private Education Loans, net							$36,290
Loans in forbearance as a percentage of loans in repayment and forbearance	10.0%	2.8%	2.2%	1.8%	1.3%	— %	4.4%

(Dollars in millions) December 31, 2010	Monthly Scheduled Payments Due 0 to 12	13 to 24	25 to 36	37 to 48	More than 48	Not Yet in Repayment	Total
Loans in-school/grace/deferment	$ —	$ —	$ —	$ —	$ —	$ 8,340	$ 8,340
Loans in forbearance	980	167	92	47	54	—	1,340
Loans in repayment — current	8,342	5,855	4,037	2,679	3,975	—	24,888
Loans in repayment — delinquent 31-60 days	537	209	117	63	85	—	1,011
Loans in repayment — delinquent 61-90 days	258	92	55	27	39	—	471
Loans in repayment — delinquent greater than 90 days	815	336	156	75	100	—	1,482
Total	$10,932	$ 6,659	$ 4,457	$ 2,891	$ 4,253	$ 8,340	37,532
Unamortized discount							(894)
Receivable for partially charged-off loans							1,040
Allowance for loan losses							(2,022)
Total "Core Earnings" basis Private Education Loans, net							$35,656
Loans in forbearance as a percentage of loans in repayment and forbearance	9.0%	2.5%	2.1%	1.6%	1.3%	— %	4.6%

(Dollars in millions) December 31, 2009	Monthly Scheduled Payments Due 0 to 12	13 to 24	25 to 36	37 to 48	More than 48	Not Yet in Repayment	Total
Loans in-school/grace/deferment	$ —	$ —	$ —	$ —	$ —	$ 11,456	$11,456
Loans in forbearance	1,144	139	69	31	37	—	1,420
Loans in repayment — current	8,817	4,730	3,119	1,878	2,864	—	21,408
Loans in repayment — delinquent 31-60 days	642	159	79	40	59	—	979
Loans in repayment — delinquent 61-90 days	316	81	41	23	30	—	491
Loans in repayment — delinquent greater than 90 days	999	251	110	53	75	—	1,488
Total	$11,918	$ 5,360	$ 3,418	$ 2,025	$ 3,065	$ 11,456	37,242
Unamortized discount							(908)
Receivable for partially charged-off loans							728
Allowance for loan losses							(1,967)
Total "Core Earnings" basis Private Education Loans, net							$35,095
Loans in forbearance as a percentage of loans in repayment and forbearance	9.6%	2.6%	2.0%	1.6%	1.2%	— %	5.5%

The table below stratifies the portfolio of "Core Earnings" basis Private Education Loans in forbearance by the cumulative number of months the borrower has used forbearance as of the dates indicated. As detailed in the table below, 4 percent of loans currently in forbearance have cumulative forbearance of more than 24 months.

(Dollars in millions)	December 31, 2011 Forbearance Balance	December 31, 2011 % of Total	December 31, 2010 Forbearance Balance	December 31, 2010 % of Total	December 31, 2009 Forbearance Balance	December 31, 2009 % of Total
Cumulative number of months borrower has used forbearance						
Up to 12 months	$ 887	64%	$ 958	71%	$ 1,050	74%
13 to 24 months	446	32	343	26	332	23
More than 24 months	53	4	39	3	38	3
Total	$ 1,386	100%	$ 1,340	100%	$ 1,420	100%

Private Education Loan Repayment Options

Certain loan programs allow borrowers to select from a variety of repayment options depending on their loan type and their enrollment/loan status, which include the ability to extend their repayment term or change their monthly payment. The chart below provides the optional repayment offerings in addition to the standard level principal and interest payments as of December 31, 2011.

	Loan Program			
(Dollars in millions)	Signature and Other	Smart Option	Career Training	Total
$ in Repayment	$ 24,212	$ 4,196	$ 1,777	$30,185
$ in Total	31,484	4,765	1,844	38,093
Payment method by enrollment status:				
In-school/Grace	Deferred[1]	Deferred[1], Interest-only or fixed $25/month	Interest-only or fixed $ 25/month	
Repayment	Level principal and interest or graduated	Level principal and interest	Level principal and interest	

(1) "Deferred" includes loans for which no payments are required and interest charges are capitalized into the loan balance.

The graduated repayment program that is part of Signature and Other Loans includes an interest-only payment feature that may be selected at the option of the borrower. Borrowers elect to participate in this program at the time they enter repayment following their grace period. This program is available to borrowers in repayment, after their grace period, who would like a temporary lower payment from the required principal and interest payment amount. Borrowers participating in this program pay monthly interest with no amortization of their principal balance for up to 48 payments after entering repayment (dependent on the loan product type). The maturity date of the loan is not extended when a borrower participates in this program. As of December 31, 2011 and 2010, borrowers in repayment owing approximately $7.2 billion (24 percent of loans in repayment) and $7.5 billion (27 percent of loans in repayment), respectively, were enrolled in the interest-only program. Of these amounts, 11 percent and 12 percent were non-traditional loans as of December 31, 2011 and 2010, respectively.

FFELP Loan Portfolio Performance

FFELP Loan Delinquencies and Forbearance

The tables below present our FFELP Loan delinquency trends

	GAAP-Basis FFELP Loan Delinquencies December 31,					
	2011		2010		2009	
(Dollars in millions)	**Balance**	**%**	**Balance**	**%**	**Balance**	**%**
Loans in-school/grace/deferment[1]	$ 22,887		$ 28,214		$ 35,079	
Loans in forbearance[2]	19,575		22,028		14,121	
Loans in repayment and percentage of each status:						
Loans current	77,093	81.9%	80,026	82.8%	57,528	82.4%
Loans delinquent 31-60 days[3]	5,419	5.8	5,500	5.7	4,250	6.1
Loans delinquent 61-90 days[3]	3,438	3.7	3,178	3.3	2,205	3.1
Loans delinquent greater than 90 days[3]	8,231	8.6	7,992	8.2	5,844	8.4
Total FFELP Loans in repayment	94,181	100%	96,696	100%	69,827	100%
Total FFELP Loans, gross	136,643		146,938		119,027	
FFELP Loan unamortized premium	1,674		1,900		2,187	
Total FFELP Loans	138,317		148,838		121,214	
FFELP Loan allowance for losses	(187)		(189)		(161)	
FFELP Loans, net	$138,130		$ 148,649		$ 121,053	
Percentage of FFELP Loans in repayment		68.9%		65.8%		58.7%
Delinquencies as a percentage of FFELP Loans in repayment		18.1%		17.2%		17.6%
FFELP Loans in forbearance as a percentage of loans in repayment and forbearance		17.2%		18.6%		16.8%

(1) Loans for borrowers who may still be attending school or engaging in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation, as well as loans for borrowers who have requested and qualify for other permitted program deferments such as military, unemployment, or economic hardship.

(2) Loans for borrowers who have used their allowable deferment time or do not qualify for deferment, that need additional time to obtain employment or who have temporarily ceased making full payments due to hardship or other factors.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

(Dollars in millions)	Off-Balance Sheet FFELP Loan Delinquencies(4) December 31, 2009 Balance	%
Loans in-school/grace/deferment(1)	$ 3,312	
Loans in forbearance(2)	2,726	
Loans in repayment and percentage of each status:		
Loans current	11,304	82.5%
Loans delinquent 31-60 days(3)	804	5.9
Loans delinquent 61-90 days(3)	439	3.2
Loans delinquent greater than 90 days(3)	1,160	8.4
Total FFELP Loans in repayment	13,707	100%
Total FFELP Loans, gross	19,745	
FFELP Loan unamortized premium	577	
Total FFELP Loans	20,322	
FFELP Loan allowance for losses	(25)	
FFELP Loans, net	$20,297	
Percentage of FFELP Loans in repayment		69.4%
Delinquencies as a percentage of FFELP Loans in repayment		17.5%
FFELP Loans in forbearance as a percentage of loans in repayment and forbearance		16.6%

(Dollars in millions)	"Core Earnings" Basis FFELP Loan Delinquencies December 31, 2011 Balance	2011 %	2010 Balance	2010 %	2009 Balance	2009 %
Loans in-school/grace/deferment(1)	$ 22,887		$ 28,214		$ 38,391	
Loans in forbearance(2)	19,575		22,028		16,847	
Loans in repayment and percentage of each status:						
Loans current	77,093	81.9%	80,026	82.8%	68,832	82.4%
Loans delinquent 31-60 days(3)	5,419	5.8	5,500	5.7	5,054	6.0
Loans delinquent 61-90 days(3)	3,438	3.7	3,178	3.3	2,644	3.2
Loans delinquent greater than 90 days(3)	8,231	8.6	7,992	8.2	7,004	8.4
Total FFELP Loans in repayment	94,181	100%	96,696	100%	83,534	100%
Total FFELP Loans, gross	136,643		146,938		138,772	
FFELP Loan unamortized premium	1,674		1,900		2,764	
Total FFELP Loans	138,317		148,838		141,536	
FFELP Loan allowance for losses	(187)		(189)		(186)	
FFELP Loans, net	$138,130		$148,649		$141,350	
Percentage of FFELP Loans in repayment		68.9%		65.8%		60.2%
Delinquencies as a percentage of FFELP Loans in repayment		18.1%		17.2%		17.6%
FFELP Loans in forbearance as a percentage of loans in repayment and forbearance		17.2%		18.6%		16.8%

(1) Loans for borrowers who may still be attending school or engaging in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation, as well as loans for borrowers who have requested and qualify for other permitted program deferments such as military, unemployment, or economic hardship.

(2) Loans for borrowers who have used their allowable deferment time or do not qualify for deferment, that need additional time to obtain employment or who have temporarily ceased making full payments due to hardship or other factors.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

(4) On January 1, 2010, upon the adoption of the new consolidation accounting guidance, all off-balance sheet loans are included in GAAP-basis.

Allowance for FFELP Loan Losses

The following table summarizes changes in the allowance for FFELP Loan losses.

	Activity in Allowance for FFELP Loans								
	GAAP-Basis Years Ended December 31,			Off-Balance Sheet Years Ended December 31,			"Core Earnings" Basis Years Ended December 31,		
(Dollars in millions)	2011	2010	2009	2011	2010[1]	2009	2011	2010	2009
Allowance at beginning of period	$ 189	$ 161	$ 138	$—	$ 25	$ 27	$ 189	$ 186	$ 165
Provision for FFELP Loan losses	86	98	106	—	—	13	86	98	119
Charge-offs	(78)	(87)	(79)	—	—	(15)	(78)	(87)	(94)
Student loan sales and securitization activity	(10)	(8)	(4)	—	—	—	(10)	(8)	(4)
Consolidation of securitization trusts[1]	—	25	—	—	(25)	—	—	—	—
Allowance at end of period	$ 187	$ 189	$ 161	$—	$ —	$ 25	$ 187	$ 189	$ 186
Charge-offs as a percentage of average loans in repayment	.08%	.11%	.11%	— %	— %	.10%	.08%	.11%	.11%
Charge-offs as a percentage of average loans in repayment and forbearance	.07%	.09%	.10%	— %	— %	.09%	.07%	.09%	.09%
Allowance as a percentage of the ending total loans, gross	.14%	.13%	.14%	— %	— %	.13%	.14%	.13%	.13%
Allowance as a percentage of ending loans in repayment	.20%	.20%	.23%	— %	— %	.18%	.20%	.20%	.22%
Allowance coverage of charge-offs	2.4	2.2	2.0	—	—	1.7	2.4	2.2	2.0
Ending total loans, gross	$136,643	$146,938	$119,027	$—	$ —	$ 19,745	$136,643	$146,938	$138,772
Average loans in repayment	$ 94,359	$ 82,255	$ 69,020	$—	$ —	$ 14,293	$ 94,359	$ 82,255	$ 83,313
Ending loans in repayment	$ 94,181	$ 96,696	$ 69,827	$—	$ —	$ 13,707	$ 94,181	$ 96,696	$ 83,534

[1] Upon the adoption of the new consolidation accounting guidance on January 1, 2010, we consolidated all of our off-balance sheet securitization trusts.

Liquidity and Capital Resources

Funding and Liquidity Risk Management

The following "Liquidity and Capital Resources" discussion concentrates on our Consumer Lending and FFELP Loans segments. Our Business Services and Other segments require minimal capital.

We define liquidity risk as the potential inability to meet our contractual and contingent financial obligations as they come due, as well as the potential inability to fund Private Education Loan originations. Our primary liquidity objective is to ensure our ongoing ability to meet our funding needs for our businesses throughout market cycles, including during periods of financial stress. Our two primary liquidity needs are funding the originations of Private Education Loans and retiring unsecured debt upon maturity. To achieve that objective we analyze and monitor our liquidity needs, maintain excess liquidity and access diverse funding sources including the issuance of unsecured debt, the issuance of secured debt primarily through asset backed securitizations and/or other financing facilities and through deposits at Sallie Mae Bank ("the Bank"), our Utah industrial bank subsidiary.

We define liquidity as cash and high-quality liquid securities that we can use to meet our funding requirements as they arise. Our primary liquidity risk relates to our ability to fund new originations and raise replacement funding at a reasonable cost as our unsecured debt matures. In addition, we must continue to obtain funding at reasonable rates to meet our other business obligations and to continue to grow our business. Key risks associated with our liquidity relate to our ability to access the capital markets and access them at reasonable rates. This ability may be affected by our credit ratings, as well as the overall availability of funding sources in the marketplace. In addition, credit ratings may be important to customers or counterparties when we compete in certain markets and when we seek to engage in certain transactions, including over-the-counter derivatives.

Credit ratings and outlooks are opinions subject to ongoing review by the ratings agencies and may change from time to time based on our financial performance, industry dynamics and other factors. Other factors that influence our credit ratings include the ratings agencies' assessment of the general operating environment, our relative positions in the markets in which we compete, reputation, liquidity position, the level and volatility of earnings, corporate governance and risk management policies, capital position and capital management practices. A negative change in our credit rating could have a negative effect on our liquidity because it would raise the cost and availability of funding and potentially require additional cash collateral or restrict cash currently held as collateral on existing borrowings or derivative collateral arrangements. It is our objective to improve our credit ratings so that we can continue to efficiently access the capital markets even in difficult economic and market conditions.

Recent market volatility has elevated the potential cost of capital markets issuance. Regardless, we continue to expect to fund our ongoing liquidity needs, including the origination of new Private Education Loans and the repayment of $1.8 billion of senior unsecured notes to mature in 2012, primarily through our current cash and investment position and the collection of additional bank deposits, the very predictable operating cash flows provided by earnings and repayment of principal on unencumbered student loan assets and distributions from our securitization trusts (including servicing fees which are priority payments within the trusts). We may also draw down on FFELP ABCP Facilities and the facility with the Federal Home Loan Bank in Des Moines (the "FHLB-DM Facility"); and we may also issue term ABS and unsecured debt.

Currently, new Private Education Loan originations are initially funded through deposits and subsequently securitized to term on a programmatic basis. We have $1.5 billion of cash at the Bank as of December 31, 2011 available to fund future originations. We no longer originate FFELP Loans and therefore no longer have liquidity requirements for new FFELP Loan originations.

The acquisition of loan portfolios may require additional funding. Additionally, it is our intent to refinance, primarily through securitizations, the FFELP Loans that are currently in the ED Conduit Program by its January 2014 maturity date. We currently have $21.4 billion of collateral in the ED Conduit Program. While the assets in

this facility can be put to ED at the conclusion of the program thus eliminating a call on our liquidity, we intend to refinance these assets in the term ABS market prior to the facility's expiration. In addition, capacity is maintained in our FFELP ABCP Facility and our FHLB-DM Facility to finance a portion of this collateral should term financing not be achieved or available.

Sources of Liquidity and Available Capacity

The following tables detail our main sources of primary liquidity and our main sources of secondary liquidity (unused secured credit facilities contingent upon obtaining eligible collateral).

(Dollars in millions)	December 31, 2011	December 31, 2010
Sources of primary liquidity:		
Unrestricted cash and liquid investments:		
Cash and cash equivalents	$ 2,794	$ 4,342
Investments	71	85
Total unrestricted cash and liquid investments[1]	$ 2,865	$ 4,427
Unencumbered FFELP Loans	$ 994	$ 1,441
Sources of secondary liquidity contingent on obtaining eligible collateral:		
Unused secured credit facilities: FFELP ABCP Facilities and FHLB-DM Facility[2]	$ 11,312	$ 12,601

(1) At December 31, 2011 and 2010, ending balances include $1.5 billion and $2.0 billion, respectively, of cash and liquid investments at the Bank. This cash will be used primarily to originate or acquire student loans at the Bank. Our ability to pay dividends from the Bank is subject to capital and liquidity requirements applicable to the Bank.

(2) Current borrowing capacity under the FFELP ABCP Facilities and FHLB-DM Facility is determined based on qualifying collateral from the unencumbered FFELP Loans reported in primary liquidity above. Additional borrowing capacity would primarily be used to fund FFELP Loan portfolio acquisitions and to refinance FFELP Loans used as collateral in the ED Conduit Program Facility. The total amount we can borrow is contingent upon obtaining eligible collateral. If we use our unencumbered FFELP Loans as collateral to borrow against these facilities, the remaining amount we could borrow is reduced accordingly.

	Average Balances		
	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Sources of primary liquidity:			
Unrestricted cash and liquid investments:			
Cash and cash equivalents	$ 3,623	$ 6,078	$5,713
Investments	95	94	145
Total unrestricted cash and liquid investments[1]	$ 3,718	$ 6,172	$5,858
Unused bank lines of credit	$ —	$ 2,069	$4,014
Unencumbered FFELP Loans	$ 1,399	$ 1,897	$3,507
Sources of secondary liquidity contingent on obtaining eligible collateral:			
Unused secured credit facilities: FFELP ABCP Facilities and FHLB-DM Facility[2]	$11,356	$12,947	$1,802

(1) For the years ended December 31, 2011, 2010 and 2009, average balances include $1.2 billion, $2.3 billion and $2.0 billion, respectively, of cash and liquid investments at the Bank. This cash will be used primarily to originate or acquire student loans at the Bank. Our ability to pay dividends from the Bank is subject to capital and liquidity requirements applicable to the Bank.

(2) Current borrowing capacity under the FFELP ABCP Facilities and FHLB-DM Facility is determined based on qualifying collateral from the unencumbered FFELP Loans reported in primary liquidity above. Additional borrowing capacity would primarily be used to fund FFELP Loan portfolio acquisitions and to refinance FFELP Loans used as collateral in the ED Conduit Program Facility. The total amount we can borrow is contingent upon obtaining eligible collateral. If we use our unencumbered FFELP Loans as collateral to borrow against these facilities, the remaining amount we could borrow is reduced accordingly.

In addition to the assets listed in the table above, we hold a number of other unencumbered assets, consisting primarily of Private Education Loans and other assets. At December 31, 2011, we had a total of $20.2 billion of unencumbered assets (which includes the assets that comprise our primary liquidity and are available to serve as collateral for our secondary liquidity), excluding goodwill and acquired intangibles. Total unencumbered student loans, net, comprised $12.0 billion of our unencumbered assets of which $11.0 billion and $1.0 billion related to Private Education Loans, net, and FFELP Loans, net, respectively.

For further discussion of our various sources of liquidity, such as the ED Conduit Program, the Sallie Mae Bank, our continued access to the ABS market, our asset-backed financing facilities, the lending agreement we entered into with the FHLB-DM and our issuance of unsecured debt, see "Note 6 — Borrowings" to our consolidated financial statements.

The following table reconciles encumbered and unencumbered assets and their net impact on total tangible equity.

(Dollars in billions)	December 31, 2011	December 31, 2010
Net assets of consolidated variable interest entities (encumbered assets)	$ 12.9	$ 13.1
Tangible unencumbered assets[1]	20.2	22.3
Unsecured debt	(24.1)	(26.9)
Mark-to-market on unsecured hedged debt[2]	(1.9)	(1.4)
Other liabilities, net	(2.3)	(2.6)
Total tangible equity	$ 4.8	$ 4.5

(1) Excludes goodwill and acquired intangible assets.

(2) At December 31, 2011 and 2010, there were $1.6 billion and $1.4 billion, respectively, of net gains on derivatives hedging this debt in unencumbered assets, which partially offset these losses.

2011 Transactions

During 2011, we issued a $2.0 billion senior unsecured bond. Additionally, we issued a total of $2.4 billion in FFELP ABS and $2.1 billion in Private Education Loan ABS. We expect to be a programmatic issuer of ABS throughout 2012.

In the fourth-quarter 2011, we closed on a $3.4 billion Private Education Loan asset-backed commercial paper facility that matures in January 2014. This facility was used to finance the call of Private Education Loan asset-backed securities in the fourth-quarter 2011 and in early 2012 at a significant discount to the bond's par amount. This resulted in a reduced cost of funds compared to that of the called bonds.

In 2011 we repurchased $894 million face amount of our senior unsecured notes in the aggregate, with maturity dates ranging from 2011 to 2014, which resulted in a realized "Core Earnings" gain of $64 million.

On June 17, 2011, September 16, 2011, and December 16, 2011, we paid a quarterly dividend of $.10 per share on our common stock, the first dividends paid since early 2007. In April 2011, we authorized the repurchase of up to $300 million of outstanding common stock in open market transactions and terminated all previous authorizations. During the second and third quarters of 2011, we repurchased 19.1 million shares for an aggregate purchase price of $300 million. With this action, we fully utilized this share repurchase authorization.

2012 Transactions

The following financing transactions have taken place in 2012:

- On January 13, 2012, the FFELP ABCP Facility was amended to increase the amount available to $7.5 billion, reflecting an increase of $2.5 billion over the previously scheduled facility reduction. In addition,

the amendment extends the final maturity date by one year to January 9, 2015 and increases the amount available at future step-down dates.

- On January 19, 2012, we issued $765 million of FFELP ABS.
- On January 27, 2012, we issued a two-part $1.5 billion senior unsecured bond. $750 million has a five-year term, the remaining $750 million has a ten-year term.
- On February 9, 2012, we issued $547 million of Private Education Loan ABS.

In addition, on January 26, 2012, we increased our quarterly dividend on our common stock to $0.125 per share. The next such quarterly dividend will be paid on March 16, 2012. We also authorized the repurchase of up to $500 million of outstanding common stock.

Counterparty Exposure

Counterparty exposure related to financial instruments arises from the risk that a lending, investment or derivative counterparty will not be able to meet its obligations to us. Risks associated with our lending portfolio are discussed in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition — FFELP Loan Portfolio Performance" and "— Consumer Lending Portfolio Performance."

Our investment portfolio is composed of very short-term securities issued by a diversified group of highly rated issuers limiting our counterparty exposure. Additionally, our investing activity is governed by Board approved limits on the amount that is allowed to be invested with any one issuer based on the credit rating of the issuer, further minimizing our counterparty exposure. Counterparty credit risk is considered when valuing investments and considering impairment.

Related to derivative transactions, protection against counterparty risk is generally provided by International Swaps and Derivatives Association, Inc. ("ISDA") Credit Support Annexes ("CSAs"). CSAs require a counterparty to post collateral if a potential default would expose the other party to a loss. All derivative contracts entered into by SLM Corporation and the Bank are covered under such agreements and require collateral to be exchanged based on the net fair value of derivatives with each counterparty. Our securitization trusts require collateral in all cases if the counterparty's credit rating is withdrawn or downgraded below a certain level. Additionally, securitizations involving foreign currency notes issued after November 2005 also require the counterparty to post collateral to the trust based on the fair value of the derivative, regardless of credit rating. The trusts are not required to post collateral to the counterparties. In all cases, our exposure is limited to the value of the derivative contracts in a gain position net of any collateral we are holding. We consider counterparties' credit risk when determining the fair value of derivative positions on our exposure net of collateral.

We have liquidity exposure related to collateral movements between us and our derivative counterparties. Movements in the value of the derivatives, which are primarily affected by changes in interest rate and foreign exchange rates, may require us to return cash collateral held or may require us to access primary liquidity to post collateral to counterparties. If our credit ratings are downgraded from current levels, we may be required to segregate additional unrestricted cash collateral into restricted accounts.

The table below highlights exposure related to our derivative counterparties at December 31, 2011.

(Dollars in millions)	SLM Corporation and Sallie Mae Bank Contracts	Securitization Trust Contracts[1]
Exposure, net of collateral	$ 113	$ 807
Percent of exposure to counterparties with credit ratings below S&P AA- or Moody's Aa3	98%	32%
Percent of exposure to counterparties with credit ratings below S&P A- or Moody's A3	0%	0%

(1) Current turmoil in the European markets has led to increased disclosure of exposure to those markets. Of the total net exposure, $691 million is related to financial institutions located in France; of this amount, $498 million carries a guarantee from the French government. $690 million of the $691 million exposure relates to derivatives held at our securitization trusts. Counterparties to these derivatives are required to post collateral when their credit rating is withdrawn or downgraded below a certain level. As of December 31, 2011, no collateral was required to be posted. Adjustments are made to our derivative valuations for counterparty credit risk. The adjustments made at December 31, 2011 related to derivatives with French financial institutions (including those that carry a guarantee from the French government) decreased the derivative asset value by $179 million. Credit risks for all derivative counterparties are assessed internally on a continual basis.

"Core Earnings" Basis Borrowings

The following tables present the ending balances of our "Core Earnings" basis borrowings at December 31, 2011, 2010 and 2009, and average balances and average interest rates of our "Core Earnings" basis borrowings for the years ended December 31, 2011, 2010 and 2009. The average interest rates include derivatives that are economically hedging the underlying debt but do not qualify for hedge accounting treatment. (See "'Core Earnings' — Definition and Limitations — Differences between 'Core Earnings' and GAAP — Reclassification of Realized Gains (Losses) on Derivative and Hedging Activities" of this Item 7).

Ending Balances

	December 31, 2011			December 31, 2010			December 31, 2009		
(Dollars in millions)	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total
Unsecured borrowings:									
Senior unsecured debt	$ 1,801	$ 15,199	$ 17,000	$ 4,361	$ 15,742	$ 20,103	$ 5,185	$ 22,797	$ 27,982
Brokered deposits	1,733	1,956	3,689	1,387	3,160	4,547	842	4,795	5,637
Retail and other deposits	2,123	—	2,123	1,370	—	1,370	204	—	204
Other[1]	1,329	—	1,329	887	—	887	1,268	—	1,268
Total unsecured borrowings	6,986	17,155	24,141	8,005	18,902	26,907	7,499	27,592	35,091
Secured borrowings:									
FFELP Loans securitizations	—	107,905	107,905	—	113,671	113,671	64	103,724	103,788
Private Education Loans securitizations	—	19,297	19,297	—	21,409	21,409	—	20,624	20,624
ED Conduit Program Facility	21,313	—	21,313	24,484	—	24,484	14,314	—	14,314
ED Participation Program Facility	—	—	—	—	—	—	9,006	—	9,006
FFELP ABCP Facility	—	4,445	4,445	—	5,853	5,853	—	8,801	8,801
Private Education Loans ABCP Facility	—	1,992	1,992	—	—	—	—	—	—
Acquisition financing[2]	—	916	916	—	1,064	1,064	—	—	—
FHLB-DM Facility	1,210	—	1,210	900	—	900	—	—	—
Total secured borrowings	22,523	134,555	157,078	25,384	141,997	167,381	23,384	133,149	156,533
Total	$ 29,509	$ 151,710	$ 181,219	$ 33,389	$ 160,899	$ 194,288	$ 30,883	$ 160,741	$ 191,624

(1) "Other" primarily consists of the obligation to return cash collateral held related to derivative exposure.

(2) Relates to the acquisition of $25 billion of student loans at the end of 2010.

Secured borrowings comprised 87 percent of our "Core Earnings" basis debt outstanding at December 31, 2011 versus 86 percent at December 31, 2010.

	Years Ended December 31,					
	2011		2010		2009	
(Dollars in millions)	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Unsecured borrowings:						
Senior unsecured debt	$ 19,562	2.34%	$ 24,480	1.70%	$ 31,863	1.77%
Brokered deposits	3,660	2.35	5,123	2.65	4,754	3.50
Retail and other deposits	1,684	1.11	644	1.16	128	.59
Other[1]	1,187	.17	1,159	.19	1,263	.28
Total unsecured borrowings	26,093	2.16	31,406	1.79	38,008	1.94
Secured borrowings:						
FFELP Loans securitizations	110,474	.93	100,967	.87	105,069	1.15
Private Education Loans securitizations	20,976	2.17	21,367	2.13	17,731	1.83
ED Conduit Program Facility	22,869	.75	15,096	.70	7,340	.75
ED Participation Program Facility	—	—	13,537	.81	14,174	1.43
FFELP ABCP Facility	4,989	1.05	6,623	1.24	15,401	2.79
Private Education Loans ABCP Facility	272	2.08	—	—	838	5.56
Acquisition financing[2]	998	4.81	3	5.28	—	—
FHLB-DM Facility	893	.25	403	.35	—	—
Total secured borrowings	161,471	1.09	157,996	1.03	160,553	1.41
Total	$ 187,564	1.24%	$ 189,402	1.16%	$ 198,561	1.51%

(1) "Other" primarily consists of the obligation to return cash collateral held related to derivative exposure.

(2) Relates to the acquisition of $25 billion of student loans at the end of 2010.

Contractual Cash Obligations

The following table provides a summary of our obligations associated with long-term notes at December 31, 2011. For further discussion of these obligations, see "Note 6 — Borrowings."

(Dollars in millions)	1 Year or Less	2 to 3 Years	4 to 5 Years	Over 5 Years	Total
Long-term notes:					
Senior unsecured debt	$ —	$ 5,354	$ 3,012	$ 6,833	$ 15,199
Unsecured term bank deposits	—	1,956	—	—	1,956
Secured borrowings[1]	12,795	26,933	18,949	75,878	134,555
Total contractual cash obligations[2]	$12,795	$34,243	$21,961	$82,711	$151,710

(1) Includes long-term beneficial interests of $127.2 billion of notes issued by consolidated VIEs in conjunction with our securitization transactions and included in long-term notes in the consolidated balance sheet. Timing of obligations is estimated based on our current projection of prepayment speeds of the securitized assets.

(2) The aggregate principal amount of debt that matures in each period is $12.9 billion, $34.5 billion, $22.1 billion and $83.3 billion, respectively. Specifically excludes derivative market value adjustments of $2.7 billion for long-term notes. Interest obligations on notes are predominantly variable in nature, resetting quarterly based on 3-month LIBOR.

Unrecognized tax benefits were $40 million and $39 million for the years ended December 31, 2011 and 2010, respectively. For additional information, see "Note 15 — Income Taxes."

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations addresses our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). "Note 2 — Significant Accounting Policies" includes a summary of the significant accounting policies and methods used in the preparation of our consolidated financial statements. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting periods. Actual results may differ from these estimates under varying assumptions or conditions. On a quarterly basis, management evaluates its estimates, particularly those that include the most difficult, subjective or complex judgments and are often about matters that are inherently uncertain. The most significant judgments, estimates and assumptions relate to the following critical accounting policies that are discussed in more detail below.

Allowance for Loan Losses

In determining the allowance for loan losses, we estimate the principal amount of loans that will default over the next two years (two years being the expected period between a loss event and default) and how much we will recover over time related to the defaulted amount. Our historical experience indicates that, on average, the time between the date that a borrower experiences a default causing event (e.g., the loss trigger event) and the date that we charge off the unrecoverable portion of that loan is two years. Additionally, we estimate an allowance amount sufficient to cover life-of-loan expected losses for loans classified as a troubled debt restructuring (see further discussion below). In the first quarter of 2011, we implemented a new model to estimate the Private Education Loan default amount. Both the prior model and new model are considered "migration models". Our prior allowance model (in place through December 31, 2010) segmented the portfolio into categories of similar risk characteristics of which we consider school type, credit scores, existence of a cosigner, loan status and loan seasoning as the key credit quality indicators. Our new model uses these credit quality indicators, but incorporates a more granular segmentation of seasoning data into the calculation. Another change in the new allowance model relates to the historical period of experience that we use as a starting point for projecting future defaults. Our new model is based upon a seasonal average, adjusted to the most recent three to six months of actual collection experience as the starting point and applies expected macroeconomic changes and collection procedure changes to estimate expected losses caused by loss events incurred as of the balance sheet date. Our previous model primarily used a one year historical default experience period and incorporated the estimated impact of macroeconomic factors and collection procedure changes on a qualitative basis. Our current model places a greater emphasis on the more recent default experience rather than the default experience for older historical periods, as we believe the recent default experience is more indicative of the probable losses incurred in the loan portfolio today. While we incorporated the new model in the first quarter of 2011, the overall process for calculating the appropriate amount of allowance for Private Education Loan loss did not change. Significantly more judgment has been required over the last several years, compared with years prior, in light of the U.S. economy and its effect on our customer's ability to pay their obligations. We believe that the current model more accurately reflects recent borrower behavior, loan performance, and collection performance, as well as expectations about economic factors. There was no adjustment to our allowance for loan loss upon implementing this new default projection model in the first quarter of 2011.

Similar to estimating defaults, we begin with historical borrower payment behavior to estimate the timing and amount of future recoveries on Private Education Loan defaults. We use judgment in determining whether historical performance is representative of what we expect to recover in the future. In contrast to the overall improvements in credit quality, delinquency and charge-off trends we saw in 2011, Private Education Loans which defaulted between 2008 and 2011 for which we have previously charged off estimated losses have, to varying degrees, not met our recovery expectations to date and may continue not to do so. (See "Business Segment Earnings Summary — "Core Earnings" Basis — Consumer Lending Segment — Private Education Loans Provision for Loan Losses and Charge-offs" of this Item 7, for further discussion.)

On July 1, 2011, we adopted Accounting Standards Update No. 2011-02, Receivables (Topic 310), "A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring." This new guidance clarifies when a loan restructuring constitutes a troubled debt restructuring. In applying the new guidance we have determined that certain Private Education Loans for which we have granted forbearance of greater than three months are classified as troubled debt restructurings. If a loan meets the criteria for troubled debt accounting then an allowance for loan loss is established which represents the present value of the losses that are expected to occur over the remaining life of the loan. This accounting results in a higher allowance for loan losses than our previously established allowance for these loans as our previous allowance for these loans represented an estimate of charge-offs expected to occur over the next two years (two years being our loss confirmation period). The new accounting guidance was effective as of July 1, 2011 but was required to be applied retrospectively to January 1, 2011. This resulted in $124 million of additional provision for loan losses in the third quarter of 2011 from approximately $3.8 billion of student loans being classified as troubled debt restructurings. This new accounting guidance is only applied to certain borrowers who use their fourth or greater month of forbearance during the time period this new guidance is effective. This new accounting guidance has the effect of accelerating the recognition of expected losses related to our Private Education Loan portfolio. The increase in the provision for losses as a result of this new accounting guidance does not reflect a decrease in credit expectations of the portfolio or an increase in the expected life-of-loan losses related to this portfolio. We believe forbearance is an accepted and effective collections and risk management tool for Private Education Loans. We plan to continue to use forbearance and as a result, we expect to have additional loans classified as troubled debt restructurings in the future (see "Financial Condition — Consumer Lending Portfolio Performance — Allowance for Private Education Loan Losses" of this Item 7. for a further discussion on the use of forbearance as a collection tool).

FFELP Loans are insured as to their principal and accrued interest in the event of default subject to a Risk Sharing level based on the date of loan disbursement. These insurance obligations are supported by contractual rights against the United States. For loans disbursed after October 1, 1993, and before July 1, 2006, we receive 98 percent reimbursement on all qualifying default claims. For loans disbursed on or after July 1, 2006, we receive 97 percent reimbursement. For loans disbursed prior to October 1, 1993, we receive 100 percent reimbursement.

The allowance for FFELP Loan losses uses historical experience of borrower default behavior and a two year loss confirmation period to estimate the credit losses incurred in the loan portfolio at the reporting date. We apply the default rate projections, net of applicable Risk Sharing, to each category for the current period to perform our quantitative calculation. Once the quantitative calculation is performed, we review the adequacy of the allowance for loan losses and determine if qualitative adjustments need to be considered.

Premium and Discount Amortization

The most judgmental estimate for premium and discount amortization on student loans is the Constant Prepayment Rate ("CPR"), which measures the rate at which loans in the portfolio pay down principal compared to their stated terms. Loan consolidation, default, term extension and other prepayment factors affecting our CPR estimates are affected by changes in our business strategy, changes in our competitor's business strategies, FFELP legislative changes, interest rates and changes to the current economic and credit environment. When we determine the CPR we begin with historical prepayment rates due to consolidation activity, defaults, payoffs and term extensions from the utilization of forbearance. We make judgments about which historical period to start with and then make further judgments about whether that historical experience is representative of future expectations and whether additional adjustment may be needed to those historical prepayment rates.

In the past the consolidation of FFELP Loans and Private Education Loans significantly affected our CPRs and updating those assumptions often resulted in material adjustments to our amortization expense. As a result of the passage of HCERA, there is no longer the ability to consolidate under the FFELP. In addition, due to the current U.S. economic and credit environment, we, as well as many other industry competitors, have suspended our Private Education Loans consolidation program. As a result, we do not expect to consolidate FFELP Loans

in the future and do not currently expect others to actively consolidate our FFELP loans. As a result, we expect CPRs related to our FFELP Loans to remain relatively stable over time. See "Business Segment Earnings Summary — 'Core Earnings' Basis — FFELP Loans Segment" of this Item 7, for discussion of the potential impact of a recent Special Direct Consolidation Loan Initiative. We expect that in the future both we and our competitors will begin to consolidate Private Education Loans. This is built into the CPR assumption we use for Private Education Loans. However, it is difficult to accurately project the timing and level at which this consolidation activity will begin and our assumption may need to be updated by a material amount in the future based on changes in the economy and marketplace. The level of defaults is a significant component of our FFELP Loan and Private Education Loan CPR. This component of the FFELP Loan and Private Education Loan CPR is estimated in the same manner as discussed in "Critical Accounting Policies and Estimates — Allowance for Loan Loss" of this Item 7 — the only difference is for premium and discount amortization purposes the estimate of defaults is a life-of-loan estimate whereas for allowance for loan loss it is a two-year estimate.

Fair Value Measurement

The most significant assumptions used in fair value measurements, including those related to credit and liquidity risk, are as follows:

1. **Investments** — Our investments primarily consist of overnight/weekly maturity instruments with high credit quality counterparties. However, we consider credit and liquidity risk involving specific instruments in determining their fair value and, when appropriate, have adjusted the fair value of these instruments for the effect of credit and liquidity risk. These assumptions have further been validated by the successful maturity of these investments in the period immediately following the end of the reporting period.

2. **Derivatives** — When determining the fair value of derivatives, we take into account counterparty credit risk for positions where we are exposed to the counterparty on a net basis by assessing exposure net of collateral held. The net exposure for each counterparty is adjusted based on market information available for that specific counterparty, including spreads from credit default swaps. Additionally, when the counterparty has exposure to us related to our derivatives, we fully collateralize the exposure, minimizing the adjustment necessary to the derivative valuations for our own credit risk. Trusts that contain derivatives are not required to post collateral to counterparties as the credit quality and securitized nature of the trusts minimizes any adjustments for the counterparty's exposure to the trusts. Adjustments related to credit risk reduced the overall value of our derivatives by $190 million as of December 31, 2011. We also take into account changes in liquidity when determining the fair value of derivative positions. We adjusted the fair value of certain less liquid positions downward by approximately $111 million to take into account a significant reduction in liquidity as of December 31, 2011, related primarily to basis swaps indexed to interest rate indices with inactive markets. A major indicator of market inactivity is the widening of the bid/ask spread in these markets. In general, the widening of counterparty credit spreads and reduced liquidity for derivative instruments as indicated by wider bid/ask spreads will reduce the fair value of derivatives. In addition, certain cross-currency interest rate swaps hedging foreign currency denominated reset rate and amortizing notes in our trusts contain extension features that coincide with the remarketing dates of the notes. The valuation of the extension feature requires significant judgment based on internally developed inputs.

3. **Student Loans** — Our FFELP Loans and Private Education Loans are accounted for at cost or at the lower of cost or fair value if the loan is held-for-sale. The fair values of our student loans are disclosed in "Note 13 —Fair Value Measurements." For both FFELP Loans and Private Education Loans accounted for at cost, fair value is determined by modeling loan level cash flows using stated terms of the assets and internally-developed assumptions to determine aggregate portfolio yield, net present value and average life. The significant assumptions used to project cash flows are prepayment speeds, default rates, cost of funds, the amount funded by debt versus equity, and required return on equity. In addition, the Floor Income component of our FFELP Loan portfolio is valued through discounted cash

flow and option models using both observable market inputs and internally developed inputs. Significant inputs into the models are not generally market observable. They are either derived internally through a combination of historical experience and management's qualitative expectation of future performance (in the case of prepayment speeds, default rates, and capital assumptions) or are obtained through external broker quotes (as in the case of cost of funds). When possible, market transactions are used to validate the model. In most cases, these are either infrequent or not observable. For FFELP Loans classified as held-for-sale and accounted for at the lower of cost or market, the fair value is based on the committed sales price of the various loan purchase programs established by ED.

For further information regarding the effect of our use of fair values on our results of operations, see "Note 13 — Fair Value Measurements."

Transfers of Financial Assets and the Variable Interest Entity ("VIE") Consolidation Model — Changes in Accounting Principles effective January 1, 2010

The new consolidation accounting adopted on January 1, 2010 significantly changed the consolidation model for Variable Interest Entities ("VIEs"). This new rule, among other things, (1) eliminated the exemption for QSPEs, (2) provided a new approach for determining who should consolidate a VIE that is more focused on control rather than economic interest, (3) changed when it is necessary to reassess who should consolidate a VIE and (4) required additional disclosure.

Under these new rules, if we have a variable interest in a VIE and we have determined that we are the primary beneficiary of the VIE then we will consolidate the VIE. We are considered the primary beneficiary if we have both: (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb losses or receive benefits of the entity that could potentially be significant to the VIE. There is considerable judgment that has to be used as it relates to determining the primary beneficiary of the VIEs with which we are associated. There are no "bright line" tests. Rather, the assessment of who has the power to direct the activities of the VIE that most significantly affects the VIE's economic performance and who has the obligation to absorb losses or receive benefits of the entity that could potentially be significant to the VIE is very qualitative and judgmental in nature. However, based on our current relationship with our securitization trusts and other financing vehicles which are considered VIEs, we believe the assessment is more straightforward. As it relates to our securitized assets, we are the servicer of those securitized assets (which means we "have the power" to direct the activities of the trust) and we own the Residual Interest (which means we "have the loss and gain obligation that could potentially be significant to the VIE") of the securitization trusts. As a result we are the primary beneficiary of our securitization trusts and other financing vehicles. See "Note 2 — Significant Accounting Policies" for further details regarding the adoption of these new rules on January 1, 2010.

Derivative Accounting

The most significant judgments related to derivative accounting are: (1) concluding the derivative is an effective hedge and qualifies for hedge accounting and (2) determining the fair value of certain derivatives and hedged items. To qualify for hedge accounting a derivative must be concluded to be a highly effective hedge upon designation and on an ongoing basis. There are no "bright line" tests on what is considered a highly effective hedge. We use a historical regression analysis to prove ongoing and prospective hedge effectiveness. See previous discussion under "Critical Accounting Policies and Estimates — Fair Value Measurement" of this Item 7 for significant judgments related to the valuation of derivatives. Although some of our valuations are more judgmental than others, we compare the fair values of our derivatives that we calculate to those provided by our counterparties on a monthly basis. We view this as a critical control which helps validate these judgments. Any significant differences with our counterparties are identified and resolved appropriately.

Goodwill and Intangible Assets

In determining annually (or more frequently if required) whether goodwill is impaired, we first assess qualitative factors to determine whether it is "more-likely-than-not" that the fair value of a reporting unit, which is the same as or one level below a business segment, is less than its carrying amount as a basis for determining whether it is necessary to perform additional goodwill impairment testing. The "more-likely-than-not" threshold is defined as having a likelihood of more than 50 percent. If this "more-likely-than-not" threshold is met, then we will complete a quantitative goodwill impairment analysis which consists of a comparison of the fair value of the reporting unit to our carrying value, including goodwill. If the carrying value of the reporting unit exceeds the fair value, a goodwill impairment analysis will be performed to measure the amount of impairment loss, if any. If we determine that this event has occurred, we perform an analysis to determine the fair value of the business unit. There are significant judgments involved in determining the fair value of a business unit, including assumptions regarding estimates of future cash flows from existing and new business activities, customer relationships, the value of existing customer contracts, the value of other tangible and intangible assets, as well as assumptions regarding what we believe a third party would be willing to pay for all of the assets and liabilities of the business unit. This calculation requires us to estimate the appropriate discount and growth rates to apply to those projected cash flows and the appropriate control premium to apply to arrive at the final fair value. The business units for which we must estimate the fair value are not publicly traded and often there is not comparable market data available for that individual business to aid in its valuation. We use a third party appraisal firm to provide an opinion on the fair values we conclude upon.

Risk Management

Our Approach

The products, services and markets in which we operate, as well as the various regulatory authorities and regimes to which our businesses, financial condition and lending practices are subject, continue to undergo dramatic change. We recognize that to maintain our reputation with customers and protect the interests of our shareholders and other key constituencies we must continually refresh our understanding of each of our business models, identify and manage the risks related to each of these businesses. Risk management, assessment and oversight responsibilities exist and are documented, reviewed and coordinated at various levels of the Company.

Risk Oversight

Our Board of Directors and its standing committees oversee our overall strategic direction, including setting our risk management philosophy, tolerance and parameters; and establishing procedures for assessing the risks our businesses face as well as the risk management practices our management team develop and utilize. We escalate to our Board of Directors any significant departures from established tolerances and parameters and review new and emerging risks.

In 2011, our Board of Directors invested significant time and effort in continuing to consider and address changes in our risk profile resulting from the end of FFELP in 2010. Particular attention was paid to the strategic redirection of our businesses into consumer lending products and various strategies for expanding our business services opportunities. The format of our strategic business plan, key performance measures and related risk tolerances and parameters and escalation procedures were revised accordingly. Our Board of Directors also directed our Legal, Compliance and Internal Audit groups to work with management and the Board to review and report on the state of existing Board and management risk practices and procedures and to undertake such improvements as the Board of Directors or its committees may direct.

The standing committees of our Board of Directors and their current risk oversight portfolios are as follows:

Executive Committee — has full authority of our Board of Directors to take action when the Board is not in session and includes all board committee chairs, lead outside director, Chief Executive Officer ("CEO") and

Chairman. Key risk functions include working with management to establish and present to our Board of Directors acceptable risk tolerances and parameters for the Company; periodic review and allocation of oversight of particular risks to the committees of the Board for oversight and reporting to the Board of Directors; and advance review with the Audit Committee of all our earnings releases, periodic reports and management's opinions on business outlook and financial guidance.

Finance and Operations Committee — assists the Board of Directors through its oversight and reporting on capital management, funding/liquidity strategy, acquisitions, and business operation matters. Key risk functions include monitoring our management's performance within agreed risk parameters and tolerances with respect to all aspects of our operational and financial risk profile, including our Private Education Loan programs and new product initiatives; credit, interest rate and currency risks; investment, asset, and liability management policies and contingency funding plan.

Audit Committee — assists the Board of Directors through its oversight and reporting on the integrity of our financial statements and internal controls processes. Key risk functions include periodically reviewing our financial statements and public disclosures and financial and disclosure policies and underlying assumptions; the qualifications, performance and independence of our independent auditors and Internal Audit group; management's efforts and effectiveness in managing legal and regulatory compliance and litigation risks; the risk assessment, audit plans and conduct of the Internal Audit group; our information security practices and procedures; and compliance with material aspects of the our Code of Business Conduct and related policies regarding independence and transactions with affiliates.

Compensation and Personnel Committee — assists the Board of Directors through its oversight and reporting matters of executive compensation and personnel. Key risk functions include the approval of compensation, benefits and employment arrangements for our CEO, other senior executive officers and the independent members of the Board; approval of all equity-based plans; general oversight of all benefit, compensation and incentive plans applicable to executive management; consideration of the risk management review of compensation practices conducted at least annually by our Chief Credit and Chief Compliance Officers; advising on various human resources matters, including succession planning and talent management.

Nominating and Governance Committee — assists the Board of Directors through its oversight and reporting of appropriate standards for governance, board operations and qualifications and recommendations of directors. Key risk functions include establishing appropriate standards for corporate governance and guidelines, conducting our Board of Directors' annual self-assessment survey and taking actions regarding its results as relates to improving the operations of the Board of Directors, the qualifications of its directors and succession planning at the Board of Directors and CEO levels.

Strategy Committee — This committee engages the CEO and senior management from time to time to develop and prepare for the Board of Directors' annual strategic planning process and facilitate the exchange of information and ideas with our management team in their development of proposals to be considered and approved by the Board of Directors regarding our long-term strategic agenda and initiatives. The committee has no separate or delegated authority from that of our Board of Directors.

Risk Assessment

Our Internal Audit Department monitors our various risk management and compliance efforts, identifies areas that may require increased focus and resources, and reports significant control issues and recommendations to executive management and the Audit Committee of our Board of Directors. At least annually, Internal Audit performs a risk assessment to identify our top risks and to help develop the annual internal audit plan. Risks are rated on significance and likelihood of occurrence and communicated to our management team members who allocate appropriate attention and resources. The risk assessment focuses on those risks most relevant to us and our subsidiaries (including the Bank). The assessment process includes completion of an anonymous survey by our officers followed by interviews with and reports to senior leadership.

Risk Management

Our senior executive management team, individually and through participation in or more of our internal risk management committees, are ultimately responsible for the management of risk across our businesses. Each of these committees or their senior executive sponsors have specified periodic reporting and issue escalation obligations to our Board of Directors and their standing committees. Our key internal risk management committees currently include:

Disclosure Committee — reviews and approves content of periodic SEC reporting documents, earnings releases and related disclosure policies and procedures.

Loan Loss Reserve Committee — oversees the sufficiency of our loan loss reserves and considers current or emerging issues affecting delinquency and default trends which may result in adjustments in our allowances for loan losses.

Critical Accounting Assumptions Committee — oversees critical accounting assumptions, as well as key judgments and estimates, utilized in preparation of our financial statements.

Asset and Liability Committee — oversees our investment portfolio and strategy and our compliance with our investment policy.

Corporate Credit Committee — oversees the overall credit and portfolio management strategy, policy review and monitoring.

Corporate Compliance Committee — oversees regulatory compliance risk management activities for Sallie Mae and its affiliates.

ICE Steering Committee — oversees our Internal Controls Excellence ("ICE") initiative and Sarbanes-Oxley compliance and sponsors periodic forums in which the top internal control deficiencies are discussed and analyzed to ensure the control deficiencies are identified, understood by all relevant affected parties, and have established resolution plans supported by adequate resources.

Customer Products and Services Assessment Committee — considers all matters relating to risks affecting us and our wholly- and majority-owned subsidiaries associated with new, expanded, or modified products or services and makes recommendations regarding proposed products or service offerings based on their inherent risks and controls.

Each business segment is primarily responsible and accountable for managing risks specific to its area utilizing formalized processes and procedures that have been developed by each division in collaboration with internal risk management partners to identify, monitor, manage and escalate the risks specific to that business segment's activities. Our executive management team and internal risk management partners, including compliance, credit risk, human resources, legal, information technology, finance and accounting, and information security are responsible for providing our business segments with the training, systems and specialized expertise necessary to properly perform their risk management duties.

Our Significant Risks

Significant risks may be grouped into the following categories: (1) funding and liquidity; (2) operational; (3) political/reputational; (4) market; (5) credit; and (6) legal and compliance. More specific descriptions of the particular risks of each type we currently face are discussed in Item 1A "Risk Factors" above.

Funding and Liquidity Risk Management

Funding and liquidity risk involves our potential inability to fund liability maturities and deposit withdrawals, fund asset growth and business operations, and meet contractual obligations at reasonable market

rates. Our primary liquidity objective is to ensure our ongoing ability to meet our funding needs for our businesses throughout market cycles, including during periods of financial stress. Our two primary liquidity risks involve our ongoing ability to originate Private Education Loans and retire indebtedness as it matures. Key objectives associated with our funding liquidity needs relate to our ability to access the capital markets at reasonable rates and to continue to maintain retail deposits and funding sources through the Bank.

Our funding and liquidity risk management activities are centralized within our Corporate Finance department, which is responsible for planning and executing our funding activities and strategies. We analyze and monitor our liquidity risk, maintain excess liquidity and access diverse funding sources depending on current market conditions. Funding and liquidity risks are overseen and recommendations approved primarily through our internal Asset and Liability Committee. The Finance and Operations Committee of the Board of Directors is responsible for periodically reviewing and approving our funding and liquidity positions and contingency funding plan. Our Board of Directors also receives regular reports on our performance against funding and liquidity plans at each meeting.

Operational Risk Management

Operational risk arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. The cornerstone of our annual operational risk management program involves our Board of Directors' approval of our annual strategic business plan and management's recommendations for how to grow our business while focused on managing risks to acceptable parameters.

Our Board of Directors receives operations reports (which includes operating metrics and performance against annual plan) from our Chief Executive and Chief Operating Officers at each regularly scheduled meeting. Additionally, the Finance & Operations Committee receives business development updates regarding our various business initiatives that provide information and metrics about each key component of business operations. The Audit Committee of the Board of Directors receives periodic information security updates and reviews operational and systems-related matters to insure their implementation produce no significant internal control issues.

Operational risk exposures are managed through a combination of business line management and enterprise-wide oversight. Our Chief Operating Officer ("COO") is responsible for all of our business operations (credit, servicing, collections, and technology). Management committees, comprised of senior managers and subject matter experts, focus on particular aspects of operational risk. Enterprise-wide oversight is conducted by a number of our internal risk management committees listed above. Most comprehensively, the Customer Products and Services Assessment Committee confirms that in connection with new, expanded, or modified products or services it recommends for approval that all significant risks are properly identified; adequate controls are in place to monitor risks to established, prudent limits; and monitoring of risk management activities, exposures, and issues are performed.

Market Risk Management

Market risk is the risk to our financial condition resulting from adverse movements in market rates or prices, such as interest rates, foreign exchange rates, credit spreads or equity prices. We are exposed to various types of market risk, in particular interest rate risk and other risks that arise through the management of our investment portfolio. Market risk exposures are managed through our internal Asset and Liability Committee. The responsibilities of this committee include: maintaining oversight and responsibility for all risks associated with managing our assets and liabilities, and recommending limits to be included in our risk appetite and investment structure. These activities are closely tied to those related to the management of our funding and liquidity risks. Consequently, the Finance and Operations Committee of the Board of Directors is also responsible for periodically reviewing and approving our investment and asset and liability management policies and contingency funding plan. The Finance and Operations Committee as well as our Chief Financial Officer report to the full Board of Directors on matters of market risk management.

Political and Reputation Risk Management

Political and reputation risk is the risk that changes in laws and regulations or actions affecting impacting our reputation could affect the profitability and sustainability of our business.

Management proactively assesses and manages political and reputation risk. Our government relations team of employees manages our review and response to all formal inquiries from members of Congress, state legislators, and their staff, including providing targeted messaging that reinforces our public policy goals. We review and consider political and reputational risks on an integrated basis in connection with the risk management oversight activities conducted in the various aspects of our business on matters as diverse as the launch of new products and services, our credit underwriting activities and how we fund our operations. Our public relations, marketing and media teams constantly monitor our perception in print, electronic and social media; actively provide assistance and support to our customers and other constituencies and maintain and promote the value of our considerable corporate brand. Significant political and reputation risks are reported to and monitored by the Finance and Operations Committee of our Board of Directors. Our Legal, Government Relations and Compliance groups efforts are coordinated through our General Counsel and regularly meet and collaborate with our Media and Investor Relations teams to provide more coordinated monitoring and management of our political and reputational risks.

Credit and Counterparty Risk Management

Credit and counterparty risk is the risk of loss stemming from one party's failure to repay a loan or otherwise meet a contractual obligation. We have credit or counterparty risk exposure with borrowers and co-borrowers with whom we have made Private Education Loans, the various counterparties with whom we have entered into derivative contracts, the various issuers with whom we make investments, and with several higher education institutions related to academic facilities loans secured by real estate. Credit and counterparty risks are overseen by our Chief Credit Officer, his staff and the internal risk management committee he chairs. Our Chief Credit Officer reports regularly to our Board of Directors, Finance and Operations and Audit Committees with respect to the various matters of which each have oversight.

The credit risk related to Private Education Loans are managed within a credit risk infrastructure which includes (i) a well-defined underwriting and collection policy framework; (ii) an ongoing monitoring and review process of portfolio segments and trends; (iii) assignment and management of credit authorities and responsibilities; and (iv) establishment of an allowance for loan losses that covers estimated losses based upon portfolio and economic analysis.

Credit and counterparty risk related to derivative contracts is managed by reviewing counterparties for credit strength on an ongoing basis and via our credit policies, which place limits on the amount of exposure we may take with any one counterparty and, in most cases, require collateral to secure the position. The credit and counterparty risk associated with derivatives is measured based on the replacement cost should the counterparties with contracts in a gain position to the Company fail to perform under the terms of the contract.

Compliance and Legal Risk Management

Compliance risk is the operational risk of legal or regulatory sanctions, financial loss or damage to reputation resulting from failure to comply with laws, regulations, rules, other regulatory requirements, or codes of conduct and other standards of self-regulatory organizations applicable to us. Legal risk arises, in part, from the potential that unenforceable contracts, lawsuits or adverse judgments can disrupt or otherwise negatively affect our operations or condition. These risks are inherent in all of our businesses. Both compliance and legal risk are sub-sets of operational risk but are recognized as a separate and complementary risk category given their importance in our business. We can be exposed to regulatory and compliance risk in key areas such as our private education lending, collections or loan servicing businesses if compliance with legal and regulatory requirements is not properly implemented, documented or tested, as well as when an oversight program does not include appropriate audit and control features.

The Audit Committee of our Board of Directors has oversight over the establishment of standards related to our monitoring and control of regulatory and compliance risks and the qualification of employees overseeing these risk management functions. The Audit Committee annually approves our Corporate Compliance Plan, has responsibility for considering significant breaches of our Code of Business Conduct and receives regular reports from executive management team members responsible for the regulatory and compliance risk management functions.

Primary ownership and responsibility for regulatory and compliance risk is placed with the business segments to manage their specific regulatory and compliance risks. Our Compliance group supports these activities by providing extensive training, monitoring and testing of the processes, policies and procedures utilized by our business segments, maintaining consumer lending regulatory and information security policies and procedures, and working in close coordination with our Legal group. Our Corporate Compliance Committee serves as a regular internal forum where key compliance issues and risks are discussed and business, compliance and legal professional review testing of existing regulatory compliance procedures and approve new or revised procedures.

Our Code of Business Conduct and the on-going training our employees receive in many compliance areas provide a framework for our employees to conduct themselves with the highest integrity. We instill a risk-conscious culture through communications, training, policies and procedures. We have strengthened the linkage between the management performance process and individual compensation to encourage employees to work toward corporate-wide compliance goals.

Common Stock

The following table summarizes our common share repurchases and issuances.

	Years Ended December 31,		
	2011	2010	2009
Common stock repurchased	19,054,115	—	—
Average purchase price per share	$ 15.77	$ —	$ —
Shares repurchased related to employee stock-based compensation plans[1]	3,024,662	1,097,647	263,640
Average purchase price per share	$ 15.71	$ 13.44	$ 20.29
Authority remaining at end of period for repurchases	—	38,841,923	38,841,923
Common shares issued	3,886,217	1,803,683	536,134

(1) Comprises shares withheld from stock option exercises and vesting of restricted stock for employees' tax withholding obligations and shares tendered by employees to satisfy option exercise costs.

The closing price of our common stock on December 31, 2011 was $13.40.

Our shareholders have authorized the issuance of 1.125 billion shares of common stock (par value of $.20). At December 31, 2011, 509 million shares were issued and outstanding and 34.9 million shares were unissued but encumbered for outstanding stock options for employee compensation and remaining authority for stock-based compensation plans. The stock-based compensation plans are described in Note 11, "Stock-Based Compensation Plans and Arrangements."

In March 2011, we retired 70 million shares of common stock held in treasury. This retirement decreased the balance in treasury stock by $1.9 billion, with corresponding decreases of $14 million in common stock and $1.9 billion in additional paid-in capital. There was no impact to total equity from this transaction.

During 2009, we converted $339 million of our Series C Preferred Stock to common stock. As part of this conversion, we delivered to the holders of the preferred stock: (1) approximately 17 million shares (the number

of common shares they would most likely receive if the preferred stock they held mandatorily converted to common shares in the fourth quarter of 2010) plus (2) a discounted amount of the preferred stock dividends the holders of the preferred stock would have received if they held the preferred stock through the mandatory conversion date. The accounting treatment for this conversion resulted in additional dividends recorded as part of preferred stock dividends for the year of approximately $53 million.

On December 15, 2010, the mandatory conversion date, the remaining 810,370 shares of our Series C Preferred Stock were converted into 41 million shares of common stock.

Dividend and Share Repurchase Program

On June 17, 2011, September 16, 2011, and December 16, 2011, we paid a quarterly dividend of $.10 per share on our common stock, the first dividends paid since early 2007. In April 2011, we authorized the repurchase of up to $300 million of outstanding common stock in open market transactions and terminated all previous authorizations. During the second and third quarters of 2011, we repurchased 19.1 million shares for an aggregate purchase price of $300 million. With this action, we fully utilized this share repurchase authorization.

On January 26, 2012, we increased the quarterly dividend on our common stock to $.125 per share. The next such quarterly dividend will be paid on March 16, 2012. We also authorized the repurchase of up to $500 million of outstanding common stock in open market transactions.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Sensitivity Analysis

Our interest rate risk management seeks to limit the impact of short-term movements in interest rates on our results of operations and financial position. The following tables summarize the potential effect on earnings over the next 12 months and the potential effect on fair values of balance sheet assets and liabilities at December 31, 2011 and 2010, based upon a sensitivity analysis performed by management assuming a hypothetical increase in market interest rates of 100 basis points and 300 basis points while funding spreads remain constant. Additionally, as it relates to the effect on earnings, a sensitivity analysis was performed assuming the funding index increases 25 basis points while holding the asset index constant, if the funding index is different than the asset index. The earnings sensitivity is applied only to financial assets and liabilities, including hedging instruments, that existed at the balance sheet date and does not take into account new assets, liabilities or hedging instruments that may arise in 2012.

	As of December 31, 2011 Impact on Annual Earnings If:			As of December 31, 2010 Impact on Annual Earnings If:		
	Interest Rates:		Funding Spreads	Interest Rates:		Funding Spreads
(Dollars in millions, except per share amounts)	Increase 100 Basis Points	Increase 300 Basis Points	Increase 25 Basis Points[1]	Increase 100 Basis Points	Increase 300 Basis Points	Increase 25 Basis Points[1]
Effect on Earnings						
Change in pre-tax net income before unrealized gains (losses) on derivative and hedging activities	$ 3	$ 61	$ (419)	$ (129)	$ (140)	$ (368)
Unrealized gains (losses) on derivative and hedging activities	493	814	(16)	131	82	(28)
Increase in net income before taxes	$ 496	$ 875	$ (435)	$ 2	$ (58)	$ (396)
Increase in diluted earnings per common share	$ .965	$ 1.702	$ (.846)	$ .004	$(0.110)	$ (.746)

[1] If an asset is not funded with the same index/frequency reset of the asset then it is assumed the funding index increases 25 basis points while holding the asset index constant.

(Dollars in millions)	At December 31, 2011 Fair Value	Interest Rates: Change from Increase of 100 Basis Points $	%	Change from Increase of 300 Basis Points $	%
Effect on Fair Values					
Assets					
Total FFELP Loans	$134,196	$ (665)	— %	$ (1,335)	(1)%
Private Education Loans	33,968	—	—	—	—
Other earning assets	9,871	—	—	(1)	—
Other assets	8,943	(639)	(7)	(1,420)	(16)%
Total assets gain/(loss)	$186,978	$ (1,304)	(1)%	$ (2,756)	(1)%
Liabilities					
Interest bearing liabilities	$171,152	$ (730)	— %	$ (2,002)	(1)%
Other liabilities	4,128	(617)	(15)	(801)	(19)
Total liabilities (gain)/loss	$175,280	$ (1,347)	(1)%	$ (2,803)	(2)%

(Dollars in millions)	At December 31, 2010 Fair Value	Interest Rates: Change from Increase of 100 Basis Points $	%	Change from Increase of 300 Basis Points $	%
Effect on Fair Values					
Assets					
Total FFELP Loans	$147,163	$ (649)	— %	$ (1,318)	(1)%
Private Education Loans	30,949	—	—	—	—
Other earning assets	11,641	(1)	—	(2)	—
Other assets	9,449	(565)	(6)	(996)	(11)%
Total assets gain/(loss)	$199,202	$ (1,215)	(1)%	$ (2,316)	(1)%
Liabilities					
Interest bearing liabilities	$187,959	$ (704)	— %	$ (1,938)	(1)%
Other liabilities	3,136	(217)	(7)	257	8
Total liabilities (gain)/loss	$191,095	$ (921)	— %	$ (1,681)	(1)%

A primary objective in our funding is to minimize our sensitivity to changing interest rates by generally funding our floating rate student loan portfolio with floating rate debt. However, due to the ability of some FFELP loans to earn Floor Income, we can have a fixed versus floating mismatch in funding if the student loan earns at the fixed borrower rate and the funding remains floating. In addition, we can have a mismatch in the index (including the frequency of reset) of floating rate debt versus floating rate assets.

During the years ended December 31, 2011 and 2010, certain FFELP Loans were earning Floor Income and we locked in a portion of that Floor Income through the use of Floor Income contracts. The result of these hedging transactions was to convert a portion of the fixed rate nature of student loans to variable rate, and to fix the relative spread between the student loan asset rate and the variable rate liability.

In the preceding tables, under the scenario where interest rates increase 100 and 300 basis points, the change in pre-tax net income before the unrealized gains (losses) on derivative and hedging activities is primarily due to the impact of (i) our unhedged loans being in a fixed-rate mode due to Floor Income, while being funded with

variable debt in low interest rate environments; and (ii) a portion of our variable assets being funded with fixed rate liabilities and equity. Item (i) will generally cause income to decrease when interest rates increase from a low interest rate environment, whereas item (ii) will generally offset this decrease. The variance in the change in pre-tax income before unrealized gains (losses) on derivatives when comparing the 2011 analysis versus the 2010 analysis was the result of the SLC acquisition at December 31, 2010. In the 2010 analysis, the assets from the acquisition that earn Floor Income were reflected in the analysis at December 31, 2010, however, the Floor Income Contracts hedging these assets were not entered into until the first half of 2011. Therefore the 2010 analysis reflects a large decrease in this line from the loss of the unhedged Floor Income as rates were increased. In the 2011 analysis, this Floor Income had been hedged and the increase in the line resulted from a portion of our variable assets being funded with fixed rate debt. The large increase in the unrealized gains on derivatives and hedging activities line in the 2011 analysis versus the 2010 analysis, primarily is due to the impact of the additional Floor Income Contracts discussed above.

Under the scenario in the tables above labeled "Asset and Funding Index Mismatches," the main driver of the decrease in pre-tax income before unrealized gains (losses) on derivative and hedging activities is the result of LIBOR-based debt funding commercial paper-indexed assets. See "Asset and Liability Funding Gap" of this Item 7A for a further discussion. Increasing the spread between indices will also impact the unrealized gains (losses) on derivatives and hedging activities as it relates to basis swaps that hedge the mismatch between the asset and funding indices.

In addition to interest rate risk addressed in the preceding tables, we are also exposed to risks related to foreign currency exchange rates. Foreign currency exchange risk is primarily the result of foreign currency denominated debt issued by us. When we issue foreign denominated corporate unsecured and securitization debt, our policy is to use cross currency interest rate swaps to swap all foreign currency denominated debt payments (fixed and floating) to U.S. dollar LIBOR using a fixed exchange rate. In the tables above, there would be an immaterial impact on earnings if exchange rates were to decrease or increase, due to the terms of the hedging instrument and hedged items matching. The balance sheet interest bearing liabilities would be affected by a change in exchange rates; however, the change would be materially offset by the cross currency interest rate swaps in other assets or other liabilities. In the current economic environment, volatility in the spread between spot and forward foreign exchange rates has resulted in material mark-to-market impacts to current-period earnings which have not been factored into the above analysis. The earnings impact is noncash, and at maturity of the instruments the cumulative mark-to-market impact will be zero.

Asset and Liability Funding Gap

The tables below present our assets and liabilities (funding) arranged by underlying indices as of December 31, 2011. In the following GAAP presentation, the funding gap only includes derivatives that qualify as effective hedges (those derivatives which are reflected in net interest margin, as opposed to those reflected in the "gains (losses) on derivatives and hedging activities, net" line on the consolidated statements of income). The difference between the asset and the funding is the funding gap for the specified index. This represents our exposure to interest rate risk in the form of basis risk and repricing risk, which is the risk that the different indices may reset at different frequencies or may not move in the same direction or at the same magnitude.

Management analyzes interest rate risk and in doing so includes all derivatives that are economically hedging our debt whether they qualify as effective hedges or not ("Core Earnings" basis). Accordingly, we are also presenting the asset and liability funding gap on a "Core Earnings" basis in the table that follows the GAAP presentation.

GAAP-Basis

Index (Dollars in billions)	Frequency of Variable Resets	Assets	Funding[2]	Funding Gap
3-month Commercial paper[1]	daily	$ 129.6	$ —	$ 129.6
3-month Treasury bill	weekly	7.6	—	7.6
Prime	annual	.7	—	.7
Prime	quarterly	4.9	—	4.9
Prime	monthly	21.8	—	21.8
Prime	daily	—	2.8	(2.8)
PLUS Index	annual	.5	—	.5
3-month LIBOR	daily	—	—	—
3-month LIBOR	quarterly	—	120.3	(120.3)
1-month LIBOR	monthly	9.6	16.9	(7.3)
CMT/CPI Index	monthly/quarterly	—	1.6	(1.6)
Non Discrete reset[3]	monthly	—	32.8	(32.8)
Non Discrete reset[4]	daily/weekly	9.8	3.5	6.3
Fixed Rate[5]		8.8	15.4	(6.6)
Total		$ 193.3	$ 193.3	$ —

(1) See Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Business Segment Earnings Summary — "Core Earnings" Basis — FFELP Loans Segment — FFELP Loans Net Interest Margin" for discussion regarding Consolidated Appropriations Act of 2012 and the effect it will have on the FFELP student lender payment index in 2012.

(2) Funding includes all derivatives that management considers economic hedges of interest rate risk and reflects how we internally manage our interest rate exposure.

(3) Funding consists of auction rate securities, the ABCP Facilities, the ED Conduit Program facility and the FHLB-DM facility.

(4) Assets include restricted and unrestricted cash equivalents and other overnight type instruments. Funding includes retail and other deposits and the obligation to return cash collateral held related to derivatives exposures.

(5) Assets include receivables and other assets (including goodwill and acquired intangibles). Funding includes other liabilities and stockholders' equity (excluding series B Preferred Stock).

The "Funding Gaps" in the above table are primarily interest rate mismatches in short-term indices between our assets and liabilities. We address this issue typically through the use of basis swaps that typically convert quarterly reset three-month LIBOR to other indices that are more correlated to our asset indices. These basis swaps do not qualify as effective hedges and as a result the effect on the funding index is not included in our interest margin and is therefore excluded from the GAAP presentation.

"Core Earnings" Basis

Index (Dollars in billions)	Frequency of Variable Resets	Assets	Funding[2]	Funding Gap
3-month Commercial paper[1]	daily	$ 129.6	$ —	$ 129.6
3-month Treasury bill	weekly	7.6	1.8	5.8
Prime	annual	.7	—	.7
Prime	quarterly	4.9	—	4.9
Prime	monthly	21.8	4.5	17.3
Prime	daily	—	2.8	(2.8)
PLUS Index	annual	.5	—	.5
3-month LIBOR	daily	—	20.2	(20.2)
3-month LIBOR	quarterly	—	79.0	(79.0)
1-month LIBOR	monthly	9.6	26.1	(16.5)
1-month LIBOR	daily	—	8.0	(8.0)
Non Discrete reset[3]	monthly	—	32.9	(32.9)
Non Discrete reset[4]	daily/weekly	9.8	3.5	6.3
Fixed Rate[5]		6.1	11.8	(5.7)
Total		$ 190.6	$ 190.6	$ —

(1) See Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Business Segment Earnings Summary — "Core Earnings" Basis — FFELP Loans Segment — FFELP Loans Net Interest Margin" for discussion regarding Consolidated Appropriations Act of 2012 and the effect it will have on the FFELP student lender payment index in 2012.

(2) Funding includes all derivatives that management considers economic hedges of interest rate risk and reflects how we internally manage our interest rate exposure.

(3) Funding consists of auction rate securities, the ABCP Facilities, the ED Conduit Program facility and the FHLB-DM facility.

(4) Assets include restricted and unrestricted cash equivalents and other overnight type instruments. Funding includes retail and other deposits and the obligation to return cash collateral held related to derivatives exposures.

(5) Assets include receivables and other assets (including goodwill and acquired intangibles). Funding includes other liabilities and stockholders' equity (excluding series B Preferred Stock).

We use interest rate swaps and other derivatives to achieve our risk management objectives. Our asset liability management strategy is to match assets with debt (in combination with derivatives) that have the same underlying index and reset frequency or when economical, have interest rate characteristics that we believe are highly correlated. For example, a large portion of our daily reset 3-month commercial paper indexed assets are funded with liabilities indexed to LIBOR. The use of funding with index types and reset frequencies that are different from our assets exposes us to interest rate risk in the form of basis and repricing risk. This could result in our cost of funds not moving in the same direction or with the same magnitude as the yield on our assets. While we believe this risk is low, as all of these indices are short-term with rate movements that are highly correlated over a long period of time, market disruptions can lead to a temporary divergence between indices resulting in a negative impact to our earnings.

Weighted Average Life

The following table reflects the weighted average life for our earning assets and liabilities at December 31, 2011.

(Averages in Years)	Weighted Average Life
Earning assets	
Student loans	7.6
Other loans	6.3
Cash and investments	0.1
Total earning assets	7.2
Borrowings	
Short-term borrowings	0.3
Long-term borrowings	7.0
Total borrowings	5.9

Item 8. Financial Statements and Supplementary Data

Reference is made to the financial statements listed under the heading "(a) 1.A. Financial Statements" of Item 15 hereof, which financial statements are incorporated by reference in response to this Item 8.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Nothing to report.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2011. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2011, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

Managements's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2011. In making this assessment, our management used the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management also used an IT governance framework that is based on the COSO framework, *Control Objectives for Information and related Technology*, which was issued by the Information Systems Audit and Control Association and the IT Governance Institute. Based on our assessment and those criteria, management concluded that, as of December 31, 2011, our internal control over financial reporting is effective.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2011, as stated in their report which appears below.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) occurred during the fiscal quarter ended December 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Nothing to report.

PART III.

Item 10. Directors, Executive Officers and Corporate Governance

The information contained in the Proxy Statement to be filed on Schedule 14A relating to our Annual Meeting of Shareholders (the "2012 Proxy Statement") scheduled to be held on May 24, 2012, including information appearing under "Proposal 1: Election of Directors," "Executive Officers," "Other Matters — Section 16(a) Beneficial Ownership Reporting Compliance," and "Corporate Governance" in the 2012 Proxy Statement, is incorporated herein by reference.

Item 11. Executive Compensation

The information contained in the 2012 Proxy Statement, including information appearing under "Executive Compensation" and "Director Compensation" in the 2012 Proxy Statement, is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information contained in the 2012 Proxy Statement, including information appearing under "Equity Compensation Plan Information," "Ownership of Common Stock" and "Ownership of Common Stock by Directors and Executive Officers" in the 2012 Proxy Statement, is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information contained in the 2012 Proxy Statement, including information appearing under "Other Matters — Certain Relationships and Transactions" and "Corporate Governance" in the 2012 Proxy Statement, is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information contained in the 2012 Proxy Statement, including information appearing under "Independent Registered Public Accounting Firm" and "Equity Compensation Plan Information" in the 2012 Proxy Statement, is incorporated herein by reference.

PART IV.

Item 15. Exhibits, Financial Statement Schedules

(a) 1. Financial Statements

A. The following consolidated financial statements of SLM Corporation and the Report of the Independent Registered Public Accounting Firm thereon are included in Item 8 above:

2. Financial Statement Schedules

All schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits

The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Annual Report.

We will furnish at cost a copy of any exhibit filed with or incorporated by reference into this Annual Report. Oral or written requests for copies of any exhibits should be directed to the Corporate Secretary.

4. Appendices

Appendix A — Federal Family Education Loan Program

(b) Exhibits

3.1	Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (File No. 333-159447) filed on May 22, 2009).
3.2	Certificate of Designation of 7.25% Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 3, 2008).
3.3	By-Laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on November 21, 2011).
4.1	Indenture, dated as of October 1, 2000, between the Company and The Bank of New York Mellon, as successor to J.P. Morgan Chase Bank, National Association, formerly Chase Manhattan Bank (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on October 5, 2000).
4.2	Fourth Supplemental Indenture, dated as of January 16, 2003, between the registrant and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on January 17, 2003).
4.3	Amended Fourth Supplemental Indenture, dated as of December 17, 2004, between the Company and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on December 17, 2004).
4.4	Second Amended Fourth Supplemental Indenture, dated as of July 22, 2008, between the Company and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on July 25, 2008).
4.5	Sixth Supplemental Indenture, dated as of October 15, 2008, between the Company and The Bank of New York Mellon (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on October 15, 2008).
4.6	Medium Term Note Master Note, Series A (incorporated by reference to Exhibit 4.1.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on November 7, 2001).
4.7	Medium Term Note Master Note, Series B (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on January 28, 2003).
10.1	Note Purchase and Security Agreement between Bluemont Funding 1; the Conduit Lenders; the Alternate Lenders; the LIBOR lenders; the Managing Agents; Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Banc of America Securities LLC; J.P. Morgan Securities Inc.; The Bank of New York Mellon Trust Company, "National Association; and Sallie Mae, Inc., dated January 15, 2010 (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.2	Schedule of Contracts Substantially Identical to Exhibit 10.10 in all Material Respects: between Town Center Funding 1 LLC and Town Hall Funding I LLC (incorporated by reference to Exhibit 10.41 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.3*	Amendment No. 1 to Note Purchase and Security Agreement by and among Bluemont Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; J.P. Morgan Securities LLC and Merrill Lynch, Pierce Fenner Smith Incorporated, as Lead Arrangers; the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders party thereto; JPMorgan Chase Bank, N.A., Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; JPMorgan Chase Bank, N.A., as Syndication Agent; and Bank of America, N.A., as Administrative Agent, dated as of January 14, 2011.

10.4*	Amendment No. 1 to Note Purchase and Security Agreement by and among Town Center Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; J.P. Morgan Securities LLC and Merrill Lynch, Pierce Fenner Smith Incorporated, as Lead Arrangers; the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders party thereto; JPMorgan Chase Bank, N.A., Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; JPMorgan Chase Bank, N.A., as Syndication Agent; and Bank of America, N.A., as Administrative Agent, dated as of January 14, 2011.
10.5*	Amendment No. 1 to Note Purchase and Security Agreement by and among Town Hall Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; J.P. Morgan Securities LLC and Merrill Lynch, Pierce Fenner Smith Incorporated, as Lead Arrangers; the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders party thereto; JPMorgan Chase Bank, N.A., Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; JPMorgan Chase Bank, N.A., as Syndication Agent; and Bank of America, N.A., as Administrative Agent, dated as of January 14, 2011.
10.6*	Amendment No. 2 to Note Purchase and Security Agreement by and among Bluemont Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; JPMorgan Chase Bank, N.A, Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; and Bank of America, N.A., as Administrative Agent, dated as of August 2, 2011.
10.7*	Amendment No. 2 to Note Purchase and Security Agreement by and among Town Center Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; JPMorgan Chase Bank, N.A, Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; and Bank of America, N.A., as Administrative Agent, dated as of August 2, 2011.
10.8*	Amendment No. 2 to Note Purchase and Security Agreement by and among Town Hall Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; JPMorgan Chase Bank, N.A, Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; and Bank of America, N.A., as Administrative Agent, dated as of August 2, 2011.
10.9*	Amended and Restated Note Purchase and Security Agreement by and among Bluemont Funding I, as the Trust; the Conduit Lenders; the Alternate Lenders; the LIBOR Lenders; the Managing Agents; Bank of America, N.A., as Administrative Agent; JPMorgan Chase Bank, N.A., as Syndication Agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Lead Arrangers; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; and Sallie Mae, Inc., as Administrator, dated as of January 13, 2012.
10.10*	Amended and Restated Note Purchase and Security Agreement by and among Town Center Funding I, as the Trust; the Conduit Lenders; the Alternate Lenders; the LIBOR lenders; the Managing Agents; Bank of America, N.A., as Administrative Agent; JPMorgan Chase Bank, N.A., as Syndication Agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Lead Arrangers; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; and Sallie Mae, Inc., as Administrator, dated as of January 13, 2012.

10.11*	Amended and Restated Note Purchase and Security Agreement by and among Town Hall Funding I, as the Trust; the Conduit Lenders; the Alternate Lenders; the LIBOR lenders; the Managing Agents; Bank of America, N.A., as Administrative Agent; JPMorgan Chase Bank, N.A., as Syndication Agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Lead Arrangers; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; and Sallie Mae, Inc., as Administrator, dated as of January 13, 2012.
10.12	Affiliate Collateral Pledge and Security Agreement between SLM Education Credit Finance Corporation, HICA Education Loan Corporation and the Federal Home Loan Bank of Des Moines, dated January 15, 2010 (incorporated by reference to Exhibit 10.38 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.13	Advances, Pledge and Security Agreement between HICA Education Loan Corporation and the Federal Home Loan Bank of Des Moines, dated January 15, 2010 (incorporated by reference to Exhibit 10.39 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.14	Asset Purchase Agreement between The Student Loan Corporation; Citibank, N.A.; Citibank (South Dakota) National Association; SLC Student Loan Receivables I, Inc., SLM Corporation, Bull Run 1 LLC, SLM Education Credit Finance Corporation and Sallie Mae, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on November 8, 2010).
10.15†	Retainer Agreement between Anthony P. Terracciano and the Company, dated January 7, 2008 (incorporated by reference to Exhibit 10.30 of the Company's Quarterly Report on Form 10-Q filed on May 9, 2008).
10.16†	Amendment to Retainer Agreement Anthony Terracciano and the Company, dated December 24, 2009 (incorporated by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.17†	Second Amendment to Retainer Agreement between Anthony P. Terracciano and the Company, dated September 23, 2010 (incorporated by reference to Exhibit 10.44 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.18†	Employment Agreement between John F. Remondi and the Company (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on August 7, 2008).
10.19†	Employment Agreement between Joseph DePaulo and the Company (incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed on May 6, 2010).
10.20†	Employment Agreement between Laurent C. Lutz and the Company (incorporated by reference to Exhibit 10.47 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.21†	Confidential Agreement and Release of John (Jack) Hewes (incorporated by reference to Exhibit 10.48 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.22†	Form of SLM Corporation Executive Severance Plan for Senior Officers (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on November 4, 2011).
10.23†	Form of SLM Corporation Change in Control Severance Plan for Senior Officers (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed on November 4, 2011).
10.24†*	Form of Director's Indemnification Agreement.
10.25†*	Sallie Mae 401(k) Savings Plan.
10.26†*	Amendment Number One to the Sallie Mae 401(k) Savings Plan.
10.27†*	Amendment Number Two to the Sallie Mae 401(k) Savings Plan.
10.28†	Sallie Mae Supplemental 401(k) Savings Plan (incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K filed on March 2, 2009).

10.29†	Sallie Mae Deferred Compensation Plan for Key Employees Restatement Effective January 1, 2009 (incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.30†*	SLM Corporation Deferred Compensation Plan for Directors.
10.31†	Sallie Mae Supplemental Cash Account Retirement Plan (incorporated by reference to Exhibit 10.27 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.32†	Sallie Mae Employee Stock Purchase Plan, Amended and Restated as of February 15, 2008 (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on August 5, 2011).
10.33†	SLM Holding Corporation Directors Stock Plan (incorporated by reference to Exhibit A of the Company's Definitive Proxy Statement on Schedule 14A (file no. 001-13251), as filed with the Securities and Exchange Commission on April 10, 1998).
10.34†	SLM Holding Corporation Management Incentive Plan (incorporated by reference to Exhibit B of the Company's Definitive Proxy Statement on Schedule 14A (file no. 001-13251), as filed on April 10, 1998).
10.35†	Form of Stock Option Agreement, SLM Corporation Incentive Plan, ISO, Price-Vested with Replacements 2004 (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q (file no. 001-13251) filed on November 9, 2004).
10.36†	Form of Stock Option Agreement, SLM Corporation Incentive Plan, Non-Qualified, Price-Vested Options-2004 (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q (file no. 001-13251) filed on November 9, 2004).
10.37†	Amended and Restated SLM Corporation Incentive Plan (incorporated by reference to Exhibit 10.24 of the Company's Current Report on Form 8-K (file no. 001-13251) filed on May 25, 2005).
10.38†	Director's Stock Plan (incorporated by reference to Exhibit 10.25 of the Company's Current Report on Form 8-K (file no. 001-13251) filed on May 25, 2005).
10.39†	Form of Stock Option Agreement SLM Corporation Incentive Plan Net-Settled, Price-Vested Options — 1 year minimum — 2006 (incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K (file no. 001-13251) filed on March 9, 2006).
10.40†	Form of SLM Corporation Incentive Stock Plan Stock Option Agreement, Net-Settled, Performance Vested Options, 2009 (incorporated by reference to Exhibit 10.32 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.41†	Form of SLM Corporation Incentive Plan Performance Stock Term Sheet, "Core Earnings" Net Income Target-Sustained Performance, 2009 (incorporated by reference to Exhibit 10.33 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.42†	SLM Corporation Directors Equity Plan (incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form S-8 (File No. 333-159447) filed on May 22, 2009).
10.43†	SLM Corporation 2009-2012 Incentive Plan (incorporated by reference to Exhibit 10.2 of the Company's Registration Statement on Form S-8 (File No. 333-159447) filed on May 22, 2009).
10.44†	Form of SLM Corporation Directors Equity Plan Non-Employee Director Restricted Stock Agreement 2009 (incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed on November 5, 2009).
10.45†	Form of SLM Corporation Directors Equity Plan Non-Employee Director Stock Option Agreement 2009 (incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed on November 5, 2009).

10.46†	Form of SLM Corporation 2009-2012 Incentive Plan Stock Option Agreement, Net Settled, Time Vested Options – 2010 (incorporated by reference to Exhibit 10. 7 of the Company's Quarterly Report on Form 10-Q filed on May 6, 2010).
10.47†	Form of SLM Corporation 2009-2012 Incentive Plan Performance Stock Award Term Sheet, Time Vested – 2010 (incorporated by reference to Exhibit 10.8 of the Company's Quarterly Report on Form 10-Q filed on May 6, 2010).
10.48†	Amendment to Stock Option and Restricted/Performance Stock Terms (incorporated by reference to Exhibit 10.49 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.49†	Form of SLM Corporation 2009-2012 Incentive Plan Stock Option Agreement, Net Settled, Time Vested Options – 2011 (incorporated by reference to Exhibit 10.50 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.50†	Form of SLM Corporation 2009-2012 Incentive Plan Restricted Stock and Restricted Stock Unit Term Sheet, Time Vested – 2011 (incorporated by reference to Exhibit 10.51 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
12.1*	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends.
16.1	Letter from PricewaterhouseCoopers LLP to the Securities and Exchange Commission, dated December 6, 2011 (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed on December 6, 2011).
21.1*	List of Subsidiaries.
23*	Consent of PricewaterhouseCoopers LLP.
31.1*	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2003.
31.2*	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2003.
32.1*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2003.
32.2*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2003.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

† Management Contract or Compensatory Plan or Arrangement

* Filed herewith

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 27, 2012

SLM CORPORATION

By: /S/ ALBERT L. LORD
Albert L. Lord
Vice Chairman and Chief Executive Officer

Pursuant to the requirement of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ ALBERT L. LORD Albert L. Lord	Vice Chairman and Chief Executive Officer (Principal Executive Officer)	February 27, 2012
/S/ JONATHAN C. CLARK Jonathan C. Clark	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 27, 2012
/S/ ANTHONY P. TERRACCIANO Anthony P. Terracciano	Chairman of the Board of Directors	February 27, 2012
/S/ ANN TORRE BATES Ann Torre Bates	Director	February 27, 2012
/S/ WILLIAM M. DIEFENDERFER, III William M. Diefenderfer, III	Director	February 27, 2012
/S/ DIANE SUITT GILLELAND Diane Suitt Gilleland	Director	February 27, 2012
/S/ EARL A. GOODE Earl A. Goode	Director	February 27, 2012
/S/ RONALD F. HUNT Ronald F. Hunt	Director	February 27, 2012
/S/ MICHAEL E. MARTIN Michael E. Martin	Director	February 27, 2012
/S/ BARRY A. MUNITZ Barry A. Munitz	Director	February 27, 2012
/S/ HOWARD H. NEWMAN Howard H. Newman	Director	February 27, 2012
/S/ A. ALEXANDER PORTER, JR. A. Alexander Porter, Jr.	Director	February 27, 2012
/S/ FRANK C. PULEO Frank C. Puleo	Director	February 27, 2012

Signature	Title	Date
/S/ WOLFGANG SCHOELLKOPF Wolfgang Schoellkopf	Director	February 27, 2012
/S/ STEVEN L. SHAPIRO Steven L. Shapiro	Director	February 27, 2012
/S/ J. TERRY STRANGE J. Terry Strange	Director	February 27, 2012
/S/ BARRY L. WILLIAMS Barry L. Williams	Director	February 27, 2012

CONSOLIDATED FINANCIAL STATEMENTS

INDEX

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of SLM Corporation:

In our opinion, the accompanying consolidated financial statements listed in the index present fairly, in all material respects, the financial position of SLM Corporation and its subsidiaries at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for transfers and servicing of financial assets and consolidations of variable interest entities in 2010.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
McLean, VA

February 27, 2012

SLM CORPORATION

CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)

	December 31, 2011	December 31, 2010
Assets		
FFELP Loans (net of allowance for losses of $187 and $189, respectively)	$ 138,130	$ 148,649
Private Education Loans (net of allowance for losses of $2,171 and $2,022 respectively)	36,290	35,656
Investments		
Available-for-sale	70	83
Other	1,052	873
Total investments	1,122	956
Cash and cash equivalents	2,794	4,343
Restricted cash and investments	5,873	6,255
Goodwill and acquired intangible assets, net	478	478
Other assets	8,658	8,970
Total assets	$ 193,345	$ 205,307
Liabilities		
Short-term borrowings	$ 29,573	$ 33,616
Long-term borrowings	154,393	163,543
Other liabilities	4,128	3,136
Total liabilities	188,094	200,295
Commitments and contingencies		
Equity		
Preferred stock, par value $.20 per share, 20 million shares authorized		
Series A: 3.3 million and 3.3 million shares issued, respectively, at stated value of $50 per share	165	165
Series B: 4 million and 4 million shares issued, respectively, at stated value of $100 per share	400	400
Common stock, par value $.20 per share, 1.125 billion shares authorized: 529 million and 595 million shares issued, respectively	106	119
Additional paid-in capital	4,136	5,940
Accumulated other comprehensive loss (net of tax benefit of $8 and $26, respectively)	(14)	(45)
Retained earnings	770	309
Total SLM Corporation stockholders' equity before treasury stock	5,563	6,888
Less: Common stock held in treasury at cost: 20 million and 68 million shares, respectively	320	1,876
Total SLM Corporation stockholders' equity	5,243	5,012
Noncontrolling interest	8	—
Total equity	5,251	5,012
Total liabilities and equity	$ 193,345	$ 205,307

Supplemental information — assets and liabilities of consolidated variable interest entities:

	December 31, 2011	December 31, 2010
FFELP Loans	$ 135,536	$ 145,750
Private Education Loans	24,962	24,355
Restricted cash and investments	5,609	5,983
Other assets	2,638	3,706
Short-term borrowings	21,313	24,484
Long-term borrowings	134,533	142,244
Net assets of consolidated variable interest entities	$ 12,899	$ 13,066

See accompanying notes to consolidated financial statements.

SLM CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	Years Ended December 31,		
	2011	2010	2009
Interest income:			
FFELP Loans	$3,461	$3,345	$3,094
Private Education Loans	2,429	2,353	1,582
Other loans	21	30	56
Cash and investments	19	26	26
Total interest income	5,930	5,754	4,758
Total interest expense	2,401	2,275	3,035
Net interest income	3,529	3,479	1,723
Less: provisions for loan losses	1,295	1,419	1,119
Net interest income after provisions for loan losses	2,234	2,060	604
Other income (loss):			
Securitization servicing and Residual Interest revenue	—	—	295
Gains (losses) on loans and investments, net	(35)	325	284
Losses on derivative and hedging activities, net	(959)	(361)	(604)
Servicing revenue	381	405	440
Contingency revenue	333	330	294
Gains on debt repurchases	38	317	536
Other	68	6	88
Total other income (loss)	(174)	1,022	1,333
Expenses:			
Salaries and benefits	521	561	540
Other operating expenses	579	647	503
Total operating expenses	1,100	1,208	1,043
Goodwill and acquired intangible assets impairment and amortization expense	24	699	76
Restructuring expenses	9	85	10
Total expenses	1,133	1,992	1,129
Income from continuing operations, before income tax expense	927	1,090	808
Income tax expense	328	493	264
Net income from continuing operations	599	597	544
Income (loss) from discontinued operations, net of tax expense (benefit)	33	(67)	(220)
Net income	632	530	324
Less: net loss attributable to noncontrolling interest	(1)	—	—
Net income attributable to SLM Corporation	633	530	324
Preferred stock dividends	18	72	146
Net income attributable to SLM Corporation common stock	$ 615	$ 458	$ 178
Basic earnings (loss) per common share attributable to SLM Corporation:			
Continuing operations	$ 1.13	$ 1.08	$ .85
Discontinued operations	.06	(.14)	(.47)
Total	$ 1.19	$ .94	$ .38
Average common shares outstanding	517	487	471
Diluted earnings (loss) per common share attributable to SLM Corporation:			
Continuing operations	$ 1.12	$ 1.08	$ .85
Discontinued operations	.06	(.14)	(.47)
Total	$ 1.18	$ .94	$ .38
Average common and common equivalent shares outstanding	523	488	472
Dividends per common share attributable to SLM Corporation	$ .30	$ —	$ —

See accompanying notes to consolidated financial statements.

SLM CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share amounts)

	Preferred Stock Shares	Common Stock Shares			Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
		Issued	Treasury	Outstanding									
Balance at December 31, 2008	8,449,770	534,411,271	(66,958,400)	467,452,871	$ 1,714	$ 108	$ 4,684	$ (77)	$ 426	$ (1,856)	$ 4,999	$ 7	$ 5,006
Comprehensive income:													
Net income (loss)									324		324		324
Other comprehensive income (loss), net of tax:													
Change in unrealized gains (losses) on investments, net of tax								3			3		3
Change in unrealized gains (losses) on derivatives, net of tax								40			40		40
Defined benefit pension plans adjustment								(7)			(7)		(7)
Comprehensive income (loss)											360		360
Cash dividends:													
Preferred stock, series A ($3.49 per share)									(11)		(11)		(11)
Preferred stock, series B ($1.76 per share)									(7)		(7)		(7)
Preferred stock, series C ($72.50 per share)									(97)		(97)		(97)
Issuance of common shares		536,036	98	536,134			3				3		3
Preferred stock issuance costs and related amortization							1		(1)		—		—
Conversion of preferred shares	(339,400)	17,272,269		17,272,269	(339)	3	366		(30)		—		—
Tax benefit related to employee stock-based compensation plans							(9)				(9)		(9)
Stock-based compensation expense							47				47		47
Shares repurchased related to employee stock-based compensation plans			(263,640)	(263,640)						(6)	(6)		(6)
Sale of international Purchased Paper — Non-Mortgage business											—	(7)	(7)
Balance at December 31, 2009	8,110,370	552,219,576	(67,221,942)	484,997,634	$ 1,375	$ 111	$ 5,092	$ (41)	$ 604	$ (1,862)	$ 5,279	$ —	$ 5,279

See accompanying notes to consolidated financial statements.

SLM CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share amounts)

	Preferred Stock Shares	Common Stock Shares Issued	Common Stock Shares Treasury	Common Stock Shares Outstanding	Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2009	8,110,370	552,219,576	(67,221,942)	484,997,634	$ 1,375	$ 111	$ 5,092	$ (41)	$ 604	$ (1,862)	$ 5,279	$ —	$ 5,279
Comprehensive income:													
Net income									530		530		530
Other comprehensive income, net of tax:													
Change in unrealized gains (losses) on investments, net of tax								1			1		1
Change in unrealized gains (losses) on derivatives, net of tax								5			5		5
Defined benefit pension plans adjustment								(10)			(10)		(10)
Comprehensive income											526		526
Cash dividends:													
Preferred stock, series A ($3.49 per share)									(12)		(12)		(12)
Preferred stock, series B ($1.05 per share)									(4)		(4)		(4)
Preferred stock, series C ($72.50 per share)									(56)		(56)		(56)
Issuance of common shares		1,803,683		1,803,683			16				16		16
Conversion of preferred shares	(810,370)	41,240,215		41,240,215	(810)	8	802				—		—
Tax benefit related to employee stock-based compensation plans							(9)				(9)		(9)
Stock-based compensation expense							39				39		39
Cumulative effect of accounting change									(753)		(753)		(753)
Shares repurchased related to employee stock-based compensation plans			(1,097,647)	(1,097,647)						(14)	(14)	—	(14)
Balance at December 31, 2010	7,300,000	595,263,474	(68,319,589)	526,943,885	$ 565	$ 119	$ 5,940	$ (45)	$ 309	$ (1,876)	$ 5,012	$ —	$ 5,012

See accompanying notes to consolidated financial statements.

SLM CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share amounts)

	Preferred Stock Shares	Common Stock Shares Issued	Common Stock Shares Treasury	Common Stock Shares Outstanding	Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2010	7,300,000	595,263,474	(68,319,589)	526,943,885	$ 565	$ 119	$ 5,940	$ (45)	$ 309	$ (1,876)	$ 5,012	$ —	$ 5,012
Comprehensive income:													
Net income									633		633	(1)	632
Other comprehensive income, net of tax:													
Change in unrealized gains (losses) on investments, net of tax								2			2		2
Change in unrealized gains (losses) on derivatives, net of tax								31			31		31
Defined benefit pension plans adjustment								(2)			(2)		(2)
Comprehensive income											664	(1)	663
Cash dividends:													
Common stock ($.30 per share)									(154)		(154)		(154)
Preferred stock, series A ($3.49 per share)									(12)		(12)		(12)
Preferred stock, series B ($1.59 per share)									(6)		(6)		(6)
Issuance of common shares		3,886,217		3,886,217		1	40				41		41
Retirement of common stock in treasury		(70,074,369)	70,074,369	—		(14)	(1,890)			1,904	—		—
Tax benefit related to employee stock-based compensation plans							(10)				(10)		(10)
Stock-based compensation expense							56				56		56
Common stock repurchased			(19,054,115)	(19,054,115)						(300)	(300)		(300)
Shares repurchased related to employee stock-based compensation plans			(3,024,662)	(3,024,662)						(48)	(48)		(48)
Acquisition of noncontrolling interest											—	9	9
Balance at December 31, 2011	7,300,000	529,075,322	(20,323,997)	508,751,325	$ 565	$ 106	$ 4,136	$ (14)	$ 770	$ (320)	$ 5,243	$ 8	$ 5,251

See accompanying notes to consolidated financial statements.

SLM CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years Ended December 31,		
	2011	2010	2009
Operating activities			
Net income attributable to SLM Corporation	$ 633	$ 530	$ 324
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
(Income) loss from discontinued operations, net of tax	(33)	67	220
(Gains) losses on loans and investments, net	35	(6)	1
(Gains) on debt repurchases	(38)	(317)	(536)
Goodwill and acquired intangible assets impairment and amortization expense	24	699	76
Stock-based compensation cost	56	40	51
Unrealized (gains)/losses on derivative and hedging activities	145	(478)	324
Provisions for loan losses	1,295	1,419	1,119
Student loans originated for sale, net	—	(9,648)	(19,100)
Decrease (increase) in restricted cash — other	15	(2)	40
Decrease (increase) in accrued interest receivable	463	(4)	894
Increase (decrease) in accrued interest payable	75	(77)	(517)
Adjustment for non-cash loss related to Retained Interest	—	—	330
Decrease in other assets	423	1,206	375
(Decrease) in other liabilities	(12)	(121)	(30)
Cash provided by (used in) operating activities — continuing operations	3,081	(6,692)	(16,429)
Cash provided by operating activities — discontinued operations	—	—	515
Total net cash provided by (used in) operating activities	3,081	(6,692)	(15,914)
Investing activities			
Student loans acquired	(3,888)	(4,611)	(5,973)
Loans purchased from securitized trusts	—	—	(6)
Reduction of student loans:			
Installment payments, claims and other	12,290	9,812	7,319
Proceeds from sales of student loans	753	588	788
Other investing activities, net	(210)	(96)	(419)
Purchases of available-for-sale securities	(142)	(38,303)	(128,478)
Proceeds from maturities of available-for-sale securities	193	39,465	128,052
Purchases of held-to-maturity and other securities	(277)	(142)	(1)
Proceeds from maturities of held-to-maturity securities and other securities	265	136	79
Decrease (increase) in restricted cash — variable interest entities	376	426	(1,180)
Cash provided by investing activities — continuing operations	9,360	7,275	181
Cash provided by investing activities — discontinued operations	114	139	130
Total net cash provided by investing activities	9,474	7,414	311
Financing activities			
Borrowings collateralized by loans in trust — issued	4,553	5,917	12,998
Borrowings collateralized by loans in trust — repaid	(13,408)	(10,636)	(5,690)
Asset-backed commercial paper conduits, net	887	(2,060)	(16,138)
ED Participation Program, net	—	11,252	19,302
ED Conduit Program facility, net	(3,172)	664	14,314
Other short-term borrowings issued	239	—	298
Other short-term borrowings repaid	(38)	(168)	(1,435)
Other long-term borrowings issued	2,354	1,464	4,333
Other long-term borrowings repaid	(6,498)	(9,955)	(9,504)
Other financing activities, net	696	(21)	(955)
Retail and other deposits, net	754	1,166	204
Other	1	—	(8)
Common stock repurchased	(300)	—	—
Common stock dividends paid	(154)	—	—
Preferred dividends paid	(18)	(72)	(116)
Net cash (used in) provided by financing activities	(14,104)	(2,449)	17,603
Net (decrease) increase in cash and cash equivalents	(1,549)	(1,727)	2,000
Cash and cash equivalents at beginning of year	4,343	6,070	4,070
Cash and cash equivalents at end of year	$ 2,794	$ 4,343	$ 6,070
Cash disbursements made (refunds received) for:			
Interest	$ 2,413	$ 2,372	$ 3,657
Income taxes paid	$ 559	$ 200	$ 328
Income taxes (received)	$ (37)	$ (628)	$ (30)
Noncash activity:			
Investing activity — Student loans and other assets acquired	$ 783	$ 25,638	$ —
Operating activity — Other assets acquired and other liabilities assumed, net	$ 19	$ 376	$ —
Financing activity — Borrowings assumed in acquisition of student loans and other assets	$ 802	$ 26,014	$ —

See accompanying notes to consolidated financial statements.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business

SLM Corporation ("we", "us", "our", or the "Company") is a holding company that operates through a number of subsidiaries. We were formed in 1972 as the Student Loan Marketing Association, a federally chartered government-sponsored enterprise (the "GSE"), with the goal of furthering access to higher education by acting as a secondary market for federal student loans. In 2004, we completed our transformation to a private company through our wind-down of the GSE. The GSE's outstanding obligations were placed into a Master Defeasance Trust Agreement as of December 29, 2004, which was fully collateralized by direct, noncallable obligations of the United States.

We provide Private Education Loans that help students and their families bridge the gap between family resources, federal loans, grants, student aid, scholarships and the cost of a college education. We also provide savings products to help save for a college education. In addition we provide servicing and collection services on federal loans. We also offer servicing, collection and transaction support directly to colleges and universities in addition to the saving for college industry. Finally, we are the largest private owner of Federal Family Education Loan Program ("FFELP") Loans.

On March 30, 2010, President Obama signed into law H.R. 4872, the Health Care and Education Reconciliation Act of 2010 ("HCERA"), which included the SAFRA Act. Effective July 1, 2010, legislation eliminated the authority to originate new loans under FFELP and required that all new federal loans be made through the Direct Student Loan Program ("DSLP"). Consequently, we no longer originate FFELP Loans. Net interest income from our FFELP Loan portfolio and fees associated with servicing FFELP Loans and collecting on delinquent and defaulted FFELP Loans on behalf of Guarantors has been our largest source of income. The law does not alter or affect the terms and conditions of existing FFELP Loans.

2. Significant Accounting Policies

Use of Estimates

Our financial reporting and accounting policies conform to generally accepted accounting principles in the United States of America ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Key accounting policies that include significant judgments and estimates include the allowance for loan losses, the effective interest rate method (amortization of student loan and debt premiums and discounts), fair value measurements, goodwill and acquired intangible asset impairment assessments, and derivative accounting.

Consolidation

The consolidated financial statements include the accounts of SLM Corporation and its majority-owned and controlled subsidiaries and those Variable Interest Entities ("VIEs") for which we are the primary beneficiary, after eliminating the effects of intercompany accounts and transactions.

On January 1, 2010, we adopted the new consolidation accounting guidance. Under the new consolidation accounting guidance, if an entity has a variable interest in a VIE and that entity is determined to be the primary beneficiary of the VIE then that entity will consolidate the VIE. The primary beneficiary is the entity which has both: (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb losses or receive benefits of the entity that could potentially be significant to the VIE. As it relates to our securitized assets, we are the servicer of the securitized assets and own the Residual Interest of the securitization trusts. As a result, we are the primary beneficiary of our securitization trusts and consolidated those trusts that were previously off-balance sheet at their historical cost basis on

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

January 1, 2010. The historical cost basis is the basis that would exist if these securitization trusts had remained on-balance sheet since they settled. The new guidance did not change the accounting of any other VIEs in which we had a variable interest as of January 1, 2010.

After the adoption of the new accounting guidance, our results of operations no longer reflect securitization, servicing and Residual Interest revenue related to these securitization trusts, but instead report interest income, provisions for loan losses associated with the securitized assets and interest expense associated with the debt issued from the securitization trusts to third parties, consistent with our accounting treatment of prior on-balance sheet securitization trusts.

The following table summarizes the change in the consolidated balance sheet resulting from the consolidation of the off-balance sheet securitization trusts upon the adoption of the new consolidation accounting guidance.

(Dollars in millions)	At January 1, 2010
FFELP Stafford Loans (net of allowance of $15)	$ 5,500
FFELP Consolidation Loans (net of allowance of $10)	14,797
Private Education Loans (net of allowance of $524)	12,341
Total student loans	32,638
Restricted cash and investments	1,041
Other assets	1,370
Total assets consolidated	35,049
Long-term borrowings	34,403
Other liabilities	6
Total liabilities consolidated	34,409
Net assets consolidated on balance sheet	640
Less: Residual Interest removed from balance sheet	1,828
Cumulative effect of accounting change before taxes	(1,188)
Tax effect	434
Cumulative effect of accounting change after taxes recorded to retained earnings	$ (754)

Fair Value Measurement

We use estimates of fair value in applying various accounting standards for our financial statements. Fair value measurements are used in one of four ways:

- In the consolidated balance sheet with changes in fair value recorded in the consolidated statement of income;
- In the consolidated balance sheet with changes in fair value recorded in the accumulated other comprehensive income section of the consolidated statement of changes in stockholders' equity;
- In the consolidated balance sheet for instruments carried at lower of cost or fair value with impairment charges recorded in the consolidated statement of income; and
- In the notes to the financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

Fair value is defined as the price to sell an asset or transfer a liability in an orderly transaction between willing and able market participants. In general, our policy in estimating fair values is to first look at observable market prices for identical assets and liabilities in active markets, where available. When these are not available, other inputs are used to model fair value such as prices of similar instruments, yield curves, volatilities, prepayment speeds, default rates and credit spreads (including for our liabilities), relying first on observable data from active markets. Depending on current market conditions, additional adjustments to fair value may be based on factors such as liquidity, credit, and bid/offer spreads. Transaction costs are not included in the determination of fair value. When possible, we seek to validate the model's output to market transactions. Depending on the availability of observable inputs and prices, different valuation models could produce materially different fair value estimates. The values presented may not represent future fair values and may not be realizable.

We categorize our fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access at the measurement date. The types of financial instruments included in level 1 are highly liquid instruments with quoted prices.
- Level 2 — Inputs from active markets, other than quoted prices for identical instruments, are used to determine fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued.
- Level 3 — Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available. However, significant judgment is required by us in developing the inputs.

Loans

Loans, consisting primarily of federally insured student loans and Private Education Loans, that we have the ability and intent to hold for the foreseeable future are classified as held for investment and are carried at amortized cost. Amortized cost includes the unamortized premiums, discounts, and capitalized origination costs and fees, all of which are amortized to interest income as further discussed below. Loans which are held-for-investment also have an allowance for loan loss as needed. Any loans we have not classified as held-for-investment are classified as held-for-sale, and carried at the lower of cost or fair value. Loans are classified as held-for-sale when we have the intent and ability to sell such loans. Loans which are held-for-sale do not have the associated premium, discount, and capitalized origination costs and fees amortized into interest income. In addition, once a loan is classified as held-for-sale, there is no further adjustment to the loan's allowance for loan loss that existed immediately prior to the reclassification to held-for-sale.

As market conditions permit, we may securitize loans as a source of financing for those loans. If we elect to use a securitization program to finance loans, loans are selected based on the required characteristics to structure the desired transaction at the most favorable financing terms (e.g., type of loan, mix of interim vs. repayment status, credit rating and maturity dates). Due to some of the structuring terms, certain transactions may qualify for sale treatment while others do not qualify for sale treatment and are recorded as financings.

All of our student loans, except for those which were sold under the U.S. Department of Education's ("ED's") Purchase Program, as defined and discussed below, are initially categorized as held-for-investment until there is certainty as to each specific loan's ultimate financing because we do not securitize all loans and currently all of our securitizations do not qualify for sales treatment. It is only when we have selected the loans to

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

securitize and that securitization transaction qualifies as a sale do we transfer the loans into the held-for-sale classification and carry them at the lower of cost or fair value. If we anticipate recognizing a gain related to the impending securitization, then the fair value of the loans is higher than their respective cost basis and no valuation allowance is recorded.

Under The Ensuring Continued Access to Student Loans Act of 2008 ("ECASLA"), ED implemented the Loan Purchase Commitment Program (the "Purchase Program") and Loan Participation Purchase Program (the "Participation Program"). Under the Purchase Program, ED agreed to purchase eligible FFELP Loans at a set price by September 30, 2010 at our option. Because we had the intent to sell such loans to ED we classified all loans eligible to be sold to ED under the Purchase Program as held-for-sale. These loans were included in the "FFELP Stafford Held-for-Sale Loans" line on our consolidated balance sheets.

Student Loan Income

For loans classified as held-for-investment, we recognize student loan interest income as earned, adjusted for the amortization of premiums and capitalized direct origination costs, accretion of discounts, and Repayment Borrower Benefits. These adjustments result in income being recognized based upon the expected yield of the loan over its life after giving effect to prepayments and extensions, and to estimates related to Repayment Borrower Benefits. The estimate of the prepayment speed includes the effect of consolidations, voluntary prepayments and student loan defaults, all of which shorten the life-of-loan. Prepayment speed estimates also consider the utilization of deferment, forbearance and extended repayment plans which lengthen the life-of-loan. For Repayment Borrower Benefits, the estimates of their effect on student loan yield are based on analyses of historical payment behavior of borrowers who are eligible for the incentives and its effect on the ultimate qualification rate for these incentives. If our expectation is that the utilization of Repayment Borrower Benefits was to increase in future periods, it would reduce our current student loan yield. We regularly evaluate the assumptions used to estimate the prepayment speeds and the qualification rates used for Repayment Borrower Benefits. In instances where there are changes to the assumptions, amortization is adjusted on a cumulative basis to reflect the change since the acquisition of the loan. We also pay an annual 105 basis point Consolidation Loan Rebate Fee on FFELP Consolidation Loans which is netted against student loan interest income. Additionally, interest earned on student loans reflects potential non-payment adjustments in accordance with our uncollectible interest recognition policy as discussed further in "Allowance for Loan Losses" of this Note 2. We do not amortize any premiums, discounts or other adjustments to the basis of student loans when they are classified as held-for-sale.

Allowance for Loan Losses

We consider a loan to be impaired when, based on current information, a loss has been incurred and it is probable that we will not receive all contractual amounts due. When making our assessment as to whether a loan is impaired, we also take into account more than insignificant delays in payment. We generally evaluate impaired loans on an aggregate basis by grouping similar loans. Impaired loans also include those loans which are individually assessed and measured for impairment, such as in a troubled debt restructuring. We maintain an allowance for loan losses at an amount sufficient to absorb losses incurred in our portfolios at the reporting date based on a projection of estimated probable credit losses incurred in the portfolio.

In determining the allowance for loan losses, we estimate the principal amount of loans that will default over the next two years (two years being the expected period between a loss event and default) and how much we expect to recover over time related to the defaulted amount. Our historical experience indicates that, on average, the time between the date that a borrower experiences a default causing event (i.e., the loss trigger event) and the date that we charge off the unrecoverable portion of that loan is two years. Additionally we estimate an allowance amount sufficient to cover life-of-loan expected losses for loans classified as a troubled debt

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

restructuring (see "Allowance for Private Education Loan Losses" to this Note 2). We start with historical experience of customer default behavior. We make judgments about which historical period to start with and then make further judgments about whether that historical experience is representative of future expectations and whether additional adjustment may be needed to those historical default rates. We also take the economic environment into consideration when calculating the allowance for loan loss. We analyze key economic statistics and the effect we expect it to have on future defaults. Key economic statistics analyzed as part of the allowance for loan loss are unemployment rates (total and specific to college graduates) and other asset type delinquency rates (e.g., credit cards and mortgages). Significantly more judgment has been required over the last several years, compared with years prior, in light of the recent downturn in the U.S. economy and high levels of unemployment and its effect on our customer's ability to pay their obligations.

We estimate the allowance for loan losses for our loan portfolio using an analysis of delinquent and current accounts. Our model is used to estimate the likelihood that a loan receivable may progress through the various delinquency stages and ultimately charge off. The evaluation of the allowance for loan losses is inherently subjective, as it requires material estimates that may be susceptible to significant changes. Our default estimates are based on a loss confirmation period of two years (i.e., our allowance for loan loss covers the next two years of expected charge-offs). The two-year estimate for the allowance for loan losses is subject to a number of assumptions. If actual future performance in delinquency, charge-offs and recoveries are significantly different than estimated, this could materially affect our estimate of the allowance for loan losses and the related provision for loan losses on our income statement.

Below we describe in further detail our policies and procedures for the allowance for loan losses as they relate to our Private Education Loan and FFELP Loan portfolios.

Allowance for Private Education Loan Losses

We determine the collectability of our Private Education Loan portfolio by evaluating certain risk characteristics. We consider school type, credit score, existence of a cosigner, loan status and loan seasoning as the key credit quality indicators because they have the most significant effect on our determination of the adequacy of our allowance for loan losses. The type of school borrowers attend can have an impact on their job prospects after graduation and therefore affects their ability to make payments. Credit scores are an indicator of the credit worthiness of a borrower and the higher the credit score the more likely it is the borrower will be able to make all of their contractual payments. Loan status affects the credit risk because a past due loan is more likely to result in a credit loss than an up-to-date loan. Additionally, loans in a deferred payment status have different credit risk profiles compared with those in current pay status. Loan seasoning affects credit risk because a loan with a history of making payments generally has a lower incidence of default than a loan with a history of making infrequent or no payments. The existence of a cosigner lowers the likelihood of default. We monitor and update these credit quality indicators in the analysis of the adequacy of our allowance for loan losses on a quarterly basis.

To estimate the probable credit losses incurred in the loan portfolio at the reporting date, we use historical experience of borrower payment behavior in connection with the key credit quality indicators and incorporate management expectation regarding macroeconomic and collection procedure factors. Similar to estimating defaults, we use historical borrower payment behavior to estimate the timing and amount of future recoveries on charged-off loans. We use judgment in determining whether historical performance is representative of what we expect to collect in the future. We then apply the default and collection rate projections to each category of loans. Once the quantitative calculation is performed, we review the adequacy of the allowance for loan losses and determine if qualitative adjustments need to be considered. Additionally, we consider changes in laws and regulations that could potentially impact the allowance for loan losses.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

Similar to the rules governing FFELP payment requirements, our collection policies allow for periods of nonpayment for borrowers requesting additional payment grace periods upon leaving school or experiencing temporary difficulty meeting payment obligations. This is referred to as forbearance status and is considered separately in our allowance for loan losses. The loss confirmation period is in alignment with our typical collection cycle and takes into account these periods of nonpayment.

In the first quarter of 2011, we implemented a new model to estimate the Private Education Loan default amount. Both the prior model and new model are considered "migration models". Our prior allowance model (in place through December 31, 2010) segmented the portfolio into categories of similar risk characteristics of which we consider school type, credit scores, existence of a cosigner, loan status and loan seasoning as the key credit quality indicators. Our new model uses these credit quality indicators, but incorporates a more granular segmentation of seasoning data into the calculation. Another change in the new allowance model relates to the historical period of experience that we use as a starting point for projecting future defaults. Our new model is based upon a seasonal average, adjusted to the most recent three to six months of actual collection experience as the starting point and applies expected macroeconomic changes and collection procedure changes to estimate expected losses caused by loss events incurred as of the balance sheet date. Our previous model primarily used a one-year historical default experience period and incorporated the estimated impact of macroeconomic factors and collection procedure changes on a qualitative basis. Our current model places a greater emphasis on the more recent default experience rather than the default experience for older historical periods, as we believe the recent default experience is more indicative of the probable losses incurred in the loan portfolio today. While we incorporated the new model in the first quarter of 2011, the overall process for calculating the appropriate amount of allowance for Private Education Loan loss did not change. Significantly more judgment has been required over the last several years, compared with years prior, in light of the U.S. economy and its effect on our customers' ability to pay their obligations. We believe that the current model more accurately reflects recent borrower behavior, loan performance and collection performance, as well as expectations about economic factors. There was no adjustment to our allowance for loan losses upon implementing this new default projection model in the first quarter of 2011.

On July 1, 2011, we adopted new guidance that clarified when a loan restructuring constitutes a troubled debt restructuring ("TDR"). In applying the new guidance we determined that certain Private Education Loans for which we granted forbearance of greater than three months are classified as troubled debt restructurings. If a loan meets the criteria for troubled debt accounting then an allowance for loan loss is established which represents the present value of the losses that are expected to occur over the remaining life of the loan. This accounting results in a higher allowance for loan losses than our previously established allowance for these loans as our previous allowance for these loans represented an estimate of charge-offs expected to occur over the next two years (two years being our loss confirmation period). The new accounting guidance was effective as of July 1, 2011 but was required to be applied retrospectively to January 1, 2011. This resulted in $124 million of additional provision for loan losses in the third quarter of 2011 from approximately $3.8 billion of student loans being classified as troubled debt restructurings. This new accounting guidance is only applied to certain borrowers who use their fourth or greater month of forbearance during the time period this new guidance is effective. This new accounting guidance has the effect of accelerating the recognition of expected losses related to our Private Education Loan portfolio. The increase in the provision for losses as a result of this new accounting guidance does not reflect a decrease in credit expectations of the portfolio or an increase in the expected life-of-loan losses related to this portfolio. We believe forbearance is an accepted and effective collections and risk management tool for Private Education Loans. We plan to continue to use forbearance and as a result, we expect to have additional loans classified as troubled debt restructurings in the future (see "Note 4 — Allowance for Loan Losses" for a further discussion on the use of forbearance as a collection tool).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

As part of concluding on the adequacy of the allowance for loan loss, we review key allowance and loan metrics. The most relevant of these metrics considered are the allowance coverage of charge-offs ratio; the allowance as a percentage of total loans and of loans in repayment; and delinquency and forbearance percentages.

Certain Private Education Loans do not require borrowers to begin repayment until six months after they have graduated or otherwise left school. Consequently, our loss estimates for these programs are generally low while the borrower is in school. At December 31, 2011, 17 percent of the principal balance in the higher education Private Education Loan portfolio was related to borrowers who are in an in-school/grace/deferment status and not required to make payments. As this population of borrowers leaves school, they will be required to begin payments on their loans, and the allowance for loan losses may change accordingly.

We consider a loan to be delinquent 31 days after the last payment was contractually due. We use a model to estimate the amount of uncollectible accrued interest on Private Education Loans and reserve for that amount against current period interest income.

In general, Private Education Loan principal is charged off against the allowance when at the end of the month the loan exceeds 212 days past due. The charge-off amount equals the estimated loss of the defaulted loan balance. Actual recoveries, as they are received, are applied against the remaining loan balance that was not charged-off. If periodic recoveries are less than originally expected, the difference results in immediate additional provision expense and charge-off of such amount.

Allowance for FFELP Loan Losses

FFELP Loans are insured as to their principal and accrued interest in the event of default subject to a Risk Sharing level based on the date of loan disbursement. These insurance obligations are supported by contractual rights against the United States. For loans disbursed after October 1, 1993, and before July 1, 2006, we receive 98 percent reimbursement on all qualifying default claims. For loans disbursed on or after July 1, 2006, we receive 97 percent reimbursement. For loans disbursed prior to October 1, 1993, we receive 100 percent reimbursement.

Similar to the allowance for Private Education Loan losses, the allowance for FFELP Loan losses uses historical experience of borrower default behavior and a two-year loss confirmation period to estimate the credit losses incurred in the loan portfolio at the reporting date. We apply the default rate projections, net of applicable Risk Sharing, to each category for the current period to perform our quantitative calculation. Once the quantitative calculation is performed, we review the adequacy of the allowance for loan losses and determine if qualitative adjustments need to be considered.

Cash and Cash Equivalents

Cash and cash equivalents includes term federal funds, Eurodollar deposits, commercial paper, asset-backed commercial paper, treasuries, money market funds and bank deposits with original terms to maturity of less than three months.

Restricted Cash and Investments

Restricted cash primarily includes amounts held in student loan securitization trusts and other secured borrowings. This cash must be used to make payments related to trust obligations. Amounts on deposit in these accounts are primarily the result of timing differences between when principal and interest is collected on the trust assets and when principal and interest is paid on trust liabilities.

In connection with our tuition payment plan product, we receive payments from customers that in turn is owed to schools. This cash, a majority of which has been deposited at Sallie Mae Bank (“the Bank”), our Utah

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

industrial bank subsidiary, is held in escrow for the beneficial owners. In addition, the cash rebates that Upromise members earn from qualifying purchases from Upromise's participating companies are held in trust for the benefit of the members. This cash is held pursuant to a trust document until distributed in accordance with the Upromise member's request and/or the terms of the Upromise service agreement. Upromise, which acts as the trustee for the trust, has deposited a majority of the cash with the Bank pursuant to a money market deposit account agreement between the Bank and Upromise as trustee of the trust. Subject to capital requirements and other laws, regulations and restrictions applicable to Utah industrial banks, the cash that is deposited with the Bank in connection with the tuition payment plan and the Upromise rebates described above is not restricted and, accordingly, is not included in restricted cash and investments in our consolidated financial statements, as there is no restriction surrounding our use of the funds.

Securities pledged as collateral related to our derivative portfolio, where the counterparty has rights to replace the securities, are classified as restricted. When the counterparty does not have these rights, the security is recorded in investments and disclosed as pledged collateral in the notes. Additionally, certain counterparties require cash collateral pledged to us to be segregated and held in restricted cash accounts. Cash balances that our indentured trusts deposit in guaranteed investment contracts that are held in trust for the related note holders are classified as restricted investments. Finally, cash received from lending institutions that is invested pending disbursement for student loans is restricted and cannot be disbursed for any other purpose.

Investments

Our available-for-sale investment portfolio consists of investments that are AAA equivalent securities and are carried at fair value, with the temporary changes in fair value carried as a separate component of stockholders' equity, net of taxes. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts, which are amortized using the effective interest rate method. Other-than-temporary impairment is evaluated by considering several factors, including the length of time and extent to which the fair value has been less than the amortized cost basis, the financial condition and near-term prospects of the security (considering factors such as adverse conditions specific to the security and ratings agency actions), and the intent and ability to retain the investment to allow for an anticipated recovery in fair value. The entire fair value loss on a security that is other-than-temporary impairment is recorded in earnings if we intend to sell the security or if it is more likely than not that we will be required to sell the security before the expected recovery of the loss. However, if the impairment is other-than-temporary, and those two conditions do not exist, the portion of the impairment related to credit losses is recorded in earnings and the impairment related to other factors is recorded in other comprehensive income. Securities classified as trading are accounted for at fair value with unrealized gains and losses included in investment income. Securities that we have the intent and ability to hold to maturity are classified as held-to-maturity and are accounted for at amortized cost unless the security is determined to have an other-than-temporary impairment. In this case it is accounted for in the same manner described above.

We also have other investments, including a receivable for cash collateral posted to derivative counterparties and our remaining investment in leveraged aircraft leases. These investments are accounted for at amortized cost net of impairments in other investments.

Interest Expense

Interest expense is based upon contractual interest rates adjusted for the amortization of debt issuance costs and premiums and the accretion of discounts. Our interest expense may also be adjusted for net payments/receipts related to interest rate and foreign currency swap agreements and interest rate futures contracts that qualify and are designated as hedges. Interest expense also includes the amortization of deferred gains and losses

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

on closed hedge transactions that qualified as hedges. Amortization of debt issuance costs, premiums, discounts and terminated hedge basis adjustments are recognized using the effective interest rate method.

In addition, three TALF eligible Private Education Loan securitizations issued in 2009 are callable at a discount of 93 or 94 percent of the outstanding principal (depending on the terms of the note). The first call dates occur between two and one-half to four years from the original issue date (depending on the terms of the note) and the note is eligible to be called until the end of the call period which lasts six to twelve months. We have concluded that it is probable we will call these bonds at the call date at the respective discount. Probability is based on the our assessment of whether these bonds can be refinanced at the call date at or lower than a breakeven cost of funds based on the call discount. As a result, we are accreting this call discount as a reduction to interest expense through the first call date using the effective interest rate method. If it becomes less than probable we will call these bonds at a future date, it will result in us reversing this prior accretion as a cumulative catch-up adjustment. We have accreted approximately $278 million, cumulatively, as a reduction of interest expense through December 31, 2011. As of January 2012, two of the three TALF deals had been called by us resulting in $238 million of the $278 million of interest accretion being realized. The third deal is first callable in August 2013.

Transfer of Financial Assets and Extinguishments of Liabilities

We account for loan sales and debt repurchases in accordance with the applicable accounting guidance. Our securitizations, indentured trust debt, ABCP borrowings, ED Conduit and ED Participation Program facility are accounted for as on-balance sheet secured borrowings. See "Securitization Accounting" of this Note 2 for further discussion on the criteria assessed to determine whether a transfer of financial assets is a sale or a secured borrowing. If a transfer of loans qualifies as a sale we derecognize the loan and recognize a gain or loss as the difference between the carry basis of the loan sold and liabilities retained and the compensation received.

We periodically repurchase our outstanding debt in the open market or through public tender offers. We record a gain or loss on the early extinguishment of debt based upon the difference between the carrying cost of the debt and the amount paid to the third party and is net of hedging gains and losses, where the debt is in a qualifying hedge relationship.

We recognize the results of a transfer of loans and the extinguishment of debt based upon the settlement date of the transaction.

Securitization Accounting

Our securitizations use a two-step structure with a special purpose entity that legally isolates the transferred assets from us, even in the event of bankruptcy. Transactions receiving sale treatment are also structured to ensure that the holders of the beneficial interests issued are not constrained from pledging or exchanging their interests, and that we do not maintain effective control over the transferred assets. If these criteria are not met, then the transaction is accounted for as an on-balance sheet secured borrowing. In all cases, irrespective of whether they qualify as accounting sales our securitizations are legally structured to be sales of assets that isolate the transferred assets from us. If a securitization qualifies as a sale, we then assess whether we are the primary beneficiary of the securitization trust and are required to consolidate such trust. (See "Consolidation" of this Note 2.) If we are the primary beneficiary then no gain or loss is recognized.

We assess the financial structure of each securitization to determine whether the trust or other securitization vehicle meets the sale criteria and account for the transaction accordingly. Prior to January 1, 2010 when the new accounting guidance for transfers of financial instruments was implemented which eliminated the concept of a qualified special purpose entity ("QSPE"), certain trusts would qualify as a QSPE and be accounted for as off-balance sheet trusts if they met all of the applicable criteria.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

Prior to the adoption on January 1, 2010 of the new accounting guidance that eliminated the concept of QSPEs, in certain securitizations there were terms present within the deal structure that resulted in such securitizations not qualifying for sale treatment by failing to meet the criteria required for the securitization entity (trust) to be a QSPE. Accordingly, these securitization trusts were accounted for as VIEs. Because we were considered the primary beneficiary in such VIEs, the transfer was deemed a financing and the trust was consolidated in our financial statements. The terms present in these structures that prevented sale treatment were: (1) we hold rights that can affect the remarketing of specific trust bonds that are not significantly limited in nature, (2) the trust has the right to enter into interest rate cap agreements after its settlement date that do not relate to the reissuance of third-party beneficial interests or (3) we hold an unconditional call option related to a certain percentage of trust assets.

Subsequent to the adoption of the new accounting guidance regarding consolidations and the transfers of financial instruments on January 1, 2010, all of our securitizations trusts that had previously been accounted for off-balance sheet were consolidated. In addition, we have consolidated all subsequent securitization trusts pursuant to the new consolidation accounting guidance. See "Consolidation" of this Note 2 for additional information regarding the accounting rules for consolidation and the effect of the application of the new guidance as we are the primary beneficiary of these trusts.

Irrespective of whether a securitization receives sale or on-balance sheet treatment, our continuing involvement with our securitization trusts is generally limited to:

- Owning the equity certificates of certain trusts.
- The servicing of the student loan assets within the securitization trusts, on both a pre- and post-default basis.
- Our acting as administrator for the securitization transactions we sponsored, which includes remarketing certain bonds at future dates.
- Our responsibilities relative to representation and warranty violations and the reimbursement of borrower benefits.
- The reimbursement to the trust of borrower benefits afforded the borrowers of student loans that have been securitized.
- Certain back-to-back derivatives entered into by us contemporaneously with the execution of derivatives by certain Private Education Loan securitization trusts.
- The option held by us to buy certain delinquent loans from certain Private Education Loan securitization trusts.
- The option to exercise the clean-up call and purchase the student loans from the trust when the asset balance is 10 percent or less of the original loan balance.
- The option (in certain trusts) to call rate reset notes in instances where the remarketing process has failed.
- The option (in certain trusts that were TALF eligible in 2009) to call the outstanding bonds at a discount to par at a future date

The investors of the securitization trusts have no recourse to our other assets should there be a failure of the trusts to pay when due. Generally, the only arrangements under which we have to provide financial support to the trusts are:

- representation and warranty violations requiring the buyback of loans; and
- funding specific cash accounts within certain trusts related to the remarketing of certain bonds.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

Under the terms of the transaction documents of certain trusts, we have, from time to time, exercised our options to purchase delinquent loans from Private Education Loan trusts, to purchase the remaining loans from trusts once the loan balance falls below 10 percent of the original amount, or to call rate reset notes. Certain trusts maintain financial arrangements with third parties also typical of securitization transactions, such as derivative contracts (swaps) and bond insurance policies that, in the case of a counterparty failure, could adversely impact the value of any Residual Interest.

Retained Interest in Off-Balance Sheet Securitized Loans

Prior to the adoption of the new consolidation accounting rules on January 1, 2010, certain of our securitization transactions qualified as sales and we retained the Residual Interests in the trusts as well as servicing rights (all of which are referred to as our Retained Interest in off-balance sheet securitized loans). The following accounting policies were applied prior to the January 1, 2010 adoption of the new consolidation accounting guidance which required us to consolidate all of our previously off-balance sheet trusts and therefore eliminated any accounting for Residual Interests.

When our securitization transactions qualified for sale treatment we recognized the resulting gain on student loan securitizations in the consolidated statements of income. This gain was based upon the difference between the allocated cost basis of the assets sold and the relative fair value of the assets received. The component in determining the fair value of the assets received that involves the most judgment is the valuation of the Residual Interest. We estimated the fair value of the Residual Interest, both initially and each subsequent quarter, based on the present value of future expected cash flows using our best estimates of the following key assumptions — credit losses, prepayment speeds and discount rates commensurate with the risks involved. Quoted market prices were not available. When we adopted the new financial instruments accounting guidance on January 1, 2008, we elected to carry all Residual Interests at fair value with subsequent changes in fair value recorded in earnings. We chose this election in order to simplify the accounting for Residual Interests under one accounting model.

The fair value of the Fixed Rate Embedded Floor Income is a component of the Residual Interest and was determined initially at the time of the sale of the student loans and during each subsequent quarter. This estimate was based on an option valuation and a discounted cash flow calculation that considered the current borrower rate, Special Allowance Payment ("SAP") spreads and the term for which the loan is eligible to earn Floor Income as well as time value, forward interest rate curve and volatility factors. Variable Rate Floor Income received was recorded as earned in securitization servicing and Residual Interest revenue.

We also receive income for servicing the loans in our securitization trusts which was recognized as earned. We assessed the amounts received as compensation for these activities at inception and on an ongoing basis to determine if the amounts received are adequate compensation. To the extent such compensation was determined to be no more or less than adequate compensation, no servicing asset or obligation was recorded at the time of securitization. Servicing rights are subsequently carried at the lower of cost or market. We do not record servicing assets or servicing liabilities when our securitization trusts are accounted for as on-balance sheet secured financings. As of December 31, 2011 and 2010, all of our securitization trusts are on-balance sheet and as a result we do not have servicing assets or liabilities recorded on the consolidated balance sheet related to our securitization trusts.

Derivative Accounting

The accounting guidance for our derivative instruments, which includes interest rate swaps, cross-currency interest rate swaps, interest rate futures contracts, interest rate cap contracts and Floor Income Contracts, requires that every derivative instrument, including certain derivative instruments embedded in other contracts, be

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

recorded at fair value on the balance sheet as either an asset or liability. Derivative positions are recorded as net positions by counterparty based on master netting arrangements (see "Note 7—Derivative Instruments—Risk Management Strategy") exclusive of accrued interest and cash collateral held or pledged.

Many of our derivatives, mainly interest rate swaps hedging the fair value of fixed-rate assets and liabilities, and cross-currency interest rate swaps, qualify as effective hedges. For these derivatives, the relationship between the hedging instrument and the hedged items (including the hedged risk and method for assessing effectiveness), as well as the risk management objective and strategy for undertaking various hedge transactions at the inception of the hedging relationship, is documented. Each derivative is designated to either a specific (or pool of) asset(s) or liability(ies) on the balance sheet or expected future cash flows, and designated as either a "fair value" or a "cash flow" hedge. Fair value hedges are designed to hedge our exposure to changes in fair value of a fixed rate or foreign denominated asset or liability, while cash flow hedges are designed to hedge our exposure to variability of either a floating rate asset's or liability's cash flows or an expected fixed rate debt issuance. For effective fair value hedges, both the hedge and the hedged item (for the risk being hedged) are marked-to-market with any difference reflecting ineffectiveness and recorded immediately in the statement of income. For effective cash flow hedges, the change in the fair value of the derivative is recorded in other comprehensive income, net of tax, and recognized in earnings in the same period as the earnings effects of the hedged item. The ineffective portion of a cash flow hedge is recorded immediately through earnings. The assessment of the hedge's effectiveness is performed at inception and on an ongoing basis, generally using regression testing. For hedges of a pool of assets or liabilities, tests are performed to demonstrate the similarity of individual instruments of the pool. When it is determined that a derivative is not currently an effective hedge, ineffectiveness is recognized for the full change in value of the derivative with no offsetting mark-to-market of the hedged item for the current period. If it is also determined the hedge will not be effective in the future, we discontinue the hedge accounting prospectively, cease recording changes in the fair value of the hedged item, and begin amortization of any basis adjustments that exist related to the hedged item.

We also have derivatives, primarily Floor Income Contracts and certain basis swaps, that we believe are effective economic hedges but do not qualify for hedge accounting treatment. These derivatives are classified as "trading" and as a result they are marked-to-market through earnings with no consideration for the fair value fluctuation of the economically hedged item.

The "gains (losses) on derivative and hedging activities, net" line item in the consolidated statements of income includes the unrealized changes in the fair value of our derivatives (except effective cash flow hedges which are recorded in other comprehensive income), the unrealized changes in fair value of hedged items in qualifying fair value hedges, as well as the realized changes in fair value related to derivative net settlements and dispositions that do not qualify for hedge accounting. Net settlement income/expense on derivatives that qualify as hedges are included with the income or expense of the hedged item (mainly interest expense).

Servicing Revenue

Servicing revenue includes third-party loan servicing, account asset servicing, Campus Solutions revenue and Guarantor servicing revenue.

We perform loan servicing functions for third-parties in return for a servicing fee. Our compensation is typically based on a per-unit fee arrangement or a percentage of the loans outstanding. We recognize servicing revenues associated with these activities based upon the contractual arrangements as the services are rendered. We recognize late fees and forbearance fees on third-party serviced loans as well as on loans in our portfolio according to the contractual provisions of the promissory notes, as well as our expectation of collectability.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

We earn fees in our Campus Solutions business for processing tuition and other payments for our college and university partners. We recognize this fee income based on contractual arrangements in the period in which the services are provided which generally occurs when the transaction is processed.

We provide a full complement of administrative services to FFELP Guarantors including guarantee issuance through July 1, 2010, and account maintenance for Guarantor agencies. The fees associated with these services are recognized as the services are performed based on contractually determined rates.

We also provide account asset servicing including program management, transfer and servicing agent services and administration services for various 529 college savings plans. Fees associated with these services are recognized as the services are performed based on contractually determined rates.

Contingency Revenue

We receive fees for collections of delinquent debt on behalf of clients performed on a contingency basis. Revenue is earned and recognized upon receipt of the delinquent borrower funds.

We also receive fees from Guarantor agencies for performing default aversion services on delinquent loans prior to default. The fee is received when the loan is initially placed with us and we are obligated to provide such services for the remaining life of the loan for no additional fee. In the event that the loan defaults, we are obligated to rebate a portion of the fee to the Guarantor agency in proportion to the principal and interest outstanding when the loan defaults. We recognize fees received, net of an estimate of future rebates owed due to subsequent defaults, over the service period which is estimated to be the life of the loan.

Other Income

Our Upromise subsidiary has a number of programs that encourage consumers to save for the cost of college education. We have established a consumer savings network which is designed to promote college savings by consumers who are members of this program by encouraging them to purchase goods and services from the companies that participate in the program ("Participating Companies"). Participating Companies generally pay Upromise fees based on member purchase volume, either online or in stores depending on the contractual arrangement with the Participating Company. We recognize revenue as marketing and administrative services are rendered based upon contractually determined rates and member purchase volumes.

Goodwill and Acquired Intangible Assets

We account for goodwill and acquired intangible assets in accordance with the applicable accounting guidance. Under this guidance goodwill is not amortized but is tested periodically for impairment. We test goodwill for impairment annually as of October 1 at the reporting unit level, which is the same as or one level below a business segment. Goodwill is also tested at interim periods if an event occurs or circumstances change that would indicate the carrying amount may be impaired.

In September 2011, the FASB issued ASU No. 2011-08, Intangibles — Goodwill and Other (Topic 350), "Testing Goodwill for Impairment." This guidance permits us to assess qualitative factors to determine whether it is "more-likely-than-not" that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. The "more-likely-than-not" threshold is defined as having a likelihood of more than 50 percent. If, after assessing relevant qualitative factors, we conclude that it is "more-likely-than-not" that the fair value of a reporting unit as of October 1 is less than its carrying amount, we will complete Step 1 of the goodwill impairment analysis. Step

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

1 consists of a comparison of the fair value of the reporting unit to the reporting unit's carrying value, including goodwill. If the carrying value of the reporting unit exceeds the fair value, Step 2 in the goodwill impairment analysis is performed to measure the amount of impairment loss, if any. Step 2 of the goodwill impairment analysis compares the implied fair value of the reporting unit's goodwill to the carrying value of the reporting unit's goodwill. The implied fair value of goodwill is determined in a manner consistent with determining goodwill in a business combination. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to that excess.

The new guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. However, an entity can choose to early adopt this new guidance. We early adopted the new guidance in the fourth quarter 2011. After assessing relevant qualitative factors including but not limited to the current legislative environment, stock price performance, market capitalization and EPS results, we determined that it is more-likely-than-not that the fair value of the reporting units exceeds their carrying amounts. Accordingly, we did not perform the Step 1 impairment analysis as of October 1, 2011.

Other acquired intangible assets include but are not limited to tradenames, customer and other relationships, and non-compete agreements. Acquired intangible assets with finite lives are amortized over their estimated useful lives in proportion to their estimated economic benefit. Finite-lived acquired intangible assets are reviewed for impairment using an undiscounted cash flow analysis when an event occurs or circumstances change indicating the carrying amount of a finite-lived asset or asset group may not be recoverable. If the carrying amount of the asset or asset groups exceeds the undiscounted cash flows, the fair value of the asset or asset group is determined using an acceptable valuation technique. An impairment loss would be recognized if the carrying amount of the asset (or asset group) exceeds the fair value of the asset or asset group. The impairment loss recognized would be the difference between the carrying amount and fair value. Indefinite-life acquired intangible assets are not amortized. They are tested for impairment annually as of October 1 or at interim periods if an event occurs or circumstances change that would indicate the carrying value of these assets may be impaired. The annual or interim impairment test of indefinite-lived acquired intangible assets is based primarily on a discounted cash flow analysis.

Restructuring Activities

From time to time we implement plans to restructure our business. In conjunction with these restructuring plans, involuntary benefit arrangements, disposal costs (including contract termination costs and other exit costs), as well as certain other costs that are incremental and incurred as a direct result of our restructuring plans, are classified as restructuring expenses in the accompanying consolidated statements of income.

We sponsor the SLM Corporation Employee Severance Plan (the "Severance Plan") which provides severance benefits in the event of termination of our full-time employees (with the exception of certain specified levels of management) and part-time employees who work at least 24 hours per week. The Severance Plan establishes specified benefits based on base salary, job level immediately preceding termination and years of service upon termination of employment due to Involuntary Termination or a Job Abolishment, as defined in the Severance Plan. The benefits payable under the Severance Plan relate to past service and they accumulate and vest. Accordingly, we recognize severance costs to be paid pursuant to the Severance Plan when payment of such benefits is probable and reasonably estimable. Such benefits, including severance pay calculated based on the Severance Plan, medical and dental benefits, outplacement services and continuation pay, have been incurred during the years ended December 31, 2011, 2010 and 2009, as a direct result of our restructuring initiatives. Accordingly, such costs are classified as restructuring expenses in the accompanying consolidated statements of income. See "Note 12—Restructuring Activities" for further information regarding our restructuring activities.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

Contract termination costs are expensed at the earlier of (1) the contract termination date or (2) the cease use date under the contract. Other exit costs are expensed as incurred and classified as restructuring expenses if (1) the cost is incremental to and incurred as a direct result of planned restructuring activities and (2) the cost is not associated with or incurred to generate revenues subsequent to our consummation of the related restructuring activities.

Software Development Costs

Certain direct development costs associated with internal-use software are capitalized, including external direct costs of services and payroll costs for employees devoting time to the software projects. These costs are included in other assets and are amortized over a period not to exceed five years beginning when the asset is technologically feasible and substantially ready for use. Maintenance costs and research and development costs relating to software to be sold or leased are expensed as incurred.

During the years ended December 31, 2011, 2010 and 2009, we capitalized $8 million, $14 million and $16 million, respectively, in costs related to software development, and expensed $115 million, $154 million and $138 million, respectively, related to routine maintenance and amortization. At December 31, 2011 and 2010, the unamortized balance of capitalized internally developed software included in other assets was $36 million and $44 million, respectively. We amortize software development costs over three to five years.

Accounting for Stock-Based Compensation

We recognize stock-based compensation cost in our consolidated statements of income using the fair value based method. Under this method we determine the fair value of the stock-based compensation at the time of the grant and recognize the resulting compensation expense over the vesting period of the stock-based grant.

Income Taxes

We account for income taxes under the asset and liability approach which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of our assets and liabilities. To the extent tax laws change, deferred tax assets and liabilities are adjusted in the period that the tax change is enacted.

"Income tax expense/(benefit)" includes (i) deferred tax expense/(benefit), which represents the net change in the deferred tax asset or liability balance during the year plus any change in a valuation allowance, and (ii) current tax expense/(benefit), which represents the amount of tax currently payable to or receivable from a tax authority plus amounts accrued for unrecognized tax benefits. Income tax expense/(benefit) excludes the tax effects related to adjustments recorded in equity.

If we have an uncertain tax position, then that tax position is recognized only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount of tax benefit recognized in the financial statements is the largest amount of benefit that is more than fifty percent likely of being sustained upon ultimate settlement of the uncertain tax position. We recognize interest related to unrecognized tax benefits in income tax expense/(benefit), and penalties, if any, in operating expenses.

Earnings (Loss) per Common Share

We compute earnings (loss) per common share ("EPS") by dividing net income allocated to common shareholders by the weighted average common shares outstanding. Net income allocated to common shareholders represents net income applicable to common shareholders (net income adjusted for preferred stock

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

dividends including dividends declared, accretion of discounts on preferred stock including accelerated accretion when preferred stock is repaid early, and cumulative dividends related to the current dividend period that have not been declared as of period end). Diluted earnings per common share is computed by dividing income allocated to common shareholders by the weighted average common shares outstanding plus amounts representing the dilutive effect of stock options outstanding, restricted stock, restricted stock units, and the dilution resulting from the conversion of convertible preferred stock, if applicable. See "Note 10—Earnings (Loss) per Common Share" for further discussion.

Discontinued Operations

A "Component" of a business comprises operations and cash flows that can be clearly distinguished operationally and for financial reporting purposes from the rest of the Company. When we determine that a Component of our business has been disposed of or has met the criteria to be classified as held-for-sale such Component is presented separately as discontinued operations if the operations of the Component have been or will be eliminated from our ongoing operations and we will have no continuing involvement with the Component after the disposal transaction is complete. See "Note 17—Discontinued Operations" for further discussion. If a component is classified as held-for-sale, then it is carried at the lower of its cost basis or fair value.

Included within discontinued operations are the accounting results related to our purchasing delinquent and charged-off receivables on various types of consumer debt with a primary emphasis on charged-off credit card receivables, and sub-performing and non-performing mortgage loans (Purchased Paper businesses). At December 31, 2011, we have sold all of these businesses. We accounted for these investments in charged-off receivables and sub-performing and non-performing mortgage loans by establishing static pools of each quarter's purchases and aggregating them based on common risk characteristics. The pools when formed were initially recorded at fair value, based on each pool's estimated future cash flows and internal rate of return. We recognized income each month based on each static pool's effective interest rate. The static pools were tested quarterly for impairment by re-estimating the future cash flows to be received from the pools. If the new estimated cash flows resulted in a pool's effective interest rate increasing, then this new yield was used prospectively over the remaining life of the static pool. If the new estimated cash flows resulted in a pool's effective interest rate decreasing, the pool was considered impaired and written down through a valuation allowance to maintain the effective interest rate.

Statement of Cash Flows

Included in our financial statements is the consolidated statement of cash flows. It is our policy to include all derivative net settlements, irrespective of whether the derivative is a qualifying hedge, in the same section of the statement of cash flows that the derivative is economically hedging.

As discussed in "Restricted Cash and Investments" of this Note 2, our restricted cash balances primarily relate to on-balance sheet securitizations. This balance is primarily the result of timing differences between when principal and interest is collected on the trust assets and when principal and interest is paid on the trust liabilities. As such, changes in this balance are reflected in investing activities.

Reclassifications

Certain reclassifications have been made to the balances as of and for the years ended December 31, 2010 and 2009, to be consistent with classifications adopted for 2011, which had no impact on net income, total assets or total liabilities.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

Recently Issued Accounting Standards

Presentation of Comprehensive Income

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income (Topic 220), "Presentation of Comprehensive Income." The objective of this new guidance is to improve the comparability, consistency, and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. The new guidance requires all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The new guidance will be applied retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011. As such, this new guidance will be effective for us in the first quarter 2012. The new guidance will not have an impact on our results of operations.

Fair Value Measurement and Disclosure Requirements

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820), "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." These amendments (1) clarify the FASB's intent about the application of existing fair value measurement and disclosure requirements; and (2) change particular principles or requirements for measuring fair value or for disclosing information about fair value measurements. This new guidance is effective prospectively for interim and annual periods beginning after December 15, 2011 and is not expected to have a material impact on our fair value measurements.

3. Student Loans

There are three principal categories of FFELP Loans: Stafford, PLUS, and FFELP Consolidation Loans. Generally, Stafford and PLUS Loans have repayment periods of between five and ten years. FFELP Consolidation Loans have repayment periods of twelve to thirty years. FFELP Loans do not require repayment, or have modified repayment plans, while the borrower is in-school and during the grace period immediately upon leaving school. The borrower may also be granted a deferment or forbearance for a period of time based on need, during which time the borrower is not considered to be in repayment. Interest continues to accrue on loans in the in-school, deferment and forbearance period. FFELP Loans obligate the borrower to pay interest at a stated fixed rate or a variable rate reset annually (subject to a cap) on July 1 of each year depending on when the loan was originated and the loan type. FFELP Loans disbursed before April 1, 2006 earn interest at the greater of the borrower's rate or a floating rate based on the SAP formula, with the interest earned on the floating rate that exceeds the interest earned from the borrower being paid directly by ED. In low or certain declining interest rate environments when student loans are earning at the fixed borrower rate, and the interest on the funding for the loans is variable and declining, we can earn additional spread income that we refer to as Floor Income. For loans disbursed after April 1, 2006, FFELP Loans effectively only earn at the SAP rate, as the excess interest earned when the borrower rate exceeds the SAP rate (Floor Income) is required to be rebated to ED.

FFELP Loans are insured as to their principal and accrued interest in the event of default subject to a Risk Sharing level based on the date of loan disbursement. These insurance obligations are supported by contractual rights against the United States. For loans disbursed after October 1, 1993 and before July 1, 2006, we receive 98 percent reimbursement on all qualifying default claims. For loans disbursed on or after July 1, 2006, we receive 97 percent reimbursement.

On December 23, 2011, the President signed the Consolidated Appropriations Act of 2012 into law. This law includes changes that permit FFELP lenders or beneficial holders to change the index on which the Special

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Student Loans (Continued)

Allowance Payments ("SAP") are calculated for FFELP Loans first disbursed on or after January 1, 2000. The law allows holders to elect to move the index from the Commercial Paper ("CP") Rate to the one-month LIBOR rate. Such elections must be made by April 1, 2012. As of December 31, 2011, we had $130 billion of loans where we intend to elect the change. This change will help us to better match lender payments with our financing costs. We currently expect the new formula to be developed and available for use in the second quarter of 2012.

We offer a variety of Private Education Loans. The Private Education Loans we make are largely to bridge the gap between the cost of higher education and the amount funded through financial aid, federal loans or borrowers' resources. Private Education Loans bear the full credit risk of the borrower. We manage this additional risk through historical risk-performance underwriting strategies and the addition of qualified cosigners. Private Education Loans generally carry a variable rate indexed to LIBOR or Prime indices. We encourage borrowers to include a cosignor on the loan, and the majority of loans in our portfolio are cosigned. Similar to FFELP loans, Private Education Loans are generally non-dischargeable in bankruptcy. Most loans have repayment terms of 15 years or more, and payments are typically deferred until after graduation; however, in June 2009 we began to offer interest-only or fixed payment options while the borrower is enrolled in school. Similar to FFELP loans, we offer payment deferment to qualifying borrowers during in-school periods, and offer periods of forbearance subject to maximum terms of 24 months. Forbearance may be granted to borrowers who are exiting their grace period to provide additional time to obtain employment and income to support their obligations, or to current borrowers who are faced with a hardship and request forbearance time to provide temporary payment relief. Interest continues to accrue on loans in any deferred or forbearance period.

The estimated weighted average life of student loans in our portfolio was approximately 7.6 years and 7.7 years at December 31, 2011 and 2010, respectively. The following table reflects the distribution of our student loan portfolio by program.

	December 31, 2011		Year Ended December 31, 2011	
(Dollars in millions)	Ending Balance	% of Balance	Average Balance	Average Effective Interest Rate
FFELP Stafford and Other Student Loans, net[1]	$ 50,440	29%	$ 53,163	1.92%
FFELP Consolidation Loans, net	87,690	50	89,946	2.71
Private Education Loans, net	36,290	21	36,955	6.57
Total student loans, net[2]	$174,420	100%	$180,064	3.27%

	December 31, 2010		Year Ended December 31, 2010	
(Dollars in millions)	Ending Balance	% of Balance	Average Balance	Average Effective Interest Rate
FFELP Stafford and Other Student Loans, net[1]	$ 56,252	31%	$ 61,034	1.93%
FFELP Consolidation Loans, net	92,397	50	81,009	2.67
Private Education Loans, net	35,656	19	36,534	6.44
Total student loans, net[2]	$184,305	100%	$178,577	3.19%

(1) The FFELP category is primarily Stafford Loans, but also includes federally guaranteed PLUS and HEAL Loans.

(2) The total student loan ending balance includes net unamortized premiums/discounts of $801 and $1,006 as of December 31, 2011 and 2010, respectively.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Student Loans (Continued)

As of December 31, 2011 and 2010, 71 percent and 68 percent, respectively, of our student loan portfolio was in repayment.

Loan Acquisitions and Sales

In December 2008, we sold approximately $494 million (principal and accrued interest) of FFELP Loans to ED at a price of 97 percent of principal and unpaid interest pursuant to ED's authority under ECASLA to make such purchases, and recorded a loss on the sale. Additionally, in early January 2009, we sold an additional $486 million (principal and accrued interest) in FFELP Loans to ED under this program. The loss related to this sale in January was recognized in 2008 as the loans were classified as held-for-sale. The total loss recognized on these two sales for the year ended December 31, 2008 was $53 million and was recorded in "Losses on sales of loans and securities, net" in the consolidated statements of income.

In 2009, we sold to ED approximately $18.5 billion face amount of loans as part of the Purchase Program (approximately $840 million face amount of loans was sold in the third quarter of 2009, with the remainder sold in the fourth quarter of 2009). Outstanding debt of $18.5 billion was paid down related to the Participation Program pursuant to ECASLA in connection with these loan sales. These loan sales resulted in a $284 million gain. The settlement of the fourth-quarter sale of loans out of the Participation Program included repaying the debt by delivering the related loans to ED in a non-cash transaction and receipt of cash from ED for $484 million, representing the reimbursement of a one-percent payment made to ED plus a $75 fee per loan.

In 2010, we sold to ED approximately $20.4 billion face amount of loans as part of the Purchase Program. These loan sales resulted in a $321 million gain. Outstanding debt of $20.3 billion has been paid down related to the Participation Program in connection with these loan sales.

On December 31, 2010, we closed on our agreement to purchase an interest in $26.1 billion of securitized federal student loans and related assets and $25.0 billion of liabilities from the Student Loan Corporation ("SLC"), a subsidiary of Citibank, N.A. The purchase price was approximately $1.1 billion. The assets purchased include the residual interest in 13 of SLC's 14 FFELP loan securitizations and its interest in SLC Funding Note Issuer related to the U.S. Department of Education's Straight-A Funding asset-backed commercial paper conduit. We will also service these assets and administer the securitization trusts. We converted all of the underlying loans to our servicing platform by October 2011, and had an interim subservicing agreement for Citibank to service the loans prior to conversion. Because we have determined that we are the primary beneficiary of these trusts we have consolidated these trusts onto our balance sheet. The transaction was funded by a 5-year term loan provided by Citibank in an amount equal to the purchase price.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Student Loans (Continued)

The following table shows the assets and liabilities that were acquired and consolidated on our balance sheet at fair value on December 31, 2010.

(Dollars in millions)	Acquisition on December 31, 2010
FFELP Stafford Loans	$ 11,121
FFELP Consolidation Loans	14,262
Loan fair value discount	(494)
FFELP Loans	24,889
Restricted cash	749
Other assets	446
Total assets	$ 26,084
Long-term borrowings — FFELP trusts	$ 25,609
Long-term borrowings — acquisition financing	1,064
Long-term borrowings fair value discount	(659)
Long-term borrowings	26,014
Other liabilities	70
Total liabilities	$ 26,084

Certain Collection Tools

Forbearance involves granting the borrower a temporary cessation of payments (or temporary acceptance of smaller than scheduled payments) for a specified period of time. Using forbearance extends the original term of the loan. Forbearance does not grant any reduction in the total repayment obligation (principal or interest). While in forbearance status, interest continues to accrue and is capitalized to principal when the loan re-enters repayment status. Our forbearance policies include limits on the number of forbearance months granted consecutively and the total number of forbearance months granted over the life of the loan. In some instances, we require good-faith payments before granting forbearance. Exceptions to forbearance policies are permitted when such exceptions are judged to increase the likelihood of collection of the loan. Forbearance as a collection tool is used most effectively when applied based on a borrower's unique situation, including historical information and judgments. We leverage updated borrower information and other decision support tools to best determine who will be granted forbearance based on our expectations as to a borrower's ability and willingness to repay their obligation. This strategy is aimed at mitigating the overall risk of the portfolio as well as encouraging cash resolution of delinquent loans.

Forbearance may be granted to borrowers who are exiting their grace period to provide additional time to obtain employment and income to support their obligations, or to current borrowers who are faced with a hardship and request forbearance time to provide temporary payment relief. In these circumstances, a borrower's loan is placed into a forbearance status in limited monthly increments and is reflected in the forbearance status at month-end during this time. At the end of the granted forbearance period, the borrower will enter repayment status as current and is expected to begin making scheduled monthly payments on a go-forward basis.

Forbearance may also be granted to borrowers who are delinquent in their payments. In these circumstances, the forbearance cures the delinquency and the borrower is returned to a current repayment status. In more limited instances, delinquent borrowers will also be granted additional forbearance time.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Student Loans (Continued)

During 2009, we instituted an interest rate reduction program to assist customers in repaying their Private Education Loans through reduced payments, while continuing to reduce their outstanding principal balance. This program is offered in situations where the potential for principal recovery, through a modification of the monthly payment amount, is better than other alternatives currently available. Along with the ability and willingness to pay, the customer must make three consecutive monthly payments at the reduced rate to qualify for the program. Once the customer has made the initial three payments, the loans status is returned to current and the interest rate is reduced for the successive twelve month period.

4. Allowance for Loan Losses

Our provisions for loan losses represent the periodic expense of maintaining an allowance sufficient to absorb incurred probable losses, net of expected recoveries, in the held-for-investment loan portfolios. The evaluation of the provisions for loan losses is inherently subjective as it requires material estimates that may be susceptible to significant changes. We believe that the allowance for loan losses is appropriate to cover probable losses incurred in the loan portfolios. We segregate our Private Education Loan portfolio into two classes of loans — traditional and non-traditional. Non-traditional loans are loans to (i) borrowers attending for-profit schools with an original Fair Isaac and Company ("FICO") score of less than 670 and (ii) borrowers attending not-for-profit schools with an original FICO score of less than 640. The FICO score used in determining whether a loan is non-traditional is the greater of the borrower or cosigner FICO score at origination. Traditional loans are defined as all other Private Education Loans that are not classified as non-traditional.

In establishing the allowance for Private Education Loan losses for the year ended 2011, we considered several additional emerging environmental factors with respect to our Private Education Loan portfolio. In particular, we continue to see improving credit quality and continuing positive delinquency and charge-off trends in connection with this portfolio. Improving credit quality is seen in higher FICO scores and cosigner rates, as well as, a more seasoned portfolio compared to the previous year. The delinquency rate has declined to 10.1 percent from 10.6 percent and the charge-off rate has declined to 3.7 percent from 5.0 percent compared to the previous year.

In contrast to these overall improvements in credit quality, delinquency and charge-off trends, Private Education Loans which defaulted between 2008 and 2011 for which we have previously charged off estimated losses have, to varying degrees, not met our post-default recovery expectations to date and may continue not to do so. According to our policy, we have been charging off these periodic shortfalls in expected recoveries against our allowance for Private Education Loan losses and the related receivable for partially charged-off Private Education Loans and we will continue to do so. Differences in actual future recoveries on these defaulted loans could affect our receivable for partially charged-off Private Education Loans. We increased our provision for Private Education Loan losses for the third quarter of 2011 in the amount of $143 million to reflect these uncertainties. Continuing historically high unemployment rates may negatively affect future Private Education Loan default and recovery expectations over our estimated two-year loss confirmation period. Consequently, in accordance with our policy, we have also given consideration to these factors in projecting charge-offs for this period and establishing our allowance for Private Education Loan losses. We will continue to monitor defaults and recoveries in light of the continuing weak economy and elevated unemployment rates. For a more detailed discussion of our policy for determining the collectability of Private Education Loan and maintaining our allowance for Private Education Loan losses, see "Note 2—Significant Accounting Policies—Allowance for Private Education Loan Losses."

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

Allowance for Loan Losses Metrics

(Dollars in millions)	Allowance for Loan Losses Year Ended December 31, 2011			
	FFELP Loans	Private Education Loans	Other Loans	Total
Allowance for Loan Losses				
Beginning balance	$ 189	$ 2,022	$ 72	$ 2,283
Total provision	86	1,179	30	1,295
Charge-offs	(78)	(1,072)	(33)	(1,183)
Student loan sales	(10)	—	—	(10)
Reclassification of interest reserve[1]	—	42	—	42
Ending Balance	$ 187	$ 2,171	$ 69	$ 2,427
Allowance:				
Ending balance: individually evaluated for impairment	$ —	$ 762	$ 51	$ 813
Ending balance: collectively evaluated for impairment	$ 187	$ 1,409	$ 18	$ 1,614
Ending balance: loans acquired with deteriorated credit quality	$ —	$ —	$ —	$ —
Loans:				
Ending balance: individually evaluated for impairment	$ —	$ 5,313	$ 93	$ 5,406
Ending balance: collectively evaluated for impairment	$ 136,643	$34,021	$ 170	$170,834
Ending balance: loans acquired with deteriorated credit quality	$ —	$ —	$ —	$ —
Charge-offs as a percentage of average loans in repayment and forbearance	.07%	3.6%	11.3%	
Charge-offs as a percentage of average loans in repayment	.08%	3.7%	11.3%	
Allowance as a percentage of the ending total loan balance	.14%	5.5%	26.3%	
Allowance as a percentage of the ending loans in repayment	.20%	7.2%	26.3%	
Allowance coverage of charge-offs	2.4	2.0	2.1	
Ending total loans[2]	$ 136,643	$39,334	$ 263	
Average loans in repayment	$ 94,359	$28,790	$ 294	
Ending loans in repayment	$ 94,181	$30,185	$ 263	

(1) Represents the additional allowance related to the amount of uncollectible interest reserved within interest income that is transferred in the period to the allowance for loan losses when interest is capitalized to a loan's principal balance.

(2) Ending total loans for Private Education Loans includes the receivable for partially charged-off loans.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

(Dollars in millions)	Allowance for Loan Losses Year Ended December 31, 2010			
	FFELP Loans	Private Education Loans	Other Loans	Total
Allowance for Loan Losses				
Beginning balance	$ 161	$ 1,443	$ 76	$ 1,680
Total provision	98	1,298	23	1,419
Charge-offs	(87)	(1,291)	(27)	(1,405)
Student loan sales	(8)	—	—	(8)
Reclassification of interest reserve[1]	—	48	—	48
Consolidation of securitization trusts[2]	25	524	—	549
Ending Balance	$ 189	$ 2,022	$ 72	$ 2,283
Allowance:				
Ending balance: individually evaluated for impairment	$ —	$ 114	$ 59	$ 173
Ending balance: collectively evaluated for impairment	$ 189	$ 1,908	$ 13	$ 2,110
Ending balance: loans acquired with deteriorated credit quality	$ —	$ —	$ —	$ —
Loans:				
Ending balance: individually evaluated for impairment	$ —	$ 444	$ 114	$ 558
Ending balance: collectively evaluated for impairment	$ 146,938	$38,128	$ 228	$185,294
Ending balance: loans acquired with deteriorated credit quality	$ —	$ —	$ —	$ —
Charge-offs as a percentage of average loans in repayment and forbearance	.09%	4.8%	6.9%	
Charge-offs as a percentage of average loans in repayment	.11%	5.0%	6.9%	
Allowance as a percentage of the ending total loan balance	.13%	5.2%	21.2%	
Allowance as a percentage of the ending loans in repayment	.20%	7.3%	21.2%	
Allowance coverage of charge-offs	2.2	1.6	2.7	
Ending total loans[3]	$ 146,938	$38,572	$ 342	
Average loans in repayment	$ 82,255	$25,596	$ 383	
Ending loans in repayment	$ 96,696	$27,852	$ 342	

(1) Represents the additional allowance related to the amount of uncollectible interest reserved within interest income that is transferred in the period to the allowance for loan losses when interest is capitalized to a loan's principal balance.

(2) Upon the adoption of the new consolidation accounting guidance on January 1, 2010, we consolidated all of our previously off-balance sheet securitization trusts. (See "Note 2 — Significant Accounting Policies — Consolidation.")

(3) Ending total loans for Private Education Loans includes the receivable for partially charged-off loans.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

(Dollars in millions)	Allowance for Loan Losses Year Ended December 31, 2009			
	FFELP Loans	Private Education Loans	Other Loans	Total
Allowance for Loan Losses				
Beginning balance	$ 138	$ 1,308	$ 61	$ 1,507
Total provision	106	967	46	1,119
Charge-offs	(79)	(876)	(31)	(986)
Student loan sales and securitization activity	(4)	—	—	(4)
Reclassification of interest reserve[1]	—	44	—	44
Ending Balance	$ 161	$ 1,443	$ 76	$ 1,680
Allowance:				
Ending balance: individually evaluated for impairment	$ —	$ 32	$ 57	$ 89
Ending balance: collectively evaluated for impairment	$ 161	$ 1,411	$ 19	$ 1,591
Ending balance: loans acquired with deteriorated credit quality	$ —	$ —	$ —	$ —
Loans:				
Ending balance: individually evaluated for impairment	$ —	$ 174	$ 128	$ 302
Ending balance: collectively evaluated for impairment	$ 119,027	$24,581	$ 310	$143,918
Ending balance: loans acquired with deteriorated credit quality	$ —	$ —	$ —	$ —
Charge-offs as a percentage of average loans in repayment and forbearance	.10%	6.7%	6.3%	
Charge-offs as a percentage of average loans in repayment	.11%	7.2%	6.3%	
Allowance as a percentage of the ending total loan balance	.14%	5.8%	17.4%	
Allowance as a percentage of the ending loans in repayment	.23%	10.0%	17.4%	
Allowance coverage of charge-offs	2.0	1.6	2.4	
Ending total loans[2]	$ 119,027	$24,755	$ 438	
Average loans in repayment	$ 69,020	$12,137	$ 495	
Ending loans in repayment	$ 69,827	$14,379	$ 438	

(1) Represents the additional allowance related to the amount of uncollectible interest reserved within interest income that is transferred in the period to the allowance for loan losses when interest is capitalized to a loan's principal balance.

(2) Ending total loans for Private Education Loans includes the receivable for partially charged-off loans.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

Key Credit Quality Indicators

FFELP Loans are substantially insured and guaranteed as to their principal and accrued interest in the event of default; therefore, the key credit quality indicator for this portfolio is loan status. The impact of changes in loan status is incorporated quarterly into the allowance for loan losses calculation. For Private Education Loans, the key credit quality indicators are school type, FICO scores, the existence of a cosigner, the loan status and loan seasoning. The school type/FICO score are assessed at origination and maintained through the traditional/non-traditional loan designation. The other Private Education Loan key quality indicators can change and are incorporated quarterly into the allowance for loan losses calculation. The following table highlights the principal balance (excluding the receivable for partially charged-off loans) of our Private Education Loan portfolio stratified by the key credit quality indicators.

	Private Education Loans Credit Quality Indicators			
	December 31, 2011		December 31, 2010	
(Dollars in millions)	Balance[3]	% of Balance	Balance[3]	% of Balance
Credit Quality Indicators				
School Type/FICO Scores:				
Traditional	$34,528	91%	$33,619	90%
Non-Traditional[1]	3,565	9	3,913	10
Total	$38,093	100%	$37,532	100%
Cosigners:				
With cosigner	$23,507	62%	$22,259	59%
Without cosigner	14,586	38	15,273	41
Total	$38,093	100%	$37,532	100%
Seasoning[2]:				
1-12 payments	$ 9,246	24%	$10,932	29%
13-24 payments	6,837	18	6,659	18
25-36 payments	5,677	15	4,457	12
37-48 payments	3,778	10	2,891	8
More than 48 payments	6,033	16	4,253	11
Not yet in repayment	6,522	17	8,340	22
Total	$38,093	100%	$37,532	100%

(1) Defined as loans to borrowers attending for-profit schools (with a FICO score of less than 670 at origination) and borrowers attending not-for-profit schools (with a FICO score of less than 640 at origination).

(2) Number of months in active repayment for which a scheduled payment was due.

(3) Balance represents gross Private Education Loans.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

The following tables provide information regarding the loan status and aging of past due loans.

	FFELP Loan Delinquencies December 31,					
	2011		2010		2009	
(Dollars in millions)	Balance	%	Balance	%	Balance	%
Loans in-school/grace/deferment[1]	$ 22,887		$ 28,214		$ 35,079	
Loans in forbearance[2]	19,575		22,028		14,121	
Loans in repayment and percentage of each status:						
Loans current	77,093	81.9%	80,026	82.8%	57,528	82.4%
Loans delinquent 31-60 days[3]	5,419	5.8	5,500	5.7	4,250	6.1
Loans delinquent 61-90 days[3]	3,438	3.7	3,178	3.3	2,205	3.1
Loans delinquent greater than 90 days[3]	8,231	8.6	7,992	8.2	5,844	8.4
Total FFELP Loans in repayment	94,181	100%	96,696	100%	69,827	100%
Total FFELP Loans, gross	136,643		146,938		119,027	
FFELP Loan unamortized premium	1,674		1,900		2,187	
Total FFELP Loans	138,317		148,838		121,214	
FFELP Loan allowance for losses	(187)		(189)		(161)	
FFELP Loans, net	$138,130		$148,649		$121,053	
Percentage of FFELP Loans in repayment		68.9%		65.8%		58.7%
Delinquencies as a percentage of FFELP Loans in repayment		18.1%		17.2%		17.6%
FFELP Loans in forbearance as a percentage of loans in repayment and forbearance		17.2%		18.6%		16.8%

(1) Loans for borrowers who may still be attending school or engaging in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation, as well as loans for borrowers who have requested and qualify for other permitted program deferments such as military, unemployment, or economic hardships.

(2) Loans for borrowers who have used their allowable deferment time or do not qualify for deferment, that need additional time to obtain employment or who have temporarily ceased making full payments due to hardship or other factors.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

	Private Education Traditional Loan Delinquencies					
	December 31,					
	2011		2010		2009	
(Dollars in millions)	Balance	%	Balance	%	Balance	%
Loans in-school/grace/deferment[1]	$ 5,866		$ 7,419		$ 7,812	
Loans in forbearance[2]	1,195		1,156		784	
Loans in repayment and percentage of each status:						
Loans current	25,110	91.4%	22,850	91.2%	10,844	90.2%
Loans delinquent 31-60 days[3]	868	3.2	794	3.2	437	3.6
Loans delinquent 61-90 days[3]	393	1.4	340	1.4	204	1.7
Loans delinquent greater than 90 days[3]	1,096	4.0	1,060	4.2	543	4.5
Total traditional loans in repayment	27,467	100%	25,044	100%	12,028	100%
Total traditional loans, gross	34,528		33,619		20,624	
Traditional loans unamortized discount	(792)		(801)		(475)	
Total traditional loans	33,736		32,818		20,149	
Traditional loans receivable for partially charged-off loans	705		558		193	
Traditional loans allowance for losses	(1,542)		(1,231)		(664)	
Traditional loans, net	$32,899		$32,145		$19,678	
Percentage of traditional loans in repayment		80.0%		74.5%		58.3%
Delinquencies as a percentage of traditional loans in repayment		8.6%		8.8%		9.8%
Loans in forbearance as a percentage of loans in repayment and forbearance		4.2%		4.4%		6.1%

(1) Deferment includes borrowers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation.

(2) Loans for borrowers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors, consistent with established loan program servicing policies and procedures.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

	Private Education Non-Traditional Loan Delinquencies					
	December 31,					
	2011		2010		2009	
(Dollars in millions)	Balance	%	Balance	%	Balance	%
Loans in-school/grace/deferment[1]	$ 656		$ 921		$1,097	
Loans in forbearance[2]	191		184		184	
Loans in repayment and percentage of each status:						
Loans current	2,012	74.0%	2,038	72.6%	1,578	67.1%
Loans delinquent 31-60 days[3]	208	7.7	217	7.7	209	8.9
Loans delinquent 61-90 days[3]	127	4.7	131	4.7	136	5.8
Loans delinquent greater than 90 days[3]	371	13.6	422	15.0	429	18.2
Total non-traditional loans in repayment	2,718	100%	2,808	100%	2,352	100%
Total non-traditional loans, gross	3,565		3,913		3,633	
Non-traditional loans unamortized discount	(81)		(93)		(84)	
Total non-traditional loans	3,484		3,820		3,549	
Non-traditional loans receivable for partially charged-off loans	536		482		306	
Non-traditional loans allowance for losses	(629)		(791)		(779)	
Non-traditional loans, net	$3,391		$3,511		$3,076	
Percentage of non-traditional loans in repayment		76.2%		71.8%		64.7%
Delinquencies as a percentage of non-traditional loans in repayment		26.0%		27.4%		32.9%
Loans in forbearance as a percentage of loans in repayment and forbearance		6.6%		6.1%		7.3%

(1) Deferment includes borrowers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans, e.g., residency periods for medical students or a grace period for bar exam preparation.

(2) Loans for borrowers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors, consistent with established loan program servicing policies and procedures.

(3) The period of delinquency is based on the number of days scheduled payments are contractually past due.

Receivable for Partially Charged-Off Private Education Loans

At the end of each month, for loans that are 212 days past due, we charge off the estimated loss of a defaulted loan balance. Actual recoveries are applied against the remaining loan balance that was not charged off. We refer to this remaining loan balance as the "receivable for partially charged-off loans." If actual periodic recoveries are less than expected, the difference is immediately charged off through the allowance for loan losses with an offsetting reduction in the receivable for partially charged-off Private Education Loans. If actual periodic recoveries are greater than expected, they will be reflected as a recovery through the allowance for Private Education Loan losses once the cumulative recovery amount exceeds the cumulative amount originally expected to be recovered. There was $143 million in provision for Private Education Loan losses recorded in 2011 to reflect possible additional future charge-offs related to the receivable for partially charged-off Private Education Loans.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

The following table summarizes the activity in the receivable for partially charged-off loans.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Receivable at beginning of period	$1,040	$ 499	$222
Expected future recoveries of current period defaults[1]	391	459	324
Recoveries[2]	(155)	(104)	(43)
Charge-offs[3]	(35)	(43)	(4)
Consolidation of securitization trusts[4]	—	229	—
Receivable at end of period	$1,241	$1,040	$499

(1) Remaining loan balance expected to be collected from contractual loan balances partially charged-off during the period. This is the difference between the defaulted loan balance and the amount of the defaulted loan balance that was charged off.

(2) Current period cash collections.

(3) Represents the current period recovery shortfall – the difference between what was expected to be collected and what was actually collected.

(4) Upon the adoption of the new consolidation accounting guidance on January 1, 2010, we consolidated all of our off-balance sheet securitization trusts.

Troubled Debt Restructurings

We modify the terms of loans for certain borrowers when we believe such modifications may increase the ability and willingness of a borrower to make payments and thus increase the ultimate overall amount collected on a loan. These modifications generally take the form of a forbearance, a temporary interest rate reduction or an extended repayment plan. For borrowers experiencing financial difficulty, certain Private Education Loans for which we have granted either a forbearance of greater than three months, an interest rate reduction or an extended repayment plan are classified as troubled debt restructurings. Forbearance provides borrowers the ability to defer payments for a period of time, but does not result in the forgiveness of any principal or interest. While in forbearance status, interest continues to accrue and is capitalized to principal when the loan re-enters repayment status. The recorded investment of loans granted a forbearance that was classified as a troubled debt restructuring was $4.5 billion at December 30, 2011. The recorded investment for troubled debt restructurings from loans granted interest rate reductions or extended repayment plans was $0.7 billion and $0.4 billion at December 31, 2011 and 2010, respectively.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

At December 31, 2011 and 2010, all of our troubled debt restructuring loans had a related allowance recorded. The following table provides the recorded investment, unpaid principal balance and related allowance for our troubled debt restructuring loans.

	Troubled Debt Restructuring Loans		
(Dollars in millions)	Recorded Investment[1]	Unpaid Principal Balance	Related Allowance
December 31, 2011			
Private Education Loans — Traditional	$ 4,201	$ 4,259	$ 546
Private Education Loans — Non-Traditional	1,048	1,054	216
Total	$ 5,249	$ 5,313	$ 762
December 31, 2010			
Private Education Loans — Traditional	$ 264	$ 267	$ 66
Private Education Loans — Non-Traditional	175	177	48
Total	$ 439	$ 444	$ 114

(1) The recorded investment is equal to the unpaid principal balance and accrued interest receivable net of unamortized deferred fees and costs.

The following table provides the average recorded investment and interest income recognized for our troubled debt restructuring loans.

	Years Ended December 31,					
	2011		2010		2009	
(Dollars in millions)	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Private Education Loans — Traditional	$ 1,960	$ 121	$ 210	$ 6	$ 23	$ 1
Private Education Loans — Non-Traditional	560	48	156	7	28	—
Total	$ 2,520	$ 169	$ 366	$ 13	$ 51	$ 1

The following table provides the amount of modified loans that resulted in a troubled debt restructuring, as well as, charge-offs occurring in the troubled debt restructuring portfolio. The majority of our loans that are considered troubled debt restructurings involve a temporary forbearance of payments and do not change the contractual interest rate of the loan.

	Years Ended December 31,					
	2011		2010		2009	
(Dollars in millions)	Modified Loans[1]	Charge-offs[2]	Modified Loans[1]	Charge-offs[2]	Modified Loans[1]	Charge-offs[2]
Private Education Loans — Traditional	$4,103	$ 99	$ 171	$ 18	$ 80	$ —
Private Education Loans — Non-Traditional	951	55	106	25	94	1
Total	$5,054	$ 154	$ 277	$ 43	$ 174	$ 1

(1) Represents period ending balance of loans that have been modified during the period.

(2) Represents loans that charge off at 212 days delinquent during the period that are classified as troubled debt restructurings.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Allowance for Loan Losses (Continued)

Accrued Interest Receivable

The following table provides information regarding accrued interest receivable on our Private Education Loans. The table also discloses the amount of accrued interest on loans greater than 90 days past due as compared to our allowance for uncollectible interest. The allowance for uncollectible interest exceeds the amount of accrued interest on our 90 days past due portfolio for all periods presented.

	Accrued Interest Receivable As of December 31,		
(Dollars in millions)	Total	Greater than 90 days Past Due	Allowance for Uncollectible Interest
2011			
Private Education Loans — Traditional	$ 870	$ 36	$ 44
Private Education Loans — Non-Traditional	148	18	28
Total	$1,018	$ 54	$ 72
2010			
Private Education Loans — Traditional	$1,062	$ 35	$ 57
Private Education Loans — Non-Traditional	209	20	37
Total	$1,271	$ 55	$ 94
2009			
Private Education Loans — Traditional	$ 917	$ 19	$ 31
Private Education Loans — Non-Traditional	248	22	65
Total	$1,165	$ 41	$ 96

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Goodwill and Acquired Intangible Assets

Goodwill

All acquisitions must be assigned to a reporting unit or units. A reporting unit is the same as, or one level below, a reportable segment. We have four reportable segments: Consumer Lending, Business Services, FFELP Loans and Other. The following table summarizes our allocation of goodwill, accumulated impairments and net goodwill for our reporting units and reportable segments (which was allocated based upon the relative fair values of the reporting units).

	As of December 31, 2011			As of December 31, 2010		
(Dollars in millions)	Gross	Accumulated Impairments	Net	Gross	Accumulated Impairments	Net
Total FFELP Loans reportable segment	$194	$ (4)	$190	$194	$ (4)	$190
Total Consumer Lending reportable segment	147	—	147	147	—	147
Business Services reportable segment:						
Servicing	50	—	50	50	—	50
Contingency Services	136	(129)	7	129	(129)	—
Wind-down Guarantor Servicing	256	(256)	—	256	(256)	—
Insurance Services	11	—	11	—	—	—
Upromise	140	(140)	—	140	(140)	—
Total Business Services reportable segment	593	(525)	68	575	(525)	50
Total	$934	$ (529)	$405	$916	$ (529)	$387

Goodwill Impairment Testing

In performing our goodwill impairment analysis we assessed relevant qualitative factors to determine whether it is "more-likely-than-not" that the fair value of an individual reporting unit is less than its carrying value. As part of our qualitative assessment, we considered the amount of excess fair value over the carrying values of the FFELP Loans, Private Education Loans and Servicing reporting units as of October 1, 2010 when we performed a step 1 goodwill impairment test and engaged an appraisal firm to estimate the fair values of these reporting units. The fair value of each reporting unit significantly exceeded its carrying amount.

The following table illustrates the carrying value of equity for each reporting unit with remaining goodwill as of December 31, 2010, and the estimated fair value determined in conjunction with Step 1 impairment testing in the fourth quarter of 2010 as determined by a third-party appraisal firm.

(Dollars in millions)	Carrying Value of Equity	Fair Value of Equity	$ Difference	% Difference
FFELP Loans	$ 1,777	$ 3,766	$ 1,989	112%
Servicing	123	1,290	1,167	949
Consumer Lending	1,920	2,914	994	52

In conjunction with our qualitative assessment, we also considered the current legislative environment, our 2011 stock price, market capitalization and EPS results as well as significant reductions in our operating expenses. The significant legislative changes from HCERA that affected our reporting units individually and the Company as a whole occurred in 2010. During 2011, there were no significant changes to legislation that would impact current reporting unit fair values. Further, we believe the other qualitative factors we considered would indicate favorable changes to reporting unit fair values. After assessing these relevant qualitative factors, we

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Goodwill and Acquired Intangible Assets (Continued)

determined that it is more-likely-than-not that the fair values of the FFELP Loans, Private Education Loans and Servicing reporting units exceed their carrying amounts. Accordingly, we did not perform the Step 1 impairment analysis as of October 1, 2011 for these reporting units.

During 2011, we completed two acquisitions in the Business Services reportable segment which increased goodwill by $18 million, $7 million of which is attributed to the Contingency Services reporting unit and $11 million of which is attributed to Insurance Services. We considered the fair value of these reporting units in conjunction with the qualitative analysis described above and determined that it is more-likely-than-not that the fair values of these reporting units exceed their carrying amounts.

Continued weakness in the economy coupled with changes in the industry resulting from HCERA or other legislation could adversely affect the operating results of our reporting units. If the forecasted performance of our reporting units is not achieved, or if our stock price declines to a depressed level resulting in deterioration in our total market capitalization, the fair value of the FFELP Loans, Servicing, Private Education Loans, Contingency Services and Insurance Services reporting units could be significantly reduced, and we may be required to record a charge to our earnings, which could be material, for an impairment of goodwill.

We revised our segment presentation and reporting unit structure as of October 1, 2010. As such, 2010 interim impairment assessments and testing during interim periods as well as 2009 annual impairment testing were completed based on the reporting unit structure in place during these periods. During the third quarter of 2010, as part of a broad-based assessment of possible changes to our business following the passage of HCERA, we performed certain preliminary valuations which indicated there was possible impairment of goodwill and certain intangible assets in our reporting units which at that time included Lending, Asset Performance Group ("APG"), Guarantor Servicing, Upromise and Other. We identified certain events that occurred during third quarter 2010 that we determined were triggering events because they either resulted in lower expected future cash flows or because they provided indications that market participants would value our reporting units below previous estimates of fair value. Based on the valuations performed in conjunction with Step 1 impairment testing during the third-quarter 2010, no impairment was indicated for the Lending reporting unit, but impairment was indicated for the APG, Guarantor Services and Upromise reporting units. Under the second step of the analysis, determining the implied fair value of goodwill requires valuation of a reporting unit's identifiable tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, goodwill is deemed impaired and is written down to the extent of the difference. As a result, we impaired the value of our goodwill by $604 million during the third quarter of 2010.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Goodwill and Acquired Intangible Assets (Continued)

Acquired Intangible Assets

Acquired intangible assets include the following:

	As of December 31, 2011			As of December 31, 2010		
(Dollars in millions)	Cost Basis[1]	Accumulated Impairment and Amortization[1]	Net	Cost Basis[1]	Accumulated Impairment and Amortization[1]	Net
Intangible assets subject to amortization:						
Customer, services and lending relationships	$ 303	$ (253)	$ 50	$ 298	$ (231)	$67
Software and technology	93	(93)	—	93	(91)	2
Total intangible assets subject to amortization	396	(346)	50	391	(322)	69
Intangible assets not subject to amortization:						
Trade names and trademarks	54	(31)	23	54	(31)	23
Total acquired intangible assets	$ 450	$ (377)	$ 73	$ 445	$ (353)	$92

[1] Accumulated impairment and amortization includes impairment amounts only if a portion of the acquired intangible asset has been deemed partially impaired. When an acquired intangible asset is considered fully impaired, and no longer in use, the cost basis and any accumulated amortization related to the asset is written off.

We recorded amortization of acquired intangible assets from continuing operations totaling $24 million, $39 million, and $38 million for the years ended December 31, 2011, 2010 and 2009, respectively. We recorded amortization of acquired intangible assets from discontinued operations totaling $0, $0 and $1 million for the years ended December 31, 2011, 2010 and 2009, respectively. We will continue to amortize our intangible assets with definite useful lives over their remaining estimated useful lives. We estimate amortization expense associated with these intangible assets will be $17 million, $12 million, $10 million, $7 million and $3 million for the years ended December 31, 2012, 2013, 2014, 2015 and 2016, respectively.

As discussed in "Note 2 — Significant Accounting Policies," we test our indefinite life intangible assets annually as of October 1 or during the course of the year if an event occurs or circumstances change which indicate potential impairment of these assets. As of October 1, 2011, the fair value of the indefinite life intangible assets exceeds their carrying value. Accordingly, we recorded no impairment. We also assess whether an event or circumstance has occurred which may indicate impairment of its definite life (amortizing) intangible assets quarterly. During 2011, no such events or circumstances occurred that indicated our definite life intangible assets may be impaired.

In the third quarter of 2010, we recorded impairment of certain acquired intangible assets from continuing operations of $53 million related to the Upromise reporting unit and $3 million related to the Consumer Lending reportable segment.

In the fourth quarter of 2009, we recorded impairment of certain acquired intangible assets from continuing operations of $34 million related to the Guarantor Services reporting unit and $3 million related to the FFELP Loans reportable segment.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings

Borrowings consist of secured borrowings issued through our securitization program, borrowings through secured facilities and participation programs, unsecured notes issued by us, term and other deposits at the Bank, and other interest-bearing liabilities related primarily to obligations to return cash collateral held. To match the interest rate and currency characteristics of our borrowings with the interest rate and currency characteristics of our assets, we enter into interest rate and foreign currency swaps with independent parties. Under these agreements, we make periodic payments, generally indexed to the related asset rates or rates which are highly correlated to the asset rates, in exchange for periodic payments which generally match our interest obligations on fixed or variable rate notes (see "Note 7 — Derivative Financial Instruments"). Payments and receipts on our interest rate and currency swaps are not reflected in the following tables.

The following table summarizes our borrowings.

	December 31, 2011			December 31, 2010		
(Dollars in millions)	Short Term	Long Term	Total	Short Term	Long Term	Total
Unsecured borrowings:						
Senior unsecured debt	$ 1,801	$ 15,199	$ 17,000	$ 4,361	$ 15,742	$ 20,103
Brokered deposits	1,733	1,956	3,689	1,387	3,160	4,547
Retail and other deposits	2,123	—	2,123	1,370	—	1,370
Other[1]	1,329	—	1,329	887	—	887
Total unsecured borrowings	6,986	17,155	24,141	8,005	18,902	26,907
Secured borrowings:						
FFELP Loans securitizations	—	107,905	107,905	—	113,671	113,671
Private Education Loans securitizations	—	19,297	19,297	—	21,409	21,409
ED Conduit Program Facility	21,313	—	21,313	24,484	—	24,484
FFELP ABCP Facility	—	4,445	4,445	—	5,853	5,853
Private Education Loans ABCP Facility	—	1,992	1,992	—	—	—
Acquisition financing[2]	—	916	916	—	1,064	1,064
FHLB-DM Facility	1,210	—	1,210	900	—	900
Total secured borrowings	22,523	134,555	157,078	25,384	141,997	167,381
Total before hedge accounting adjustments	29,509	151,710	181,219	33,389	160,899	194,288
Hedge accounting adjustments	64	2,683	2,747	227	2,644	2,871
Total	$29,573	$154,393	$183,966	$33,616	$163,543	$197,159

(1) "Other" primarily consists of the obligation to return cash collateral held related to derivative exposures.

(2) Relates to the acquisition of $25 billion of student loans at the end of 2010.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

Short-term Borrowings

Short-term borrowings have a remaining term to maturity of one year or less. The following tables summarize outstanding short-term borrowings (secured and unsecured), the weighted average interest rates at the end of each period, and the related average balances and weighted average interest rates during the periods. Rates reflect stated interest of borrowings and related discounts and premiums.

	December 31, 2011		Year Ended December 31, 2011	
(Dollars in millions)	Ending Balance	Weighted Average Interest Rate	Average Balance	Weighted Average Interest Rate
Brokered deposits	$ 1,733	2.80%	$ 1,489	3.17%
Retail and other deposits	2,123	1.00	1,684	1.11
FHLB-DM Facility	1,210	.24	893	.25
ED Conduit Program facility	21,313	.67	22,869	.75
FFELP ABCP Facility	—	—	221	1.01
Senior unsecured debt	1,865	4.37	3,070	2.97
Other interest bearing liabilities	1,329	.04	1,187	.10
Total short-term borrowings	$ 29,573	1.01%	$ 31,413	1.06%
Maximum outstanding at any month end	$ 33,100			

	December 31, 2010		Year Ended December 31, 2010	
(Dollars in millions)	Ending Balance	Weighted Average Interest Rate	Average Balance	Weighted Average Interest Rate
Brokered deposits	$ 1,387	2.57%	$ 1,424	3.00%
Retail and other deposits	1,370	1.28	643	1.16
FHLB-DM Facility	900	.30	403	.35
ED Participation Program Facility	—	—	13,537	.80
ED Conduit Program facility	24,484	.55	15,096	.71
FFELP ABCP Facility	—	—	1,767	1.40
Senior unsecured debt	4,588	2.28	4,603	2.82
Other interest bearing liabilities	887	.14	1,161	.19
Total short-term borrowings	$ 33,616	.88%	$ 38,634	1.10%
Maximum outstanding at any month end	$ 46,472			

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

Long-term Borrowings

The following tables summarize outstanding long-term borrowings (secured and unsecured), the weighted average interest rates at the end of the periods, and the related average balances during the periods. Rates reflect stated interest rate of borrowings and related discounts and premiums.

	December 31, 2011		Year Ended December 31, 2011
(Dollars in millions)	Ending Balance[1]	Weighted Average Interest Rate[2]	Average Balance
Floating rate notes:			
U.S. dollar-denominated:			
Interest bearing, due 2013-2047	$114,861	1.21%	$ 120,045
Non-U.S. dollar-denominated:			
Interest bearing, due 2013-2041	11,838	1.77	11,872
Total floating rate notes	126,699	1.26	131,917
Fixed rate notes:			
U.S. dollar-denominated:			
Interest bearing, due 2013-2044	14,406	5.63	12,363
Non-U.S.-dollar denominated:			
Interest bearing, due 2013-2039	3,934	3.58	3,662
Total fixed rate notes	18,340	5.18	16,025
Brokered deposits — U.S. dollar-denominated, due 2013-2014	2,001	3.15	2,171
FFELP ABCP Facility	4,445	.81	4,768
Private Education Loans ABCP Facility	1,992	1.40	272
SLC acquisition financing	916	4.79	998
Total long-term borrowings	$154,393	1.75%	$ 156,151

(1) Ending balance is expressed in U.S. dollars using the spot currency exchange rate. Includes fair value adjustments under ASC 815 for notes designated as the hedged item in a fair value hedge.

(2) Weighted average interest rate is stated rate relative to currency denomination of debt.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

(Dollars in millions)	December 31, 2010 Ending Balance[1]	December 31, 2010 Weighted Average Interest Rate[2]	Year Ended December 31, 2010 Average Balance
Floating rate notes:			
U.S. dollar-denominated:			
Interest bearing, due 2012-2047	$124,053	1.12%	$ 112,910
Non-U.S. dollar-denominated:			
Interest bearing, due 2012-2041	11,999	1.26	12,125
Total floating rate notes	136,052	1.13	125,035
Fixed rate notes:			
U.S. dollar-denominated:			
Interest bearing, due 2012-2043	11,873	5.87	10,918
Non-U.S.-dollar denominated:			
Interest bearing, due 2012-2039	5,485	3.35	6,257
Total fixed rate notes	17,358	5.06	17,175
Brokered deposits — U.S. dollar-denominated, due 2012-2019	3,216	3.40	3,699
FFELP ABCP Facility	5,853	.81	4,855
SLC acquisition financing	1,064	4.76	3
Total long-term borrowings	$163,543	1.60%	$ 150,767

(1) Ending balance is expressed in U.S. dollars using the spot currency exchange rate. Includes fair value adjustments under ASC 815 for notes designated as the hedged item in a fair value hedge.

(2) Weighted average interest rate is stated rate relative to currency denomination of debt.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

At December 31, 2011, we had outstanding long-term borrowings with call features totaling $5.1 billion. In addition, we have $7.4 billion of prepayable debt related to our ABCP and acquisition financing facilities. Generally, these instruments are callable at the par amount. As of December 31, 2011, the stated maturities and maturities if accelerated to the call dates are shown in the following table:

	December 31, 2011							
	Stated Maturity[1]				Maturity to Call Date[1]			
(Dollars in millions)	Senior Unsecured Debt	Brokered Deposits	Secured Borrowings	Total[2]	Senior Unsecured Debt	Brokered Deposits	Secured Borrowings	Total
Year of Maturity								
2012	$ —	$ —	$ 12,795	$ 12,795	$ 1,583	$ —	$ 19,819	$ 21,402
2013	2,320	948	13,897	17,165	2,311	948	11,488	14,747
2014	3,034	1,008	13,036	17,078	3,160	1,008	10,008	14,176
2015	711	—	9,628	10,339	800	—	9,103	9,903
2016	2,301	—	9,321	11,622	2,301	—	9,035	11,336
2017-2047	6,833	—	75,878	82,711	5,044	—	75,102	80,146
	15,199	1,956	134,555	151,710	15,199	1,956	134,555	151,710
Hedge accounting adjustments	1,744	45	894	2,683	1,744	45	894	2,683
Total	$ 16,943	$ 2,001	$ 135,449	$ 154,393	$ 16,943	$ 2,001	$ 135,449	$ 154,393

(1) We view our securitization trust debt as long-term based on the contractual maturity dates and projecting the expected principal paydowns based on our current estimates regarding loan prepayment speeds. The projected principal paydowns in year 2012 include $12.8 billion related to the securitization trust debt.

(2) The aggregate principal amount of debt that matures in each period is $12.9 billion in 2012, $17.3 billion in 2013, $17.2 billion in 2014, $10.4 billion in 2015, $11.7 billion in 2016, and $83.3 billion in 2017-2047.

Secured Borrowings

VIEs are required to be consolidated by their primary beneficiaries. The criteria to be considered the primary beneficiary changed on January 1, 2010 (see “Note 2 — Significant Accounting Policies — Consolidation” for further discussion).

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

We currently consolidate all of our financing entities that are VIEs as a result of being the entities' primary beneficiary. As a result, these financing VIEs are accounted for as secured borrowings. We consolidate the following financing VIEs as of December 31, 2011 and 2010:

	December 31, 2011						
	Debt Outstanding			Carrying Amount of Assets Securing Debt Outstanding			
(Dollars in millions)	Short Term	Long Term	Total	Loans	Cash	Other Assets	Total
Secured Borrowings — VIEs:							
ED Conduit Program Facility	$ 21,313	$ —	$ 21,313	$ 21,445	$ 621	$ 442	$ 22,508
FFELP ABCP Facility	—	4,445	4,445	4,834	86	54	4,974
Private Education Loans ABCP Facility	—	1,992	1,992	2,595	401	76	3,072
Securitizations — FFELP Loans	—	107,905	107,905	109,257	3,783	529	113,569
Securitizations — Private Education Loans	—	19,297	19,297	22,367	718	582	23,667
Total before hedge accounting adjustments	21,313	133,639	154,952	160,498	5,609	1,683	167,790
Hedge accounting adjustments	—	894	894	—	—	955	955
Total	$ 21,313	$ 134,533	$ 155,846	$ 160,498	$ 5,609	$ 2,638	$ 168,745

	December 31, 2010						
	Debt Outstanding			Carrying Amount of Assets Securing Debt Outstanding			
(Dollars in millions)	Short Term	Long Term	Total	Loans	Cash	Other Assets	Total
Secured Borrowings — VIEs:							
ED Conduit Program Facility	$ 24,484	$ —	$ 24,484	$ 24,511	$ 819	$ 634	$ 25,964
FFELP ABCP Facility	—	5,853	5,853	6,290	94	53	6,437
Securitizations — FFELP Loans	—	113,671	113,671	114,949	3,857	981	119,787
Securitizations — Private Education Loans	—	21,409	21,409	24,355	1,213	690	26,258
Total before hedge accounting adjustments	24,484	140,933	165,417	170,105	5,983	2,358	178,446
Hedge accounting adjustments	—	1,311	1,311	—	—	1,348	1,348
Total	$ 24,484	$ 142,244	$ 166,728	$ 170,105	$ 5,983	$ 3,706	$ 179,794

The Department of Education Funding Programs

In August 2008, ED implemented the Purchase Program and the Participation Program pursuant to ECASLA. Under the Purchase Program, ED purchased eligible FFELP Loans at a price equal to the sum of (i) par value, (ii) accrued interest, (iii) the one-percent origination fee paid to ED, and (iv) a fixed amount of $75

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

per loan. Under the Participation Program, ED provided short-term liquidity to FFELP lenders by purchasing participation interests in pools of FFELP Loans. FFELP lenders were charged a rate equal to the preceding quarter commercial paper rate plus 0.50 percent on the principal amount of participation interests outstanding. Loans eligible for the Participation or Purchase Programs were limited to FFELP Stafford or PLUS Loans, first disbursed on or after May 1, 2008 but no later than July 1, 2010, with no ongoing borrower benefits other than permitted rate reductions of 0.25 percent for automatic payment processing. In October 2010, we sold $20.4 billion of loans to ED and paid off $20.3 billion of advances outstanding under the Participation Program. This program is no longer in effect and is not available as a source of funding.

Also pursuant to ECASLA, on January 15, 2009, ED announced they would purchase eligible FFELP Stafford and PLUS Loans from a conduit vehicle established to provide funding for eligible student lenders (the "ED Conduit Program"). Loans eligible for the ED Conduit Program must be first disbursed on or after October 1, 2003, but not later than July 1, 2009, and fully disbursed before September 30, 2009, and meet certain other requirements, including those relating to borrower benefits. The ED Conduit Program was launched on May 11, 2009 and accepted eligible loans through July 1, 2010. The ED Conduit Program expires on January 19, 2014. Funding for the ED Conduit Program is provided by the capital markets at a cost based on market rates, with us being advanced 97 percent of the student loan face amount. If the conduit does not have sufficient funds to make the required payments on the notes issued by the conduit, then the notes will be repaid with funds from the Federal Financing Bank ("FFB"). The FFB will hold the notes for a short period of time and, if at the end of that time, the notes still cannot be paid off, the underlying FFELP Loans that serve as collateral to the ED Conduit will be sold to ED through a put agreement at a price of 97 percent of the face amount of the loans. Our intent is to term securitize the loans in the facility before the facility expires. Any loans that remain in the facility as of the expiration date will be sold to ED at a price of 97 percent of the face amount of the loans. As of December 31, 2011, approximately $21.4 billion face amount of our Stafford and PLUS Loans were funded through the ED Conduit Program.

Asset-Backed Financing Facilities

FFELP ABCP Facility

During the first quarter of 2008, we entered into two new asset-backed financing facilities (the "2008 Asset-Backed Financing Facilities") to fund FFELP and Private Education Loans. In 2009, the FFELP facilities were subsequently amended and reduced and the Private Education facility was retired. On January 15, 2010, we terminated the 2008 Asset-Backed Financing Facilities for FFELP and entered into new multi-year ABCP facilities (the "FFELP ABCP Facility") which will continue to provide funding for our FFELP Loans.

On January 14, 2011, we amended the FFELP ABCP Facility extending the step-down dates and final term of the facility. The amendment extended the scheduled maturity date to January 10, 2014 and increased the facility size to $7.5 billion, which reflected a $2.5 billion increase over the previously scheduled facility reduction. We paid an extension fee of $2 million. The usage fee for the amended FFELP ABCP Facility remained unchanged at 0.50 percent over the applicable funding rate. In addition, the amended facility extended the step-down dates to $5.0 billion on January 13, 2012 and to $2.5 billion on January 11, 2013.

On January 13, 2012, we amended the FFELP ABCP Facility extending the step-down dates on the amount available for borrowing and the final maturity date of the facility, which will continue to provide funding for our FFELP Loans. The facility amount is now $7.5 billion, reflecting an increase of $2.5 billion over the previously scheduled facility reduction. The scheduled maturity date of the facility is January 9, 2015. We paid an extension fee of $2 million. The usage fee for the facility remains unchanged at 0.50 percent over the applicable funding

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

rate. The amended facility features two contractual step-down reductions on the amount available for borrowing. The first reduction is on January 11, 2013, to $6.5 billion. The second reduction is on January 10, 2014, to $5.5 billion.

Our borrowings under the FFELP ABCP Facility are non-recourse. The maximum amount we may borrow under the FFELP ABCP Facility is limited based on certain factors, including market conditions and the fair value of student loans in the facility. In addition to the funding limits described above, funding under the FFELP ABCP Facility is subject to usual and customary conditions. The FFELP ABCP Facility is subject to termination under certain circumstances. In addition, the facility has financial covenants that if not maintained, will cause the facility to become an amortizing facility. The covenants are, however, curable. The principal financial covenants require us to maintain consolidated tangible net worth of at least $1.38 billion at all times. Consolidated tangible net worth as calculated for purposes of this covenant was $3.5 billion as of December 31, 2011. The covenants also require us to meet either a minimum interest coverage ratio or a minimum net adjusted revenue test based on the four preceding quarters' adjusted "Core Earnings" financial performance. We were compliant with both of the minimum interest coverage ratio and the minimum net adjusted revenue tests as of the quarter ended December 31, 2011. Increases in the borrowing rate of up to LIBOR plus 4.50 percent could occur if certain asset coverage ratio thresholds are not met. If liquidity agreements are not renewed on the trigger dates, the usage fee increases to 1.00 percent over the applicable funding rate on January 11, 2013 and 1.50 percent over the applicable funding rate on January 10, 2014. Failure to pay off the FFELP ABCP Facility on the maturity date or to reduce amounts outstanding below the annual maximum step downs will result in a 90-day extension of the facility with the interest rate increasing from LIBOR plus 2.00 percent to LIBOR plus 3.00 percent over that period. If, at the end of the 90-day extension, these required paydown amounts have not been made, the collateral can be foreclosed upon. As of December 31, 2011, there was approximately $4.4 billion outstanding in this facility. The book basis of the assets securing this facility at December 31, 2011 was $5.0 billion.

Private Education Loan ABCP Facility

On October 5, 2011, we closed on a $3.4 billion asset-backed commercial paper facility, which matures in January 2014, to fund the call of certain Private Education Loan trust securities issued under the TALF program. We paid an upfront fee of $8 million. The cost of borrowing under the facility is expected to be commercial paper issuance cost plus 1.10 percent, excluding up-front commitment and unused fees. The maximum amount that can be financed steps down to $2.5 billion on July 25, 2012, $1.7 billion on January 25, 2013 and $0.8 billion on July 25, 2013 with final maturity on January 27, 2014. If the amount outstanding is greater than the maximum amount at any step down, the cost increases to commercial paper issuance cost plus 1.95 percent. Our borrowings under the facility are non-recourse. On November 15, 2011, the facility provided the financing to call the outstanding securities issued by SLM Private Education Loan Trust 2009-B ($2.5 billion principal) at its call price of 93 percent of par. On January 17, 2012 the facility was also used to call the outstanding securities issued by SLM Private Education Loan Trust 2009-C ($1.0 billion principal) at its call price of 94 percent of par. At December 31, 2011, there was $2.0 billion outstanding in this facility. The book basis of the assets securing the facility at December 31, 2011 was $3.1 billion.

SLC Acquisition Financing

On December 31, 2010, we closed on our agreement to purchase an interest in $26.1 billion of securitized federal student loans and related assets from the Student Loan Corporation ("SLC"), a subsidiary of Citibank, N.A. The purchase price was approximately $1.1 billion. The transaction was funded by a 5-year term loan provided by Citibank in an amount equal to the purchase price. The loan is secured by the purchased assets and guaranteed by us. The loan bears interest at a rate of LIBOR plus 4.50 percent, and is subject to scheduled quarterly principal payments of the lesser of (i) 2.5 percent of the original principal amount of the term loan or

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

(ii) the residual cash flow derived from the assets securing the loan. In addition, the remaining balance is due on December 31, 2015. Residual cash flow in excess of that needed to make quarterly principal payments is restricted but we are permitted, at our option, to prepay the obligation, in whole or in part, at any time without penalty.

Securitizations

The following table summarizes the securitization transactions issued in 2010 and 2011.

(Dollars in millions)			AAA-rated bonds	
Issue	Date Issued	Total Issued	Cost of Funds	Weighted Average Life
FFELP:				
2010-1	April 2010	$1,222	1 month LIBOR plus 0.46%	3.3 years
2010-2	August 2010	760	1 month LIBOR plus 0.56%	4.3 years
Total bonds issued in 2010		$1,982		
Total loan amount securitized in 2010		$1,965		
2011-1	March 2011	$ 812	1 month LIBOR plus 0.89%	5.5 years
2011-2	May 2011	821	1 month LIBOR plus 0.94%	5.5 years
2011-3	November 2011	812(1)	1 month LIBOR plus 1.28%	7.8 years
Total bonds issued in 2011		$2,445		
Total loan amount securitized in 2011		$2,344		
Private Education:				
2010-A	March 2010	1,550	1 month LIBOR plus 3.29%(2)	4.1 years
2010-B	July 2010	869	1 month LIBOR plus 1.98%	0.9 years
2010-C	July 2010	1,701	1 month LIBOR plus 2.33%	1.8 years
Total bonds issued in 2010		$4,120		
Total loan amount securitized in 2010		$6,186		
2011-A	April 2011	$ 562	1 month LIBOR plus 1.99%	3.8 years
2011-B	June 2011	825	1 month LIBOR plus 1.89%	4.0 years
2011-C	November 2011	721	1 month LIBOR plus 2.99%	3.4 years
Total bonds issued in 2011		$2,108		
Total loan amount securitized in 2011		$2,674		

(1) Total size excludes subordinated tranche that was retained at issuance totaling $24 million.
(2) Cost of funds expressed on a LIBOR-equivalent basis assuming a Prime/LIBOR spread of 2.75 percent on the $149 million of Prime-indexed bonds.

2012 Transactions

On January 19, 2012, we issued a $765 million FFELP ABS transaction. The AAA bonds were priced at one-month LIBOR plus 0.96 percent with a weighted average life of 4.6 years.

On February 9, 2012, we issued $547 million of Private Education Loan ABS. The AAA bonds were priced at one-month LIBOR plus 2.32 percent with a weighted average life of 3 years.

Auction Rate Securities

At December 31, 2011, we had $3.9 billion of auction rate securities outstanding in securitizations. Since February 2008, problems in the auction rate securities market as a whole led to failures of the auctions pursuant to which certain of our auction rate securities' interest rates are set. As a result, $3.3 billion of our auction rate

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

securities as of December 31, 2011 bore interest at the maximum rate allowable under their terms. The maximum allowable interest rate on our taxable auction rate securities is generally LIBOR plus 1.50 percent to 3.50 percent, dependant on the security's credit rating. The maximum allowable interest rate on many of our tax-exempt auction rate securities is a formula driven rate, which produced various maximum rates up to 0.53 percent during the fourth quarter of 2011. As of December 31, 2011, $0.6 billion of auction rate securities with shorter weighted average terms to maturity have had successful auctions, resulting in an average rate of 1.70 percent.

Reset Rate Notes

Certain tranches of our term ABS are reset rate notes. Reset rate notes are subject to periodic remarketing, at which time the interest rates on the notes are reset. We also have the option to repurchase a reset rate note upon a failed remarketing and hold it as an investment until such time it can be remarketed. In the event a reset rate note cannot be remarketed on the remarketing date, and is not repurchased, the interest rate generally steps up to and remains at LIBOR plus 0.75 percent until such time as the bonds are successfully remarketed or repurchased. Our repurchase of a reset rate note requires additional funding, the availability and pricing of which may be less favorable to us than it was at the time the reset rate note was originally issued. Unlike the repurchase of a reset rate note, the occurrence of a failed remarketing does not require additional funding. As a result of the ongoing dislocation in the capital markets, at December 31, 2011, $6.2 billion of our reset rate notes bore interest at, or were swapped to LIBOR plus 0.75 percent due to a failed remarketing. Until capital markets conditions improve, it is possible these and additional reset rate notes will experience failed remarketings. As of December 31, 2011, we had $7.0 billion and $1.5 billion of reset rate notes due to be newly remarketed in 2012 and 2013, respectively, and an additional $4.2 billion to be newly remarked thereafter.

Federal Home Loan Bank of Des Moines ("FHLB-DM")

On January 15, 2010, HICA Education Loan Corporation ("HICA"), our subsidiary, entered into a borrowing agreement with the FHLB-DM. Under the agreement, the FHLB-DM will provide advances backed by Federal Housing Finance Agency approved collateral which includes FFELP Loans (but does not include Private Education Loans). The facility is available as long as we maintain membership with FHLB-DM. The amount, price and tenor of future advances will vary and be subject to the agreement's borrowing conditions as then in effect determined at the time of each borrowing. The maximum amount that can be borrowed, as of December 31, 2011, subject to available collateral, is approximately $8.4 billion. As of December 31, 2011, borrowing under the facility totaled $1.2 billion, and matures by February 15, 2012, and was secured by $1.4 billion of FFELP Loans. We have provided a guarantee to the FHLB-DM for the performance and payment of HICA's obligations.

Other Funding Sources

Sallie Mae Bank

During the fourth quarter of 2008, the Bank, our Utah industrial bank subsidiary, began expanding its deposit base to fund new Private Education Loan originations. The Bank raises deposits through intermediaries in the brokered Certificate of Deposit ("CD") market and through direct retail deposit channels. As of December 31, 2011, bank deposits totaled $6.3 billion of which $3.7 billion were brokered term deposits, $2.1 billion were retail and other deposits and $453 million were deposits from affiliates that eliminate in our consolidated balance sheet. Cash and liquid investments totaled $1.5 billion as of December 31, 2011.

In addition to its deposit base, the Bank has borrowing capacity with the Federal Reserve Bank ("FRB") through a collateralized lending facility. FRB is not obligated to lend; however, in general we can borrow as long

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

as the Bank is generally in sound financial condition. Borrowing capacity is limited by the availability of acceptable collateral. As of December 31, 2011, borrowing capacity was approximately $793 million and there were no outstanding borrowings.

Senior Unsecured Debt

In 2010, we issued $1.5 billion of senior unsecured notes that bear a coupon of 8.00 percent. The notes were swapped to LIBOR with an all-in cost of LIBOR plus 4.65 percent.

On January 14, 2011, we issued a $2 billion five-year 6.25 percent fixed rate unsecured bond. The bond was issued to yield 6.50 percent before underwriting fees. The rate on the bond was swapped from a fixed rate to a floating rate equal to an all-in cost of one-month LIBOR plus 4.46 percent. The proceeds of this bond were designated for general corporate purposes.

On January 27, 2012, we issued a two-part, $1.5 billion deal featuring five-year and 10-year unsecured bonds. The 6.00 percent fixed rate five-year bond was issued for $750 million to yield 6.25 percent before underwriting fees. The rate on the bond was swapped from a fixed rate to a floating rate equal to an all-in cost of one-month LIBOR plus 5.2 percent. The 7.25 percent fixed rate 10-year bond was issued for $750 million to yield 7.50 percent before underwriting fees. The rate on the bond was swapped from a fixed rate to a floating rate equal to an all-in cost of one-month LIBOR plus 5.4 percent. The proceeds of these bonds were designated for general corporate purposes.

The following table summarizes activity related to the senior unsecured debt repurchases. “Gains on debt repurchases” is shown net of hedging-related gains and losses.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
Unsecured debt principal repurchased	$894	$4,868	$3,447
Gains on debt repurchases	38	317	536

Unsecured Revolving Credit Facility

In 2010, we terminated our $1.6 billion revolving credit facility that was scheduled to mature in October 2011.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Borrowings (Continued)

Retained Interest in Securitized Receivables

The following tables summarize the fair value of our Residual Interests, included in our Retained Interest (and the assumptions used to value such Residual Interests), along with the underlying off-balance sheet student loans that relate to those securitizations in transactions that were treated as sales as of December 31, 2009. As noted previously, the Residual Interest was removed from the balance sheet on January 1, 2010.

	As of December 31, 2009			
(Dollars in millions)	FFELP Stafford and PLUS	Consolidation Loan Trusts[1]	Private Education Loan Trusts	Total
Fair value of Residual Interests	$ 243	$ 791	$ 794	$ 1,828
Underlying securitized loan balance	5,377	14,369	12,986	32,732
Weighted average life Prepayment speed (annual rate)[2]:	3.3 yrs.	9.0 yrs.	6.3 yrs.	
Prepayment speed (annual rate)[2]:				
Interim status	0%	N/A	0%	
Repayment status	0-14%	2-4%	2-15%	
Life-of-loan — repayment status	9%	3%	6%	
Expected remaining credit losses (% of outstanding student loan principal)[3][4]	.10%	.25%	5.31%	
Residual cash flows discount rate	10.6%	12.3%	27.5%	

(1) Includes $569 million related to the fair value of the Embedded Floor Income as of December 31, 2009.

(2) We used Constant Prepayment Rate ("CPR") curves for Residual Interest valuations that were based on seasoning (the number of months since entering repayment). Under this methodology, a different CPR was applied to each year of a loan's seasoning. Repayment status CPR used was based on the number of months since first entering repayment (seasoning). Life-of-loan CPR is related to repayment status only and does not include the impact of the loan while in interim status. The CPR assumption used for all periods includes the impact of projected defaults.

(3) Remaining expected credit losses as of the respective balance sheet date.

(4) For Private Education Loan trusts, estimated defaults from settlement to maturity are 12.2 percent at December 31, 2009. These estimated defaults do not include recoveries related to defaults but do include prior purchases of loans at par by us when loans reached 180 days delinquent (prior to default) under a contingent call option. Although these loan purchases do not result in a realized loss to the trust, we have included them here. Not including these purchases in the disclosure would result in estimated defaults of 9.3 percent at December 31, 2009.

7. Derivative Financial Instruments

Risk Management Strategy

We maintain an overall interest rate risk management strategy that incorporates the use of derivative instruments to minimize the economic effect of interest rate changes. Our goal is to manage interest rate sensitivity by modifying the repricing frequency and underlying index characteristics of certain balance sheet assets and liabilities so the net interest margin is not, on a material basis, adversely affected by movements in interest rates. We do not use derivative instruments to hedge credit risk associated with debt we issued. As a result of interest rate fluctuations, hedged assets and liabilities will appreciate or depreciate in market value. Income or loss on the derivative instruments that are linked to the hedged assets and liabilities will generally offset the effect of this unrealized appreciation or depreciation for the period the item is being hedged. We view this strategy as a prudent management of interest rate sensitivity. In addition, we utilize derivative contracts to minimize the economic impact of changes in foreign currency exchange rates on certain debt obligations that are denominated in foreign currencies. As foreign currency exchange rates fluctuate, these liabilities will appreciate and depreciate in value. These fluctuations, to the extent the hedge relationship is effective, are offset by changes in the value of the cross-currency interest rate swaps executed to hedge these instruments. Management believes

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Derivative Financial Instruments (Continued)

certain derivative transactions entered into as hedges, primarily Floor Income Contracts, basis swaps and Eurodollar futures contracts, are economically effective; however, those transactions generally do not qualify for hedge accounting under GAAP (as discussed below) and thus may adversely impact earnings.

Although we use derivatives to offset (or minimize) the risk of interest rate and foreign currency changes, the use of derivatives does expose us to both market and credit risk. Market risk is the chance of financial loss resulting from changes in interest rates, foreign exchange rates and market liquidity. Credit risk is the risk that a counterparty will not perform its obligations under a contract and it is limited to the loss of the fair value gain in a derivative that the counterparty owes us. When the fair value of a derivative contract is negative, we owe the counterparty and, therefore, have no credit risk exposure to the counterparty; however, the counterparty has exposure to us. We minimize the credit risk in derivative instruments by entering into transactions with highly rated counterparties that are reviewed regularly by our Credit Department. We also maintain a policy of requiring that all derivative contracts be governed by an International Swaps and Derivative Association Master Agreement. Depending on the nature of the derivative transaction, bilateral collateral arrangements generally are required as well. When we have more than one outstanding derivative transaction with the counterparty, and there exists legally enforceable netting provisions with the counterparty (i.e., a legal right to offset receivable and payable derivative contracts), the "net" mark-to-market exposure, less collateral the counterparty has posted to us, represents exposure with the counterparty. When there is a net negative exposure, we consider our exposure to the counterparty to be zero. At December 31, 2011 and 2010, we had a net positive exposure (derivative gain positions to us less collateral which has been posted by counterparties to us) related to SLM Corporation and the Bank derivatives of $113 million and $296 million, respectively.

Our on-balance sheet securitization trusts have $13.6 billion of Euro and British Pound Sterling denominated bonds outstanding as of December 31, 2011. To convert these non-U.S. dollar denominated bonds into U.S dollar liabilities, the trusts have entered into foreign-currency swaps with highly–rated counterparties. In addition, the trusts have entered into $13.8 billion of interest rates swaps which are primarily used to convert Prime received on securitized student loans to LIBOR paid on the bonds. At December 31, 2011, the net positive exposure on swaps in securitization trusts is $807 million. Current turmoil in the European markets has led to increased disclosure of exposure in those markets. Of the total net exposure, $691 million of the net exposure is related to financial institutions located in France. Of this amount, $498 million carries a guarantee from the French government. $690 million of the $691 million exposure relates to derivatives held at our securitization trusts. Counterparties to these derivatives are required to post collateral when their credit rating is withdrawn or downgraded below a certain level. As of December 31, 2011, no collateral was required to be posted. As discussed below, adjustments are made to our derivative valuations for counterparty credit risk based on market credit default swap spreads. The adjustments made at December 31, 2011 related to derivatives with French financial institutions (including those that carry a guarantee from the French government) decreased the derivative asset value by $179 million. Credit risks for all derivative counterparties are assessed internally on a continual basis.

Accounting for Derivative Instruments

Derivative instruments that are used as part of our interest rate and foreign currency risk management strategy include interest rate swaps, basis swaps, cross-currency interest rate swaps, interest rate futures contracts, and interest rate floor and cap contracts with indices that relate to the pricing of specific balance sheet assets and liabilities. The accounting for derivative instruments requires that every derivative instrument, including certain derivative instruments embedded in other contracts, be recorded on the balance sheet as either an asset or liability measured at its fair value. As more fully described below, if certain criteria are met, derivative instruments are classified and accounted for by us as either fair value or cash flow hedges. If these criteria are not met, the derivative financial instruments are accounted for as trading.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Derivative Financial Instruments (Continued)

Fair Value Hedges

Fair value hedges are generally used by us to hedge the exposure to changes in fair value of a recognized fixed rate asset or liability. We enter into interest rate swaps to economically convert fixed rate assets into variable rate assets and fixed rate debt into variable rate debt. We also enter into cross-currency interest rate swaps to economically convert foreign currency denominated fixed and floating debt to U.S. dollar denominated variable debt. For fair value hedges, we generally consider all components of the derivative's gain and/or loss when assessing hedge effectiveness and generally hedge changes in fair values due to interest rates or interest rates and foreign currency exchange rates or the total change in fair values.

Cash Flow Hedges

We use cash flow hedges to hedge the exposure to variability in cash flows for a forecasted debt issuance and for exposure to variability in cash flows of floating rate debt. This strategy is used primarily to minimize the exposure to volatility from future changes in interest rates. Gains and losses on the effective portion of a qualifying hedge are recorded in accumulated other comprehensive income and ineffectiveness is recorded immediately to earnings. In the case of a forecasted debt issuance, gains and losses are reclassified to earnings over the period which the stated hedged transaction affects earnings. If we determine it is not probable that the anticipated transaction will occur, gains and losses are reclassified immediately to earnings. In assessing hedge effectiveness, generally all components of each derivative's gains or losses are included in the assessment. We generally hedge exposure to changes in cash flows due to changes in interest rates or total changes in cash flow.

Trading Activities

When derivative instruments do not qualify as hedges, they are accounted for as trading instruments where all changes in fair value are recorded through earnings. We sell interest rate floors (Floor Income Contracts) to hedge the Embedded Floor Income options in student loan assets. The Floor Income Contracts are written options which have a more stringent hedge effectiveness hurdle to meet. Specifically, our Floor Income Contracts do not qualify for hedge accounting treatment because the pay down of principal of the student loans underlying the Floor Income embedded in those student loans does not exactly match the change in the notional amount of our written Floor Income Contracts. Additionally, the term and the interest rate index of the Floor Income Contracts are different from that of the student loans. Therefore, Floor Income Contracts do not qualify for hedge accounting treatment, and are recorded as trading instruments. Regardless of the accounting treatment, we consider these contracts to be economic hedges for risk management purposes. We use this strategy to minimize our exposure to changes in interest rates.

We use basis swaps to minimize earnings variability caused by having different reset characteristics on our interest-earning assets and interest-bearing liabilities. These swaps possess a term of up to 15 years with a pay rate indexed to 91-day Treasury bill, 52-week Treasury bill, LIBOR, Prime, Consumer Price Index or 1-year constant maturity Treasury rates. The specific terms and notional amounts of the swaps are determined based on a review of our asset/liability structure, our assessment of future interest rate relationships, and on other factors such as short-term strategic initiatives. Hedge accounting requires that when using basis swaps, the change in the cash flows of the hedge effectively offset both the change in the cash flows of the asset and the change in the cash flows of the liability. Our basis swaps hedge variable interest rate risk; however, they generally do not meet this effectiveness criterion because the index of the swap does not exactly match the index of the hedged assets. Additionally, some of our FFELP Loans can earn at either a variable or a fixed interest rate depending on market interest rates and, therefore, swaps economically hedging these FFELP Loans do not meet the criteria for hedge accounting treatment. As a result, these swaps are recorded at fair value with changes in fair value reflected currently in the statement of income.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Derivative Financial Instruments (Continued)

Summary of Derivative Financial Statement Impact

The following tables summarize the fair values and notional amounts or number of contracts of all derivative instruments at December 31, 2011 and 2010, and their impact on other comprehensive income and earnings for the years ended December 31, 2011, 2010 and 2009.

Impact of Derivatives on Consolidated Balance Sheet

		Cash Flow		Fair Value		Trading		Total	
(Dollars in millions)	Hedged Risk Exposure	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Fair Values[1]									
Derivative Assets:									
Interest rate swaps	Interest rate	$ —	$ —	$1,471	$ 967	$ 262	$ 200	$ 1,733	$ 1,167
Cross currency interest rate swaps	Foreign currency and interest rate	—	—	1,229	1,925	130	101	1,359	2,026
Other[2]	Interest rate	—	—	—	—	1	26	1	26
Total derivative assets[3]		—	—	2,700	2,892	393	327	3,093	3,219
Derivative Liabilities:									
Interest rate swaps	Interest rate	(26)	(75)	—	—	(244)	(348)	(270)	(423)
Floor Income Contracts	Interest rate	—	—	—	—	(2,544)	(1,315)	(2,544)	(1,315)
Cross currency interest rate swaps	Foreign currency and interest rate	—	—	(243)	(215)	—	—	(243)	(215)
Other[2]	Interest rate	—	—	—	—	—	(1)	—	(1)
Total derivative liabilities[3]		(26)	(75)	(243)	(215)	(2,788)	(1,664)	(3,057)	(1,954)
Net total derivatives		$ (26)	$ (75)	$2,457	$2,677	$(2,395)	$(1,337)	$ 36	$ 1,265

(1) Fair values reported are exclusive of collateral held and pledged and accrued interest. Assets and liabilities are presented without consideration of master netting agreements. Derivatives are carried on the balance sheet based on net position by counterparty under master netting agreements, and classified in other assets or other liabilities depending on whether in a net positive or negative position.

(2) "Other" includes embedded derivatives bifurcated from securitization debt as well as derivatives related to our Total Return Swap Facility.

(3) The following table reconciles gross positions without the impact of master netting agreements to the balance sheet classification:

	Other Assets		Other Liabilities	
(Dollars in millions)	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Gross position	$ 3,093	$ 3,219	$ (3,057)	$ (1,954)
Impact of master netting agreements	(891)	(782)	891	782
Derivative values with impact of master netting agreements (as carried on balance sheet)	2,202	2,437	(2,166)	(1,172)
Cash collateral (held) pledged	(1,326)	(886)	1,018	809
Net position	$ 876	$ 1,551	$ (1,148)	$ (363)

The above fair values include adjustments for counterparty credit risk for both when we are exposed to the counterparty, net of collateral postings, and when the counterparty is exposed to us, net of collateral postings. The net adjustments decreased the overall net asset positions at December 31, 2011 and 2010 by $190 million and $72 million, respectively. In addition, the above fair values reflect adjustments for illiquid derivatives as

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Derivative Financial Instruments (Continued)

indicated by a wide bid/ask spread in the interest rate indices to which the derivatives are indexed. These adjustments decreased the overall net asset positions at December 31, 2011 and 2010 by $111 million and $129 million, respectively.

	Cash Flow		Fair Value		Trading		Total	
(Dollars in billions)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Notional Values:								
Interest rate swaps	$ 1.1	$ 1.6	$ 14.0	$ 13.5	$ 73.6	$118.9	$ 88.7	$134.0
Floor Income Contracts	—	—	—	—	57.8	39.3	57.8	39.3
Cross currency interest rate swaps	—	—	15.5	17.5	.3	.3	15.8	17.8
Other[1]	—	—	—	—	1.4	1.0	1.4	1.0
Total derivatives	$ 1.1	$ 1.6	$ 29.5	$ 31.0	$133.1	$159.5	$163.7	$192.1

(1) "Other" includes embedded derivatives bifurcated from securitization debt, as well as derivatives related to our Total Return Swap Facility.

Impact of Derivatives on Consolidated Statements of Income

	Unrealized Gain (Loss) on Derivatives[1][2]			Realized Gain (Loss) on Derivatives[3]			Unrealized Gain (Loss) on Hedged Item[1]			Total Gain (Loss)		
	Years Ended December 31,											
(Dollars in millions)	2011	2010	2009	2011	2010	2009	2011	2010	2009	2011	2010	2009
Fair Value Hedges:												
Interest rate swaps	$ 503	$ 289	$(801)	$ 481	$ 487	$ 403	$(554)	$ (334)	$ 850	$ 430	$ 442	$ 452
Cross currency interest rate swaps	(723)	(1,871)	692	314	348	440	664	1,732	(934)	255	209	198
Total fair value derivatives	(220)	(1,582)	(109)	795	835	843	110	1,398	(84)	685	651	650
Cash Flow Hedges:												
Interest rate swaps	(1)	—	2	(39)	(58)	(75)	—	—	—	(40)	(58)	(73)
Total cash flow derivatives	(1)	—	2	(39)	(58)	(75)	—	—	—	(40)	(58)	(73)
Trading:												
Interest rate swaps	183	412	(526)	69	11	433	—	—	—	252	423	(93)
Floor Income Contracts	(267)	156	483	(903)	(888)	(717)	—	—	—	(1,170)	(732)	(234)
Cross currency interest rate swaps	29	57	(26)	8	7	4	—	—	—	37	64	(22)
Other	22	37	(64)	11	31	—	—	—	—	33	68	(64)
Total trading derivatives	(33)	662	(133)	(815)	(839)	(280)	—	—	—	(848)	(177)	(413)
Total	(254)	(920)	(240)	(59)	(62)	488	110	1,398	(84)	(203)	416	164
Less: realized gains (losses) recorded in interest expense	—	—	—	756	777	768	—	—	—	756	777	768
Gains (losses) on derivative and hedging activities, net	$(254)	$ (920)	$(240)	$(815)	$(839)	$(280)	$ 110	$1,398	$ (84)	$ (959)	$(361)	$(604)

(1) Recorded in "Gains (losses) on derivative and hedging activities, net" in the consolidated statements of income.

(2) Represents ineffectiveness related to cash flow hedges.

(3) For fair value and cash flow hedges, recorded in interest expense. For trading derivatives, recorded in "Gains (losses) on derivative and hedging activities, net."

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Derivative Financial Instruments (Continued)

Impact of Derivatives on Consolidated Statements of Changes in Stockholders' Equity (net of tax)

(Dollars in millions)	Years Ended December 31, 2011	2010	2009
Total losses on cash flow hedges	$ (4)	$(35)	$(22)
Realized losses recognized in interest expense[1][2][3]	35	40	63
Hedge ineffectiveness reclassified to earnings[1][4]	—	—	(1)
Total change in stockholders' equity due to gains (losses) on derivatives	$31	$ 5	$ 40

(1) Amounts included in "Realized gain (loss) on derivatives" in the "Impact of Derivatives on Consolidated Statements of Income" table above.

(2) Includes net settlement income/expense.

(3) We expect to reclassify $1 million of after-tax net losses from accumulated other comprehensive income to earnings during the next 12 months related to net settlement accruals on interest rate swaps.

(4) Recorded in "Gains (losses) derivatives and hedging activities, net" in the consolidated statements of income.

Collateral

Collateral held and pledged related to derivative exposures between us and our derivative counterparties are detailed in the following table:

(Dollars in millions)	December 31, 2011	December 31, 2010
Collateral held:		
Cash (obligation to return cash collateral is recorded in short-term borrowings)[1]	$ 1,326	$ 886
Securities at fair value — on-balance sheet securitization derivatives (not recorded in financial statements)[2]	841	585
Total collateral held	$ 2,167	$ 1,471
Derivative asset at fair value including accrued interest	$ 2,607	$ 2,540
Collateral pledged to others:		
Cash (right to receive return of cash collateral is recorded in investments)	$ 1,018	$ 809
Securities at fair value (recorded in restricted investments)[3]	—	36
Total collateral pledged	$ 1,018	$ 845
Derivative liability at fair value including accrued interest and premium receivable	$ 1,223	$ 747

(1) At December 31, 2011 and 2010, $26 million and $108 million, respectively, were held in restricted cash accounts.

(2) The trusts do not have the ability to sell or re-pledge securities they hold as collateral.

(3) Counterparty has the right to sell or re-pledge securities.

Our corporate derivatives contain credit contingent features. At our current unsecured credit rating, we have fully collateralized our corporate derivative liability position (including accrued interest and net of premiums receivable) of $1,034 million with our counterparties. Further downgrades would not result in any additional collateral requirements, except to increase the frequency of collateral calls. Two counterparties have the right to terminate the contracts with further downgrades. We currently have a liability position with these derivative

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Derivative Financial Instruments (Continued)

counterparties (including accrued interest and net of premiums receivable) of $306 million and have posted $302 million of collateral to these counterparties. If the credit contingent feature was triggered for these two counterparties and the counterparties exercised their right to terminate, we would be required to deliver additional assets totaling $4 million to settle the contracts. Trust related derivatives do not contain credit contingent features related to our or the trusts' credit ratings.

8. Other Assets

The following table provides the detail of our other assets.

	December 31, 2011		December 31, 2010	
(Dollars in millions)	Ending Balance	% of Balance	Ending Balance	% of Balance
Accrued interest receivable	$2,484	29%	$2,927	33%
Derivatives at fair value	2,202	25	2,437	27
Income tax asset, net current and deferred	1,427	17	1,283	14
Accounts receivable — general	1,392	16	730	8
Benefit and insurance-related investments	466	5	462	5
Fixed assets, net	214	3	291	4
Other loans, net	193	2	271	3
Other	280	3	569	6
Total	$8,658	100%	$8,970	100%

The "Derivatives at fair value" line in the above table represents the fair value of our derivatives in a gain position by counterparty, exclusive of accrued interest and collateral. At December 31, 2011 and 2010, these balances included $2.5 billion and $2.7 billion, respectively, of cross-currency interest rate swaps and interest rate swaps designated as fair value hedges that were offset by an increase in interest-bearing liabilities related to the hedged debt. As of December 31, 2011 and 2010, the cumulative mark-to-market adjustment to the hedged debt was $(2.7) billion and $(2.9) billion, respectively.

9. Stockholders' Equity

Preferred Stock

At December 31, 2011, we had outstanding 3.3 million shares of 6.97 percent Cumulative Redeemable Preferred Stock, Series A (the "Series A Preferred Stock") and 4.0 million shares of Floating-Rate Non-Cumulative Preferred Stock, Series B (the "Series B Preferred Stock"). Neither series has a maturity date but can be redeemed at our option. Redemption would include any accrued and unpaid dividends up to the redemption date. The shares have no preemptive or conversion rights and are not convertible into or exchangeable for any of our other securities or property. Dividends on both series are not mandatory and are paid quarterly, when, as, and if declared by the Board of Directors. Holders of Series A Preferred Stock are entitled to receive cumulative, quarterly cash dividends at the annual rate of $3.485 per share. Holders of Series B Preferred Stock are entitled to receive quarterly dividends based on 3-month LIBOR plus 170 basis points per annum in arrears. Upon liquidation or dissolution of the Company, holders of the Series A and Series B Preferred Stock are entitled to receive $50 and $100 per share, respectively, plus an amount equal to accrued and unpaid dividends for the then current quarterly dividend period, if any, pro rata, and before any distribution of assets are made to holders of our common stock.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Stockholders' Equity (Continued)

No shares of our 7.25 percent Mandatory Convertible Preferred Stock, Series C (the "Series C Preferred Stock") remain outstanding. On December 15, 2010, the mandatory conversion date, all remaining 810,370 shares of the Series C Preferred Stock were converted into 41 million shares of our common stock. During 2009, we converted $339 million of our Series C Preferred Stock to common stock. As part of this conversion, we delivered to the holders of the Series C Preferred Stock: (1) approximately 17 million shares (the number of common shares they would most likely receive if the preferred stock they held mandatorily converted to common shares in the fourth quarter of 2010) plus (2) a discounted amount of the preferred stock dividends the holders of the preferred stock would have received if they held the preferred stock through the mandatory conversion date. The accounting treatment for this conversion resulted in additional expense recorded as part of preferred stock dividends for the year ended December 31, 2009 of approximately $53 million.

Common Stock

Our shareholders have authorized the issuance of 1.125 billion shares of common stock (par value of $.20). At December 31, 2011, 509 million shares were issued and outstanding and 34.9 million shares were unissued but encumbered for outstanding stock options for employee compensation and remaining authority for stock-based compensation plans. The stock-based compensation plans are described in "Note 11—Stock-Based Compensation Plans and Arrangements."

In March 2011, we retired 70 million shares of common stock held in treasury. This retirement decreased the balance in treasury stock by $1.9 billion, with corresponding decreases of $14 million in common stock and $1.9 billion in additional paid-in capital. There was no impact to total equity from this transaction.

Dividend and Share Repurchase Program

On June 17, 2011, September 16, 2011, and December 16, 2011, we paid a quarterly dividend of $.10 per share on our common stock, the first dividends paid since early 2007. In April 2011, we authorized the repurchase of up to $300 million of outstanding common stock in open market transactions and terminated all previous authorizations. During the second and third quarters of 2011, we repurchased 19.1 million shares for an aggregate purchase price of $300 million. With these purchases, we fully utilized this share repurchase authorization.

On January 26, 2012, we increased the quarterly dividend on our common stock to $.125 per share. The next such quarterly dividend will be paid on March 16, 2012. We also authorized the repurchase of up to $500 million of outstanding common stock in open market transactions.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Stockholders' Equity (Continued)

The following table summarizes our common share repurchases and issuances.

	Years Ended December 31,		
	2011	2010	2009
Common stock repurchased[1]	19,054,115	—	—
Average purchase price per share	$ 15.77	$ —	$ —
Shares repurchased related to employee stock-based compensation plans[2]	3,024,662	1,097,647	263,640
Average purchase price per share	$ 15.71	$ 13.44	$ 20.29
Authority remaining at end of period for repurchases[1]	—	38,841,923	38,841,923
Common shares issued	3,886,217	1,803,683	536,134

(1) In April 2011 we authorized the repurchase of up to $300 million of outstanding common stock in open market transactions, and terminated the previous stock repurchase program which had authorized the repurchase of up to 342.5 million shares. Average purchase price per share includes purchase commission costs.

(2) Comprises shares withheld from stock option exercises and vesting of restricted stock for employees' tax withholding obligations and shares tendered by employees to satisfy option exercise costs.

The closing price of our common stock on December 31, 2011 was $13.40.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive loss includes the after-tax change in unrealized gains and losses on available-for-sale investments, unrealized gains and losses on derivatives, and the defined benefit pension plans adjustment. The following table presents the cumulative balances of the components of other comprehensive loss.

	December 31,		
(Dollars in millions)	2011	2010	2009
Net unrealized gains on investments	$ 4	$ 2	$ 2
Net unrealized losses on derivatives	(18)	(49)	(54)
Net gain on defined benefit pension plans	—	2	11
Total accumulated other comprehensive loss	$(14)	$(45)	$(41)

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Earnings (Loss) per Common Share

Basic earnings (loss) per common share ("EPS") are calculated using the weighted average number of shares of common stock outstanding during each period. A reconciliation of the numerators and denominators of the basic and diluted EPS calculations follows.

	Years Ended December 31,		
(In millions, except per share data)	2011	2010	2009
Numerator:			
Net income attributable to SLM Corporation	$ 633	$ 530	$ 324
Preferred stock dividends	18	72	146
Net income attributable to SLM Corporation common stock	$ 615	$ 458	$ 178
Denominator:			
Weighted average shares used to compute basic EPS	517	487	471
Effect of dilutive securities:			
Dilutive effect of stock options, non-vested deferred compensation and restricted stock, restricted stock units and Employee Stock Purchase Plan ("ESPP")[1]	6	1	1
Dilutive potential common shares[2]	6	1	1
Weighted average shares used to compute diluted EPS	523	488	472
Basic earnings (loss) per common share attributable to SLM Corporation:			
Continuing operations	$1.13	$1.08	$ .85
Discontinued operations	.06	(.14)	(.47)
Total	$1.19	$ .94	$ .38
Diluted earnings (loss) per common share attributable to SLM Corporation:			
Continuing operations	$1.12	$1.08	$ .85
Discontinued operations	.06	(.14)	(.47)
Total	$1.18	$ .94	$ .38

(1) Includes the potential dilutive effect of additional common shares that are issuable upon exercise of outstanding stock options, non-vested deferred compensation and restricted stock, restricted stock units, and the outstanding commitment to issue shares under the ESPP, determined by the treasury stock method.

(2) For the years ended December 31, 2011, 2010 and 2009, stock options covering approximately 16 million, 15 million and 42 million shares, respectively, and restricted stock of 2 million, 0 and 1 million shares, respectively, were outstanding but not included in the computation of diluted earnings per share because they were anti-dilutive.

11. Stock-Based Compensation Plans and Arrangements

As of December 31, 2011, we have two active stock-based compensation plans that provide for grants of equity awards to our employees and non-employee directors. We also maintain the ESPP. Shares issued under these stock-based compensation plans may be either shares reacquired by us or shares that are authorized but unissued.

Our 2009-2012 Incentive Plan was approved by shareholders on May 22, 2009. At December 31, 2011, 25 million shares were authorized to be issued from this plan.

Our Directors Equity Plan, under which stock options and restricted stock are granted to non-employee members of the board of directors, was approved on May 22, 2009. At December 31, 2011, one million shares were authorized to be issued from this plan.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Stock-Based Compensation Plans and Arrangements (Continued)

From January 1, 2007 through May 21, 2009, we granted stock options and restricted stock to our employees and non-employee directors under the SLM Corporation Incentive Plan and the Directors Stock Plan.

The total stock-based compensation cost recognized in the consolidated statements of income for the years ended December 31, 2011, 2010 and 2009 was $56 million, $40 million and $51 million, respectively. As of December 31, 2011, there was $18 million of total unrecognized compensation cost related to unvested stock awards net of estimated forfeitures, which is expected to be recognized over a weighted average period of 1.9 years.

In the first quarter of 2011, we changed our stock-based compensation plans so that retirement eligible employees would not forfeit unvested stock-based compensation upon their retirement. This change had the effect of accelerating $11 million of future stock-based compensation expenses associated with these unvested stock grants into the first quarter of 2011 for those employees who are retirement eligible or who will become retirement eligible prior to the vesting date.

Stock Options

The maximum term for stock options is 10 years and the exercise price must be equal to or greater than the market price of our common stock on the grant date. We have granted time-vested, price-vested and performance-vested options to our employees and non-employee directors. Time-vested options granted to management and non-management employees generally vest over three years. Price-vested options granted to management employees vest upon our common stock reaching a targeted closing price for a set number of days. Performance-vested options granted to management employees vest one-third per year for three years based on corporate earnings-related performance targets. Options granted to non-employee directors in 2009 and prior years vest upon our common stock price reaching a targeted closing price for a set number of days and options granted after 2009 vest upon the director's election to the Board.

The fair values of the options granted in the years ended December 31, 2011, 2010 and 2009 were estimated as of the grant date using a Black-Scholes option pricing model with the following weighted average assumptions:

	Years Ended December 31,		
	2011	2010	2009
Risk-free interest rate	1.57%	1.60%	1.51%
Expected volatility	54%	60%	80%
Expected dividend rate	2.58%	0.00%	0.00%
Expected life of the option	4.1 years	3.3 years	3.5 years
Weighted average fair value of options granted	$5.18	$4.40	$5.82

The expected life of the options is based on observed historical exercise patterns. Groups of employees (and non-employee directors) that have received similar option grant terms are considered separately for valuation purposes. The expected volatility is based on implied volatility from publicly-traded options on our stock at the grant date and historical volatility of our stock consistent with the expected life of the option. The risk-free interest rate is based on the U.S. Treasury spot rate at the grant date consistent with the expected life of the option. The dividend yield is based on the projected annual dividend payment per share based on the dividend amount at the grant date, divided by the stock price at the grant date.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Stock-Based Compensation Plans and Arrangements (Continued)

On May 17, 2010, we launched a one-time stock option exchange program to allow certain eligible employees (excluding our named executive officers and members of our Board of Directors) to exchange certain out-of-the-money options for new options with an exercise price equal to the fair market value of our stock as of the grant date. To be eligible for the exchange, the options had to have been granted on or before January 31, 2008, had an exercise price that was greater than or equal to $20.94 per share, had a remaining term that expired after January 1, 2011 and were outstanding as of the start date of the offer and at the time the offer expired. The offering period closed on June 14, 2010. On that date, 15.1 million options were tendered and exchanged for 8.0 million new options with an exercise price of $11.39. None of the replacement options were vested on the date of grant. Replacement options have provisions to vest in six months, twelve months or two annual installments following the grant date, depending on the original vesting status and vesting terms of the eligible options, and will maintain the original contractual term of the eligible options for which they were exchanged. The exchange program was designed so that the fair market value of the new options would not be greater than the fair market value of the options exchanged, and as a result, this stock option exchange did not result in incremental compensation expense to us.

The following table summarizes stock option activity for the year ended December 31, 2011.

(Dollars in millions, except per share data)	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value[1]
Outstanding at December 31, 2010	36,085,878	$ 19.88		
Granted	2,476,230	14.52		
Exercised[2][3]	(3,352,823)	11.08		
Canceled	(2,538,220)	27.62		
Outstanding at December 31, 2011[4][5]	32,671,065	$ 19.78	5.5 yrs	$ 48
Exercisable at December 31, 2011	20,432,582	$ 24.08	4.3 yrs	$ 24

(1) The aggregate intrinsic value represents the total intrinsic value (the aggregate difference between our closing stock price on December 31, 2011 and the exercise price of in-the-money options) that would have been received by the option holders if all in-the-money options had been exercised on December 31, 2011.

(2) The total intrinsic value of options exercised was $13.8 million, $1.3 million and $.1 million for the years ended December 31, 2011, 2010 and 2009, respectively.

(3) No cash was received from option exercises for the year ended December 31, 2011. The actual tax benefit realized for the tax deductions from option exercises totaled $5.3 million for the year ended December 31, 2011.

(4) As of December 31, 2011, there was $7 million of unrecognized compensation cost related to stock options net of estimated forfeitures, which is expected to be recognized over a weighted average period of 1.5 years.

(5) For net-settled options, gross number is reflected.

Restricted Stock

Restricted stock awards generally vest over three years and in some cases based on corporate earnings-related performance targets. Non-vested restricted stock is entitled to dividend equivalent units that vest subject to the same vesting requirements as the underlying restricted stock award.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Stock-Based Compensation Plans and Arrangements (Continued)

The fair value of restricted stock awards is determined on the grant date based on our stock price and is amortized to compensation cost on a straight-line basis over the related vesting periods.

The following table summarizes restricted stock activity for the year ended December 31, 2011.

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2010	701,737	$ 11.98
Granted	166,750	13.56
Vested[1]	(451,625)	12.98
Canceled	(4,000)	10.31
Non-vested at December 31, 2011[2]	412,862	$ 12.07

(1) The total fair value of shares that vested during the years ended December 31, 2011, 2010 and 2009, was $6 million, $9 million and $9 million, respectively.

(2) As of December 31, 2011, there was $1 million of unrecognized compensation cost related to restricted stock net of estimated forfeitures, which is expected to be recognized over a weighted average period of 1.4 years.

Restricted Stock Units

Restricted stock units ("RSUs") are equity awards granted to employees that entitle the holder to shares of our common stock when the award vests. The fair value of each grant is determined on the grant date based on our stock price and is amortized to compensation cost on a straight-line basis over the related vesting periods. RSUs generally vest over three years and in some cases based on corporate earnings-related performance targets. Non-vested RSUs are entitled to dividend equivalent units that vest subject to the same vesting requirements as the underlying RSU award.

The following table summarizes RSU activity for the year ended December 31, 2011.

	Number of RSUs	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2010	96,681	$ 10.50
Granted	2,779,075	14.75
Vested and converted to common stock[1]	(41,625)	10.45
Canceled	(103,441)	14.61
Outstanding at December 31, 2011[2]	2,730,690	$ 14.67

(1) The total fair value of RSUs that vested and converted to common stock during the years ended December 31, 2011, 2010 and 2009 was $.4 million, $.4 million and $.1 million, respectively.

(2) As of December 31, 2011, there was $11 million of unrecognized compensation cost related to RSUs net of estimated forfeitures, which is expected to be recognized over a weighted average period of 2.2 years.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Stock-Based Compensation Plans and Arrangements (Continued)

Employee Stock Purchase Plan

Under the ESPP, employees can purchase shares of our common stock at the end of a 12-month offering period at a price equal to the share price at the beginning of the 12-month period, less 15 percent, up to a maximum purchase price of $7,500 plus accrued interest. The purchase price for each offering is determined at the beginning of the offering period.

The fair values of the stock purchase rights of the ESPP offerings were calculated using a Black-Scholes option pricing model with the following weighted average assumptions.

	Years Ended December 31,		
	2011	2010	2009
Risk-free interest rate	.27%	.33%	.53%
Expected volatility	42%	61%	103%
Expected dividend rate	1.87%	0.00%	0.00%
Expected life of the option	1 year	1 year	1 year
Weighted average fair value of stock purchase rights	$3.63	$3.30	$4.88

The expected volatility is based on implied volatility from publicly-traded options on our stock at the grant date and historical volatility of our stock consistent with the expected life. The risk-free interest rate is based on the U.S. Treasury spot rate at the grant date consistent with the expected life. The dividend yield is based on the projected annual dividend payment per share based on the current dividend amount at the grant date divided by the stock price at the grant date.

The fair values were amortized to compensation cost on a straight-line basis over a one-year vesting period. As of December 31, 2011, there was $.1 million of unrecognized compensation cost related to the ESPP net of estimated forfeitures, which is expected to be recognized in January 2012.

During the years ended December 31, 2011 and 2010, plan participants purchased 278,266 shares and 205,528 shares, respectively, of our common stock. No shares were purchased in 2009.

12. Restructuring Activities

Restructuring expenses of $9 million, $91 million and $22 million were recorded in the years ended December 31, 2011, 2010 and 2009, respectively. Of these amounts, $9 million, $85 million and $10 million was recognized in continuing operations and $0 million, $6 million and $12 million was recognized in discontinued operations, respectively. The following details our restructuring efforts:

- On March 30, 2010, President Obama signed into law H.R. 4872, HCERA, which included the SAFRA Act. Effective July 1, 2010, the legislation eliminated the authority to provide new loans under FFELP and requires all new federal loans to be made through the DSLP. The new law did not alter or affect the terms and conditions of existing FFELP Loans. We have and will continue to restructure our operations in response to this change in law which has and will continue to result in a significant reduction of operating costs due to the elimination of positions and facilities associated with the origination of FFELP Loans. Restructuring expenses associated with this plan for the year ended December 31, 2011 were $9 million and we expect to incur an estimated $10 million of additional restructuring expenses.

  In addition, on March 31, 2011, we moved our corporate headquarters to Newark, DE from Reston, VA.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Restructuring Activities (Continued)

- In response to the College Cost Reduction and Access Act of 2007 ("CCRAA") and challenges in the capital markets, we initiated a restructuring plan in the fourth quarter of 2007. This plan focused on conforming our lending activities to the economic environment, exiting certain customer relationships and product lines, winding down or otherwise disposing of our debt Purchased Paper businesses, and significantly reducing our operating expenses. This restructuring plan was essentially completed in the fourth quarter of 2009. Under this plan, there were no restructuring expenses for the year ended December 31, 2011. There were $7 million and $22 million of restructuring expenses for the years ended December 31, 2010 and 2009, respectively.

The following table summarizes the restructuring expenses incurred to date.

	Years Ended December 31,			Cumulative Expense as of December 31,
(Dollars in millions)	2011	2010	2009	2011
Severance costs	$ 6	$81	$ 8	$ 169
Lease and other contract termination costs	—	1	1	11
Exit and other costs	3	3	1	19
Total restructuring expenses from continuing operations[1]	9	85	10	199
Total restructuring expenses from discontinued operations	—	6	12	29
Total	$ 9	$91	$22	$ 228

(1) Aggregate restructuring expenses from continuing operations incurred across our reportable segments are disclosed in "Note 16—Segment Reporting."

Since the fourth quarter of 2007 through December 31, 2011, cumulative severance costs were incurred in conjunction with aggregate completed and planned position eliminations of approximately 5,500 positions. Position eliminations were across all of our reportable segments, ranging from senior executives to servicing center personnel. Lease and other contract termination costs and exit and other costs incurred during 2011, 2010 and 2009 related primarily to terminated or abandoned facility leases and consulting costs incurred in conjunction with various cost reduction and exit strategies.

The following table summarizes the restructuring liability balance, which is included in other liabilities in the accompanying consolidated balance sheet.

(Dollars in millions)	Severance Costs	Lease and Other Contract Termination Costs	Exit and Other Costs	Total
Balance at December 31, 2009	$ 9	$ 4	$ —	$ 13
Net accruals from continuing operations	81	1	3	85
Net accruals from discontinued operations	3	3	—	6
Cash paid	(45)	(4)	(2)	(51)
Balance at December 31, 2010	48	4	1	53
Net accruals from continuing operations	6	—	3	9
Net accruals from discontinued operations	—	—	—	—
Cash paid	(44)	(3)	(4)	(51)
Balance at December 31, 2011	$ 10	$ 1	$ —	$ 11

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fair Value Measurements

We use estimates of fair value in applying various accounting standards for our financial statements.

We categorize our fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. For additional information regarding our policies for determining fair value and the hierarchical framework, see "Note 2 — Significant Accounting Policies — Fair Value Measurement."

During the year ended December 31, 2011, there were no significant transfers of financial instruments between levels.

Student Loans

Our FFELP Loans and Private Education Loans are accounted for at cost or at the lower of cost or market if the loan is held-for-sale. FFELP Loans classified as held-for-sale are those which we have the ability and intent to sell under various ED loan purchase programs. In these instances, the FFELP Loans are valued using the committed sales price under the programs. For all other FFELP Loans and Private Education Loans, fair values were determined by modeling loan cash flows using stated terms of the assets and internally-developed assumptions to determine aggregate portfolio yield, net present value and average life. The significant assumptions used to determine fair value are prepayment speeds, default rates, cost of funds, required return on equity, and expected Repayment Borrower Benefits to be earned. In addition, the Floor Income component of our FFELP Loan portfolio is valued with option models using both observable market inputs and internally developed inputs. A number of significant inputs into the models are internally derived and not observable to market participants. Certain model assumptions were calibrated based upon pricing information related to our acquisition of the Student Loan Corporation FFELP trusts on December 31, 2010.

Cash and Investments (Including "Restricted Cash and Investments")

Cash and cash equivalents are carried at cost. Carrying value approximated fair value for disclosure purposes. Investments classified as trading or available-for-sale are carried at fair value in the financial statements. Investments in U.S. Treasury securities consisted of Treasury bills that trade in active markets. The fair value was determined using observable market prices. Investments in mortgage-backed securities are valued using observable market prices. These securities are primarily collateralized by real estate properties in Utah and are guaranteed by either a government sponsored enterprise or the U.S. government. Other investments (primarily municipal bonds) for which observable prices from active markets are not available were valued through standard bond pricing models using observable market yield curves adjusted for credit and liquidity spreads. These valuations are immaterial to the overall investment portfolio. The fair value of investments in commercial paper, asset-backed commercial paper, or demand deposits that have a remaining term of less than 90 days when purchased are estimated at cost and, when needed, adjustments for liquidity and credit spreads are made depending on market conditions and counterparty credit risks. No additional adjustments were deemed necessary.

Borrowings

Borrowings are accounted for at cost in the financial statements except when denominated in a foreign currency or when designated as the hedged item in a fair value hedge relationship. When the hedged risk is the benchmark interest rate and not full fair value, the cost basis is adjusted for changes in value due to benchmark interest rates only. Foreign currency-denominated borrowings are re-measured at current spot rates in the financial statements. The full fair value of all borrowings is disclosed. Fair value was determined through

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fair Value Measurements (Continued)

standard bond pricing models and option models (when applicable) using the stated terms of the borrowings, observable yield curves, foreign currency exchange rates, volatilities from active markets or from quotes from broker-dealers. Fair value adjustments for unsecured corporate debt are made based on indicative quotes from observable trades and spreads on credit default swaps specific to the Company. Fair value adjustments for secured borrowings are based on indicative quotes from broker-dealers. These adjustments for both secured and unsecured borrowings are material to the overall valuation of these items and, currently, are based on inputs from inactive markets.

Derivative Financial Instruments

All derivatives are accounted for at fair value in the financial statements. The fair value of a majority of derivative financial instruments was determined by standard derivative pricing and option models using the stated terms of the contracts and observable market inputs. In some cases, we utilized internally developed inputs that are not observable in the market, and as such, classified these instruments as level 3 fair values. Complex structured derivatives or derivatives that trade in less liquid markets require significant estimates and judgment in determining fair value that cannot be corroborated with market transactions. It is our policy to compare our derivative fair values to those received by our counterparties in order to validate the model's outputs. Any significant differences are identified and resolved appropriately.

When determining the fair value of derivatives, we take into account counterparty credit risk for positions where it is exposed to the counterparty on a net basis by assessing exposure net of collateral held. The net exposures for each counterparty are adjusted based on market information available for the specific counterparty, including spreads from credit default swaps. When the counterparty has exposure to us under derivatives with us, we fully collateralize the exposure, minimizing the adjustment necessary to the derivative valuations for our credit risk. While trusts that contain derivatives are not required to post collateral, when the counterparty is exposed to the trust the credit quality and securitized nature of the trusts minimizes any adjustments for the counterparty's exposure to the trusts. The net credit risk adjustment (adjustments for our exposure to counterparties net of adjustments for the counterparties' exposure to us) decreased the valuations by $190 million at December 31, 2011.

Inputs specific to each class of derivatives disclosed in the table below are as follows:

- Interest rate swaps — Derivatives are valued using standard derivative cash flow models. Derivatives that swap fixed interest payments for LIBOR interest payments (or vice versa) and derivatives swapping quarterly reset LIBOR for daily reset LIBOR or one-month LIBOR were valued using the LIBOR swap yield curve which is an observable input from an active market. These derivatives are level 2 fair value estimates in the hierarchy. Other derivatives swapping LIBOR interest payments for another variable interest payment (primarily T-Bill or Prime) or swapping interest payments based on the Consumer Price Index for LIBOR interest payments are valued using the LIBOR swap yield curve and observable market spreads for the specified index. The markets for these swaps are generally illiquid as indicated by a wide bid/ask spread. The adjustment made for liquidity decreased the valuations by $111 million at December 31, 2011. These derivatives are level 3 fair value estimates.
- Cross-currency interest rate swaps — Derivatives are valued using standard derivative cash flow models. Derivatives hedging foreign-denominated bonds are valued using the LIBOR swap yield curve (for both USD and the foreign-denominated currency), cross-currency basis spreads, and forward foreign currency exchange rates. The derivatives are primarily British Pound Sterling and Euro denominated. These inputs are observable inputs from active markets. Therefore, the resulting valuation is a level 2 fair value estimate. Amortizing notional derivatives (derivatives whose notional

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fair Value Measurements (Continued)

amounts change based on changes in the balance of, or pool of assets or debt) hedging trust debt use internally derived assumptions for the trust assets' prepayment speeds and default rates to model the notional amortization. Management makes assumptions concerning the extension features of derivatives hedging rate-reset notes denominated in a foreign currency. These inputs are not market observable; therefore, these derivatives are level 3 fair value estimates.

- Floor Income Contracts — Derivatives are valued using an option pricing model. Inputs to the model include the LIBOR swap yield curve and LIBOR interest rate volatilities. The inputs are observable inputs in active markets and these derivatives are level 2 fair value estimates.

The carrying value of borrowings designated as the hedged item in a fair value hedge are adjusted for changes in fair value due to benchmark interest rates and foreign-currency exchange rates. These valuations are determined through standard bond pricing models and option models (when applicable) using the stated terms of the borrowings, and observable yield curves, foreign currency exchange rates, and volatilities.

Residual Interests

Prior to the adoption of the new consolidation accounting guidance on January 1, 2010 (see "Note 2 — Significant Accounting Policies — Consolidation), the Residual Interests were carried at fair value in the financial statements. No active market exists for student loan Residual Interests; as such, the fair value was calculated using discounted cash flow models and option models. Observable inputs from active markets were used where available, including yield curves and volatilities. Significant unobservable inputs such as prepayment speeds, default rates, certain bonds' costs of funds and discount rates were used in determining the fair value and required significant judgment. These unobservable inputs were internally determined based upon analysis of historical data and expected industry trends. On a quarterly basis we back-tested our prepayment speeds, default rates and costs of funds assumptions by comparing those assumptions to actual results experienced. We used non-binding broker quotes and industry analyst reports which show changes in the indicative prices of the asset-backed securities tranches immediately senior to the Residual Interest as an indication of potential changes in the discount rate used to value the Residual Interests. Market transactions were not available to validate the models' results.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fair Value Measurements (Continued)

The following table summarizes the valuation of our financial instruments that are marked-to-market on a recurring basis.

	Fair Value Measurements on a Recurring Basis as of December 31, 2011				Fair Value Measurements on a Recurring Basis as of December 31, 2010			
(Dollars in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Available-for-sale investments:								
U.S. Treasury securities	$ —	$ —	$ —	$ —	$ 39	$ —	$ —	$ 39
Agency residential mortgage backed securities	—	59	—	59	—	68	—	68
Guaranteed investment contracts	—	20	—	20	—	20	—	20
Other	—	11	—	11	—	12	—	12
Total available-for-sale investments	—	90	—	90	39	100	—	139
Derivative instruments:(1)								
Interest rate swaps	—	1,550	183	1,733	—	1,017	150	1,167
Cross currency interest rate swaps	—	139	1,220	1,359	—	427	1,599	2,026
Other	—	—	1	1	—	—	26	26
Total derivative assets	—	1,689	1,404	3,093	—	1,444	1,775	3,219
Counterparty netting				(891)				(782)
Subtotal(3)				2,202				2,437
Cash collateral held				(1,326)				(886)
Net derivative assets				876				1,551
Total	$ —	$ 1,779	$1,404	$ 966	$ 39	$ 1,544	$1,775	$ 1,690
Liabilities(2)								
Derivative instruments(1)								
Interest rate swaps	$ —	$ (47)	$ (223)	$ (270)	$ —	$ (183)	$ (240)	$ (423)
Floor Income Contracts	—	(2,544)	—	(2,544)	—	(1,315)	—	(1,315)
Cross currency interest rate swaps	—	(44)	(199)	(243)	—	(43)	(172)	(215)
Other	—	—	—	—	(1)	—	—	(1)
Total derivative instruments	—	(2,635)	(422)	(3,057)	(1)	(1,541)	(412)	(1,954)
Counterparty netting				891				782
Subtotal(3)				(2,166)				(1,172)
Cash collateral pledged				1,018				809
Net derivative liabilities				(1,148)				(363)
Total	$ —	$(2,635)	$ (422)	$(1,148)	$ (1)	$(1,541)	$ (412)	$ (363)

(1) Fair value of derivative instruments excludes accrued interest and the value of collateral.

(2) Borrowings which are the hedged items in a fair value hedge relationship and which are adjusted for changes in value due to benchmark interest rates only are not carried at full fair value and are not reflected in this table.

(3) As carried on the balance sheet.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fair Value Measurements (Continued)

The following tables summarize the change in balance sheet carrying value associated with Level 3 financial instruments carried at fair value on a recurring basis.

	Year Ended December 31, 2011[3]			
	Derivative Instruments			
(Dollars in millions)	Interest Rate Swaps	Cross Currency Interest Rate Swaps	Other	Total Derivative Instruments
Balance, beginning of period	$ (90)	$ 1,427	$ 26	$ 1,363
Total gains/(losses) (realized and unrealized):				
Included in earnings[1]	69	(176)	33	(74)
Included in other comprehensive income	—	—	—	—
Settlements	(19)	(230)	(58)	(307)
Transfers in and/or out of Level 3	—	—	—	—
Balance, end of period	$ (40)	$ 1,021	$ 1	$ 982
Change in unrealized gains/(losses) relating to instruments still held at the reporting date[2]	$ 6	$ (408)	$ 11	$ (391)

	Year Ended December 31, 2010						
		Derivative instruments					
(Dollars in millions)	Residual Interests	Interest Rate Swaps	Floor Income Contracts	Cross Currency Interest Rate Swaps	Other	Total Derivative Instruments	Total
Balance, beginning of period	$ 1,828	$ (272)	$ (54)	$ 1,596	$(18)	$ 1,252	$ 3,080
Total gains/(losses) (realized and unrealized):							
Included in earnings[1]	—	234	3	(834)	34	(563)	(563)
Included in other comprehensive income	—	—	—	—	—	—	—
Settlements	—	4	51	(208)	10	(143)	(143)
Cumulative effect of accounting change[3]	(1,828)	(56)	—	873	—	817	(1,011)
Transfers in and/or out of Level 3	—	—	—	—	—	—	—
Balance, end of period	$ —	$ (90)	$ —	$ 1,427	$ 26	$ 1,363	$ 1,363
Change in unrealized gains/(losses) relating to instruments still held at the reporting date[2]	$ —	$ 111	$ —	$ (1,010)	$ 36	$ (863)	$ (863)

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fair Value Measurements (Continued)

(Dollars in millions)	Year Ended December 31, 2009 Residual Interests	Derivative Instruments	Total
Balance, beginning of period	$2,200	$ (341)	$1,859
Total gains/(losses) (realized and unrealized):			
Included in earnings[1]	120	91	211
Included in other comprehensive income	—	—	—
Settlements	(492)	434	(58)
Transfers in and/or out of Level 3	—	1,068	1,068
Balance, end of period	$1,828	$ 1,252	$3,080
Change in unrealized gains/(losses) relating to instruments still held at the reporting date	$ (330)[4]	$ 439[2]	$ 109

(1) "Included in earnings" comprises the following amounts recorded in the specified line item in the consolidated statements of income:

(Dollars in millions)	Years Ended December 31, 2011	2010	2009
Servicing and securitization revenue	$ —	$ —	$ 120
Gains (losses) on derivative and hedging activities, net	(298)	(732)	298
Interest expense	224	169	(207)
Total	$ (74)	$(563)	$ 211

(2) Recorded in "gains (losses) on derivative and hedging activities, net" in the consolidated statements of income.

(3) Upon adoption of new consolidation accounting guidance on January 1, 2010, we consolidated all of our previously off-balance sheet securitization trusts (see "Note 2 — Significant Accounting Policies — Consolidation"). This resulted in the removal of the Residual Interest and the recording of the fair value of swaps previously not in our consolidated results.

(4) Recorded in "securitization servicing and Residual Interest revenue" in the consolidated statements of income.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fair Value Measurements (Continued)

The following table summarizes the fair values of our financial assets and liabilities, including derivative financial instruments.

(Dollars in millions)	December 31, 2011 Fair Value	December 31, 2011 Carrying Value	December 31, 2011 Difference	December 31, 2010 Fair Value	December 31, 2010 Carrying Value	December 31, 2010 Difference
Earning assets						
FFELP Loans	$134,196	$138,130	$ (3,934)	$147,163	$148,649	$(1,486)
Private Education Loans	33,968	36,290	(2,322)	30,949	35,656	(4,707)
Other loans	73	193	(120)	88	270	(182)
Cash and investments[1]	9,789	9,789	—	11,553	11,553	—
Total earning assets	178,026	184,402	(6,376)	189,753	196,128	(6,375)
Interest-bearing liabilities						
Short-term borrowings	29,547	29,573	26	33,604	33,616	12
Long-term borrowings	141,605	154,393	12,788	154,355	163,544	9,189
Total interest-bearing liabilities	171,152	183,966	12,814	187,959	197,160	9,201
Derivative financial instruments						
Floor Income Contracts	(2,544)	(2,544)	—	(1,315)	(1,315)	—
Interest rate swaps	1,463	1,463	—	744	744	—
Cross currency interest rate swaps	1,116	1,116	—	1,811	1,811	—
Other	1	1	—	25	25	—
Excess of net asset fair value over carrying value			$ 6,438			$ 2,826

(1) "Cash and investments" includes available-for-sale investments that consist of investments that are primarily U.S. Treasury or U.S. agency securities whose cost basis is $85 million and $137 million at December 31, 2011 and 2010, respectively, versus a fair value of $90 million and $139 million at December 31, 2011 and 2010, respectively.

14. Commitments, Contingencies and Guarantees

In Re SLM Corporation Securities Litigation. On January 31, 2008, a putative class action lawsuit was filed in the U.S. District Court for the Southern District of New York alleging that the Company and certain officers violated federal securities laws by, among other things, issuing a series of materially false and misleading statements with respect to our financial results for year-end 2006 and the first quarter of 2007. This case and other actions arising out of the same circumstances and alleged acts have been consolidated and are now identified as *In Re SLM Corporation Securities Litigation*. The case purports to be brought on behalf of those who acquired our common stock between January 18, 2007 and January 23, 2008. On January 24, 2012, the court certified a class, appointed class counsel and appointed a class representative. On February 10, 2012, the parties entered into a settlement term sheet under which we agreed to pay $35 million, which amount includes all attorneys' fees, administration costs, expenses, class member benefits, and costs of any kind associated with the resolution of this matter. We have denied vigorously all claims asserted against us, but agreed to settle to avoid the burden, expense, risk and uncertainty of continued litigation. The entire settlement amount will be paid by our insurers and the settlement is subject to us entering into a formal settlement agreement and Court approval. As a result there are no loss accruals recorded related to this matter as of December 31, 2011.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Commitments, Contingencies and Guarantees (Continued)

Mark A. Arthur et al. v. Sallie Mae, Inc. On February 2, 2010, a putative class action suit was filed by a borrower in U.S. District Court for the Western District of Washington alleging that we contacted consumers on their cellular telephones via autodialer without their consent in violation of the Telephone Consumer Protection Act, 47 U.S.C. § 227 et seq. ("TCPA"). Each violation under the TCPA provides for $500 in statutory damages ($1,500 if a willful violation is shown). Plaintiffs were seeking statutory damages, damages for willful violations, attorneys' fees, costs, and injunctive relief. On October 7, 2011, we entered into an amended settlement agreement under which the Company agreed to a settlement fund of $24.15 million. We have denied vigorously all claims asserted against us, but agreed to settle to avoid the burden, expense, risk and uncertainty of continued litigation. On January 10, 2012, the Court denied, without prejudice, the Motion for Preliminary Approval of the amended settlement agreement noting, however, that although the proposed settlement satisfies the Court's requirement of overall fairness, the Court expressed concern regarding the proposed form of notice and other forms to be provided in connection with the settlement. On February 9, 2012, the Plaintiffs filed a Renewed Motion for Preliminary Approval addressing the Court's concerns. As of December 31, 2011 we have accrued $24.15 million related to this matter.

ED's Office of the Inspector General ("OIG") commenced an audit regarding Special Allowance Payments on September 10, 2007. On August 3, 2009, we received the final audit report of the OIG related to our billing practices for Special Allowance Payments. Among other things, the OIG recommended that ED instruct us to return approximately $22 million in alleged special allowance overpayments. We continue to believe that our practices were consistent with longstanding ED guidance and all applicable rules and regulations and intend to continue disputing these findings. We provided our response to the Secretary of Education on October 2, 2009 and we provided additional information to ED in 2010. We have not received any further requests since that time. At this time, we estimate the range of potential exposure to be $0 to $22 million. We have not accrued any loss related to this matter as of December 31, 2011.

The Company and its subsidiaries and affiliates also are subject to various claims, lawsuits and other actions that arise in the normal course of business. Most of these matters are claims by borrowers disputing the manner in which their loans have been processed or the accuracy of our reports to credit bureaus. In addition, our collections subsidiaries are routinely named in individual plaintiff or class action lawsuits in which the plaintiffs allege that those subsidiaries have violated a federal or state law in the process of collecting their accounts. We believe that these claims, lawsuits and other actions will not have a material adverse effect on our business, financial condition or results of operations. Finally, from time to time, the Company receives information and document requests from state attorneys general and Congressional committees concerning certain business practices. Our practice has been and continues to be to cooperate with the state attorneys general and Congressional committees and to be responsive to any such requests.

Contingencies

In the ordinary course of business, we and our subsidiaries are routinely defendants in or parties to pending and threatened legal actions and proceedings including actions brought on behalf of various classes of claimants. These actions and proceedings may be based on alleged violations of consumer protection, securities, employment and other laws. In certain of these actions and proceedings, claims for substantial monetary damage are asserted against us and our subsidiaries.

In the ordinary course of business, we and our subsidiaries are subject to regulatory examinations, information gathering requests, inquiries and investigations. In connection with formal and informal inquiries in these cases, we and our subsidiaries receive numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of our regulated activities.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Commitments, Contingencies and Guarantees (Continued)

In view of the inherent difficulty of predicting the outcome of such litigation and regulatory matters, we cannot predict what the eventual outcome of the pending matters will be, what the timing or the ultimate resolution of these matters will be, or what the eventual loss, fines or penalties related to each pending matter may be.

We are required to establish reserves for litigation and regulatory matters where those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, we do not establish reserves.

Based on current knowledge, reserves have been established for certain litigation or regulatory matters where the loss is both probable and estimable. Based on current knowledge, management does not believe that loss contingencies, if any, arising from pending investigations, litigation or regulatory matters will have a material adverse effect on our consolidated financial position, liquidity, results of operations or cash flows.

We maintain forward contracts to purchase loans from our lending partners at contractual prices. These contracts typically have a maximum amount we are committed to buy, but lack a fixed or determinable amount as it ultimately is based on the lending partner's origination activity. At December 31, 2011, there were $17 million of originated loans (Private Education Loans) in the pipeline that we are committed to purchase.

15. Income Taxes

Reconciliations of the statutory U.S. federal income tax rates to our effective tax rate for continuing operations follow:

	Years Ended December 31,		
	2011	2010	2009
Statutory rate	35.0%	35.0%	35.0%
State tax, net of federal benefit	.8	1.2	(1.3)
Non-deductible goodwill	—	9.2	—
Other, net	(.5)	(.2)	(1.0)
Effective tax rate	35.3%	45.2%	32.7%

The effective tax rates for discontinued operations for the years ended December 31, 2011, 2010 and 2009 are 38.0 percent, 26.7 percent, and 27.9 percent, respectively. The effective tax rate varies from the statutory U.S. federal rate of 35 percent primarily due to the establishment of valuation allowances against capital loss carryforwards for the years ended December 31, 2010 and 2009, and due to the impact of state taxes, net of federal benefit, for the years ended December 31, 2011, 2010 and 2009.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Income Taxes (Continued)

Income tax expense consists of:

(Dollars in millions)	December 31, 2011	2010	2009
Continuing operations current provision/(benefit):			
Federal	$ 437	$252	$ 156
State	38	37	(19)
Foreign	—	—	—
Total continuing operations current provision/(benefit)	475	289	137
Continuing operations deferred provision/(benefit):			
Federal	(121)	214	124
State	(26)	(10)	3
Foreign	—	—	—
Total continuing operations deferred provision/(benefit)	(147)	204	127
Continuing operations provision for income tax expense/(benefit)	328	493	264
Discontinued operations current provision/(benefit):			
Federal	$ (50)	$ 30	$(199)
State	(5)	7	(13)
Foreign	—	—	—
Total discontinued operations current provision/(benefit)	(55)	37	(212)
Discontinued operations deferred provision/(benefit):			
Federal	68	(56)	114
State	7	(5)	13
Foreign	—	—	—
Total discontinued operations deferred provision/(benefit)	75	(61)	127
Discontinued operations provision for income tax expense/(benefit)	20	(24)	(85)
Provision for income tax expense/(benefit)	$ 348	$469	$ 179

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Income Taxes (Continued)

The tax effect of temporary differences that give rise to deferred tax assets and liabilities include the following:

(Dollars in millions)	December 31, 2011	2010
Deferred tax assets:		
Loan reserves	$ 959	$ 909
Market value adjustments on student loans, investments and derivatives	595	480
Stock-based compensation plans	78	73
Deferred revenue	62	71
Accrued expenses not currently deductible	51	53
Operating loss and credit carryovers	49	22
Student loan premiums and discounts, net	43	47
Intangible assets	2	80
Other	3	82
Total deferred tax assets	1,842	1,817
Deferred tax liabilities:		
Gains/(losses) on repurchased debt	297	300
Leases	37	53
Other	37	26
Total deferred tax liabilities	371	379
Net deferred tax assets	$1,471	$1,438

Included in other deferred tax assets is a valuation allowance of $31 million and $33 million as of December 31, 2011 and 2010, respectively, against a portion of the Company's federal, state and international deferred tax assets. The valuation allowance is primarily attributable to deferred tax assets for federal and state capital loss carryovers and state and international net operating loss carryovers that management believes it is more likely than not will expire prior to being realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income of the appropriate character (i.e. capital or ordinary) during the period in which the temporary differences become deductible. Management considers, among other things, the economic slowdown, the scheduled reversals of deferred tax liabilities, and the history of positive taxable income available for net operating loss carrybacks in evaluating the realizability of the deferred tax assets.

As of December 31, 2011, we have apportioned state net operating loss carryforwards of $375 million which begin to expire in 2013, state capital loss carryovers of $7 million which begin to expire in 2014, international net operating loss carryforwards of $.5 million which begin to expire in 2032, and federal and state credit carryovers of $.3 million which begin to expire in 2020.

Accounting for Uncertainty in Income Taxes

The following table summarizes changes in unrecognized tax benefits:

(Dollars in millions)	December 31, 2011	2010	2009
Unrecognized tax benefits at beginning of year	$41.7	$104.4	$ 86.4
Increases resulting from tax positions taken during a prior period	20.5	13.1	75.2
Decreases resulting from tax positions taken during a prior period	(2.1)	(47.5)	(58.3)
Increases/(decreases) resulting from tax positions taken during the current period	(9.1)	(2.5)	(22.5)
Decreases related to settlements with taxing authorities	—	(87.6)	(17.9)
Increases related to settlements with taxing authorities	0.4	69.1	44.7
Reductions related to the lapse of statute of limitations	(5.5)	(7.3)	(3.2)
Unrecognized tax benefits at end of year	$45.9	$ 41.7	$104.4

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Income Taxes (Continued)

As of December 31, 2011, the gross unrecognized tax benefits are $45.9 million. Included in the $45.9 million are $22.3 million of unrecognized tax benefits that, if recognized, would favorably impact the effective tax rate.

The IRS began the examination of our 2009 U.S. federal income tax returns during the fourth quarter of 2010, and we expect to resolve this audit during 2012. The resolution of the 2009 audit will not have a material impact on our unrecognized tax benefits.

The Company or one of its subsidiaries files income tax returns at the U.S. federal level, in most U.S. states, and various foreign jurisdictions. U.S. federal income tax returns filed for years 2008 and prior have been audited and are now resolved. Various combinations of subsidiaries, tax years, and jurisdictions remain open for review, subject to statute of limitations periods (typically 3 to 4 prior years).

16. Segment Reporting

We monitor and assess our ongoing operations and results by three primary operating segments — the Consumer Lending operating segment, the Business Services operating segment and the FFELP Loan operating segment. These three operating segments meet the quantitative thresholds for reportable segments. Accordingly, the results of operations of our Consumer Lending, Business Services and FFELP Loans segments are presented separately. We have smaller operating segments that consist of business operations that have either been discontinued or are winding down. These operating segments do not meet the quantitative thresholds to be considered reportable segments. As a result, the results of operations for these operating segments (Purchased Paper business and mortgage and other loan business) are combined with gains/losses from the repurchase of debt, the financial results of our corporate liquidity portfolio and all overhead within the Other reportable segment. The management reporting process measures the performance of our operating segments based on our management structure, as well as the methodology we used to evaluate performance and allocate resources. Management, including our chief operating decision makers, evaluates the performance of our operating segments based on their profitability. As discussed further below, we measure the profitability of our operating segments based on "Core Earnings." Accordingly, information regarding our reportable segments is provided based on a "Core Earnings" basis.

Consumer Lending Segment

In this segment, we originate, acquire, finance and service Private Education Loans. The Private Education Loans we make are largely to bridge the gap between the cost of higher education and the amount funded through financial aid, federal loans or borrowers' resources.

Private Education Loans bear the full credit risk of the borrower. We manage this risk by underwriting and pricing according to credit risk based upon customized credit scoring criteria and the addition of qualified cosigners. For the year ended December 31, 2011, our annual charge-off rate for Private Education Loans (as a percentage of loans in repayment) was 3.7 percent, as compared to 5.0 percent for the prior year.

In 2011, we originated $2.7 billion of Private Education Loans, an increase of 19 percent from the prior year even as borrowings under Private Education Loan programs contracted by approximately 12 percent. As of December 31, 2011 and 2010, we had $36.3 billion and $35.7 billion of Private Education Loans outstanding, respectively. At December 31, 2011, 56 percent of our Private Education Loans were funded with non-recourse, long-term debt; 51 percent of our Private Education Loans being funded to term by securitization trusts.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

In this segment, we also earn net interest income on the Private Education Loan portfolio (after provision for loan losses) as well as servicing fees, primarily late payment and forbearance fees. Operating expenses for this segment include costs incurred to acquire and to service our loans.

Since the beginning of 2006, all of our Private Education Loans have been originated and funded by the Bank, a Utah industrial bank subsidiary regulated by the Utah Department of Financial Institutions and the Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2011, the Bank had total assets of $7.6 billion including $5.0 billion in Private Education Loans. As of the same date, the Bank had total deposits of $6.3 billion. The Bank relies on both retail and brokered deposits to fund its assets. The Bank is also a key component of our Campus Solutions and college savings products businesses. Deposits and refunds from our Campus Solutions business are held at the Bank. In addition, Upromise rewards earned by members are held at the Bank.

We face competition for Private Education Loans from a group of the nation's larger banks and local credit unions.

The following table includes asset information for our Consumer Lending segment.

	December 31,	
(Dollars in millions)	2011	2010
Private Education Loans, net	$36,290	$35,656
Cash and investments[1]	3,113	3,372
Other	3,595	4,004
Total assets	$42,998	$43,032

(1) Includes restricted cash and investments.

Business Services Segment

Our Business Services segment generates the vast majority of its revenue from servicing our FFELP Loan portfolio and from performing servicing default aversion and contingency collections work on behalf of ED, Guarantors of FFELP Loans, and other institutions. The elimination of FFELP in July 2010 will cause these FFELP-related revenue sources to continue to decline.

- Servicing revenues from the FFELP Loans we own and manage represent intercompany charges to the FFELP Loans segment at rates paid to us by the trusts which own the loans. These fees are legally the first payment priority of the trusts and exceed the actual cost of servicing the loans. Intercompany loan servicing revenues grew to $739 million in 2011 from $648 million in 2010. The increase in loan servicing revenues was the result of the acquisition of a large portfolio of loans on December 31, 2010. Intercompany loan servicing revenues will decline as the FFELP portfolio amortizes.
- In 2011, we earned account maintenance fees on FFELP Loans serviced for Guarantors of $46 million, down from $56 million in 2010. These fees will continue to decline as the portfolio amortizes.
- In 2011, contingency collection revenue from Guarantor clients totaled $246 million, unchanged compared with the prior year. We anticipate these revenues will begin to steadily decline in 2013.

The scale, diversification and performance of our Business Services segment have been, and we expect them to remain, a competitive advantage for us. As FFELP-related service revenue streams decline, we will strive to replace them over the coming years by exploring both complementary and

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

diversified strategies to expand demand for our services in and beyond the student loan market. For example, in 2011 we launched Sallie Mae Insurance Services to offer tuition, renters' and student health insurance to college students and higher education institutions. We also acquired SC Services & Associates to enhance our ability to provide collections services to local governments and courts.

Our primary Business Services activities that are not directly related to the FFELP include:

Upromise

Upromise generates revenue by providing program management services for 529 college-savings plans with assets of $37.5 billion in 31 college-savings plans in 16 states. We also generate transaction fees through our Upromise consumer savings network, through which members have earned $660 million in rewards by purchasing products at hundreds of online retailers, booking travel, purchasing a home, dining out, buying gas and groceries, using the Upromise World MasterCard, or completing other qualified transactions. We earn a fee for the marketing and administrative services we provide to companies that participate in the Upromise savings network. We compete for 529 college-savings plan business with a large array of banks, financial services and other processing companies. We also compete with other loyalty shopping services and companies.

ED Servicing and Collection Contracts

In the second quarter of 2009, ED named Sallie Mae as one of four servicers awarded a servicing contract (the "ED Servicing Contract") to service all newly disbursed federal loans owned by ED. The contract spans five years with one, five-year renewal at the option of ED. We compete for Direct Loan servicing volume from ED with the three other servicing companies with whom we share the contract. Account allocations are awarded annually based on each company's performance on five different metrics: defaulted borrower count, defaulted borrower dollar amount, a survey of borrowers, a survey of schools and a survey of ED personnel. Pursuant to the contract terms related to annual volume allocation of new loans, the maximum any servicer could be awarded is 40 percent of net new borrowers in that contract year. We are focused on our performance to increase our allocation of new accounts under the ED Servicing Contract. Our share of new loans serviced for ED under the ED Servicing Contract increased to 26 percent in 2012 from 22 percent in the prior contract year as a result of an improvement of our performance on the ED scorecard.

Since 1997, we have provided collection services on defaulted student loans to ED customers. The current contract runs through December 31, 2012, with two one-year renewal options by ED. There are 21 other collection providers, of which we compete with 16 providers for account allocation based on quarterly performance metrics. As a consistent top performer, our share of allocated accounts has ranged from six percent to eight percent for this contract period.

Other

Our Campus Solutions business offers a suite of solutions designed to help campus business offices increase their services to students and families. The product suite includes electronic billing, collection, payment and refund services plus full tuition payment plan administration. In 2011, we generated servicing revenue from over 1,100 schools.

At December 31, 2011 and 2010, the Business Services segment had total assets of $912 million and $930 million, respectively.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

FFELP Loans Segment

Our FFELP Loans segment consists of our FFELP Loan portfolio and the underlying debt, related derivatives and capital funding the loans. FFELP Loans are insured or guaranteed by state or not-for-profit agencies and are also protected by contractual rights to recovery from the United States pursuant to guaranty agreements among ED and these agencies. These guarantees generally cover at least 97 percent of a FFELP Loan's principal and accrued interest for loans disbursed before and after July 1, 2006, respectively. In the case of death, disability or bankruptcy of the borrower, these guarantees cover 100 percent of the loan's principal and accrued interest.

At December 31, 2011, we held $138 billion of FFELP Loans, of which 94 percent were funded with nonrecourse, long-term debt; 76 percent of our FFELP Loans being funded to term by securitization trusts, 15 percent funded through the ED Conduit Program which terminates on January 19, 2014, and 3 percent funded through our multiyear asset-backed commercial paper ("ABCP") facility. As a result of the long-term funding used in the FFELP Loan portfolio and the insurance and guarantees provided on these loans, the net interest margin recorded in the FFELP Loans segment is relatively stable and the capital requirements with respect to the segment are modest. In addition to the net interest margin, we earn fee income largely from late fees on the loans.

Our FFELP Loan portfolio will amortize over approximately 20 years. Our goal is to maximize the cash flow generated by the portfolio. We will seek to acquire other third-party FFELP Loan portfolios to add net interest income and servicing revenue.

The Higher Education Act (the "HEA") regulates every aspect of the FFELP, including communications with borrowers and default aversion requirements. Failure to service a FFELP Loan properly could jeopardize the insurance and guarantees and federal support on these loans. The insurance and guarantees on our existing loans were not affected by HCERA.

The following table includes asset information for our FFELP Loans segment.

	December 31,	
(Dollars in millions)	2011	2010
FFELP Loans, net	$138,130	$148,649
Cash and investments[1]	6,067	5,963
Other	4,415	3,911
Total assets	$148,612	$158,523

(1) Includes restricted cash and investments.

Other Segment

The Other segment consists primarily of the financial results related to activities of our holding company, including the repurchase of debt, the corporate liquidity portfolio and all overhead. We also include results from smaller wind-down and discontinued operations within this segment. Overhead expenses include costs related to executive management, the board of directors, accounting, finance, legal, human resources, stock-based compensation expense and information technology costs related to infrastructure and operations.

At December 31, 2011 and 2010, the Other segment had total assets of $823 million and $2.8 billion, respectively.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

Measure of Profitability

The tables below include the condensed operating results for each of our reportable segments. Management, including the chief operating decision makers, evaluates the Company on certain performance measures that we refer to as "Core Earnings" performance measures for each operating segment. We use "Core Earnings" to manage each business segment because "Core Earnings" reflect adjustments to GAAP financial results for three items, discussed below, that create significant volatility mostly due to timing factors generally beyond the control of management. Accordingly, we believe that "Core Earnings" provide management with a useful basis from which to better evaluate results from ongoing operations against the business plan or against results from prior periods. Consequently, we disclose this information as we believe it provides investors with additional information regarding the operational and performance indicators that are most closely assessed by management. The three items adjusted for in our "Core Earnings" presentations are (1) our use of derivatives instruments to hedge our economic risks that do not qualify for hedge accounting treatment or do qualify for hedge accounting treatment but result in ineffectiveness and (2) the accounting for goodwill and acquired intangible assets and (3) the off-balance sheet treatment of certain securitization transactions. The tables presented below reflect "Core Earnings" operating measures reviewed and utilized by management to manage the business. Reconciliation of the "Core Earnings" segment totals to our consolidated operating results in accordance with GAAP is also included in the tables below.

Our "Core Earnings" performance measures are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. Unlike financial accounting, there is no comprehensive, authoritative guidance for management reporting. The management reporting process measures the performance of the operating segments based on the management structure of the Company and is not necessarily comparable with similar information for any other financial institution. Our operating segments are defined by the products and services they offer or the types of customers they serve, and they reflect the manner in which financial information is currently evaluated by management. Intersegment revenues and expenses are netted within the appropriate financial statement line items consistent with the income statement presentation provided to management. Changes in management structure or allocation methodologies and procedures may result in changes in reported segment financial information.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

Segment Results and Reconciliations to GAAP

	Year Ended December 31, 2011							
(Dollars in millions)	Consumer Lending	Business Services	FFELP Loans	Other	Eliminations[1]	Total "Core Earnings"	Adjustments[2]	Total GAAP
Interest income:								
Student loans	$ 2,429	$ —	$ 2,914	$ —	$ —	$ 5,343	$ 547	$5,890
Other loans	—	—	—	21	—	21	—	21
Cash and investments	9	11	5	5	(11)	19	—	19
Total interest income	2,438	11	2,919	26	(11)	5,383	547	5,930
Total interest expense	804	—	1,472	54	(11)	2,319	82	2,401
Net interest income (loss)	1,634	11	1,447	(28)	—	3,064	465	3,529
Less: provisions for loan losses	1,179	—	86	30	—	1,295	—	1,295
Net interest income after provisions for loan losses	455	11	1,361	(58)	—	1,769	465	2,234
Servicing revenue	64	970	85	1	(739)	381	—	381
Contingency revenue	—	333	—	—	—	333	—	333
Gains on debt repurchases	—	—	—	64	—	64	(26)	38
Other income (loss)	(9)	70	1	(9)	—	53	(979)	(926)
Total other income (loss)	55	1,373	86	56	(739)	831	(1,005)	(174)
Expenses:								
Direct operating expenses	304	482	760	12	(739)	819	—	819
Overhead expenses	—	—	—	281	—	281	—	281
Operating expenses	304	482	760	293	(739)	1,100	—	1,100
Goodwill and acquired intangible assets impairment and amortization	—	—	—	—	—	—	24	24
Restructuring expenses	3	3	1	2	—	9	—	9
Total expenses	307	485	761	295	(739)	1,109	24	1,133
Income (loss) from continuing operations, before income tax expense (benefit)	203	899	686	(297)	—	1,491	(564)	927
Income tax expense (benefit)[3]	75	330	252	(109)	—	548	(220)	328
Net income (loss) from continuing operations	128	569	434	(188)	—	943	(344)	599
Income from discontinued operations, net of taxes	—	—	—	33	—	33	—	33
Net income (loss)	128	569	434	(155)	—	976	(344)	632
Less: loss attributable to noncontrolling interest	—	(1)	—	—	—	(1)	—	(1)
Net income (loss) attributable to SLM Corporation	$ 128	$ 570	$ 434	$ (155)	$ —	$ 977	$ (344)	$ 633

(1) The eliminations in servicing revenue and direct operating expense represent the elimination of intercompany servicing revenue where the Business Services segment performs the loan servicing function for the FFELP Loans segment.

(2) "Core Earnings" adjustments to GAAP:

	Year Ended December 31, 2011		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income after provisions for loan losses	$ 465	$ —	$ 465
Total other loss	(1,005)	—	(1,005)
Goodwill and acquired intangible assets impairment and amortization	—	24	24
Total "Core Earnings" adjustments to GAAP	$ (540)	$ (24)	(564)
Income tax benefit			(220)
Net loss			$ (344)

(3) Income taxes are based on a percentage of net income before tax for the individual reportable segment.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

	Year Ended December 31, 2010							
(Dollars in millions)	Consumer Lending	Business Services	FFELP Loans	Other	Eliminations[1]	Total "Core Earnings"	Adjustments[2]	Total GAAP
Interest income:								
Student loans	$ 2,353	$ —	$ 2,766	$ —	$ —	$ 5,119	$ 579	$5,698
Other loans	—	—	—	30	—	30	—	30
Cash and investments	14	17	9	3	(17)	26	—	26
Total interest income	2,367	17	2,775	33	(17)	5,175	579	5,754
Total interest expense	758	—	1,407	45	(17)	2,193	82	2,275
Net interest income (loss)	1,609	17	1,368	(12)	—	2,982	497	3,479
Less: provisions for loan losses	1,298	—	98	23	—	1,419	—	1,419
Net interest income (loss) after provisions for loan losses	311	17	1,270	(35)	—	1,563	497	2,060
Servicing revenue	72	912	68	1	(648)	405	—	405
Contingency revenue	—	330	—	—	—	330	—	330
Gains on debt repurchases	—	—	—	317	—	317	—	317
Other income (loss)	—	51	320	13	—	384	(414)	(30)
Total other income	72	1,293	388	331	(648)	1,436	(414)	1,022
Expenses:								
Direct operating expenses	350	500	736	12	(648)	950	—	950
Overhead expenses	—	—	—	258	—	258	—	258
Operating expenses	350	500	736	270	(648)	1,208	—	1,208
Goodwill and acquired intangible assets impairment and amortization	—	—	—	—	—	—	699	699
Restructuring expenses	12	7	54	12	—	85	—	85
Total expenses	362	507	790	282	(648)	1,293	699	1,992
Income from continuing operations, before income tax expense	21	803	868	14	—	1,706	(616)	1,090
Income tax expense[3]	8	288	311	4	—	611	(118)	493
Net income from continuing operations	13	515	557	10	—	1,095	(498)	597
Loss from discontinued operations, net of taxes	—	—	—	(67)	—	(67)	—	(67)
Net income (loss)	$ 13	$ 515	$ 557	$ (57)	$ —	$ 1,028	$ (498)	$ 530

(1) The eliminations in servicing revenue and direct operating expense represent the elimination of intercompany servicing revenue where the Business Services segment performs the loan servicing function for the FFELP Loans segment.

(2) "Core Earnings" adjustments to GAAP:

	Year Ended December 31, 2010		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income after provisions for loan losses	$ 497	$ —	$ 497
Total other loss	(414)	—	(414)
Goodwill and acquired intangible assets impairment and amortization	—	699	699
Total "Core Earnings" adjustments to GAAP	$ 83	$ (699)	(616)
Income tax benefit			(118)
Net loss			$(498)

(3) Income taxes are based on a percentage of net income before tax for the individual reportable segment.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

	Year Ended December 31, 2009							
(Dollars in millions)	Consumer Lending	Business Services	FFELP Loans	Other	Eliminations[1]	Total "Core Earnings"	Adjustments[2]	Total GAAP
Interest income:								
Student loans	$ 2,254	$ —	$ 3,252	$ —	$ —	$ 5,506	$ (830)	$4,676
Other loans	—	—	—	56	—	56	—	56
Cash and investments	13	20	26	(10)	(20)	29	(3)	26
Total interest income	2,267	20	3,278	46	(20)	5,591	(833)	4,758
Total interest expense	721	—	2,238	66	(20)	3,005	30	3,035
Net interest income (loss)	1,546	20	1,040	(20)	—	2,586	(863)	1,723
Less: provisions for loan losses	1,399	—	119	46	—	1,564	(445)	1,119
Net interest income (loss) after provisions for loan losses	147	20	921	(66)	—	1,022	(418)	604
Servicing revenue	70	954	75	—	(659)	440	—	440
Contingency revenue	—	294	—	—	—	294	—	294
Gains on debt repurchases	—	—	—	536	—	536	—	536
Other income	—	55	292	1	—	348	(285)	63
Total other income	70	1,303	367	537	(659)	1,618	(285)	1,333
Expenses:								
Direct operating expenses	265	440	754	6	(659)	806	—	806
Overhead expenses	—	—	—	237	—	237	—	237
Operating expenses	265	440	754	243	(659)	1,043	—	1,043
Goodwill and acquired intangible assets impairment and amortization	—	—	—	—	—	—	76	76
Restructuring expenses	2	2	8	(2)	—	10	—	10
Total expenses	267	442	762	241	(659)	1,053	76	1,129
Income (loss) from continuing operations, before income tax expense (benefit)	(50)	881	526	230	—	1,587	(779)	808
Income tax expense (benefit)[3]	(18)	311	186	81	—	560	(296)	264
Net income (loss) from continuing operations	(32)	570	340	149	—	1,027	(483)	544
Loss from discontinued operations, net of taxes	—	—	—	(220)	—	(220)	—	(220)
Net income (loss)	$ (32)	$ 570	$ 340	$ (71)	$ —	$ 807	$ (483)	$ 324

(1) The eliminations in servicing revenue and direct operating expense represent the elimination of intercompany servicing revenue where the Business Services segment performs the loan servicing function for the FFELP Loans segment.

(2) "Core Earnings" adjustments to GAAP:

	Year Ended December 31, 2009			
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Net Impact of Securitization Accounting	Total
Net interest income (loss)	$ 78	$ —	$ (941)	$(863)
Less: provisions for loan losses	—	—	(445)	(445)
Net interest income (loss) after provisions for loan losses	78	—	(496)	(418)
Total other loss	(580)	—	295	(285)
Goodwill and acquired intangible assets impairment and amortization	—	76	—	76
Total "Core Earnings" adjustments to GAAP	$ (502)	$ (76)	$ (201)	(779)
Income tax benefit				(296)
Net loss				$(483)

(3) Income taxes are based on a percentage of net income before tax for the individual reportable segment.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment Reporting (Continued)

Summary of "Core Earnings" Adjustments to GAAP

The adjustments required to reconcile from our "Core Earnings" results to our GAAP results of operations relate to differing treatments for securitization transactions, derivatives, Floor Income, and certain other items that management does not consider in evaluating our operating results. The following table reflects aggregate adjustments associated with these areas.

	Years Ended December 31,		
(Dollars in millions)	2011	2010	2009
"Core Earnings" adjustments to GAAP:			
Net impact of derivative accounting(1)	$ (540)	$ 83	$ (502)
Net impact of acquired intangibles(2)	(24)	(699)	(76)
Net impact of securitization accounting(3)	—	—	(201)
Net tax effect(4)	220	118	296
Total "Core Earnings" adjustments to GAAP	$ (344)	$ (498)	$ (483)

(1) **Derivative accounting:** "Core Earnings" exclude periodic unrealized gains and losses that are caused primarily by the mark-to-market valuations on derivatives that do not qualify for hedge accounting treatment under GAAP. To a lesser extent, these periodic unrealized gains and losses are also a result of ineffectiveness recognized related to effective hedges. These unrealized gains and losses occur in our Consumer Lending, FFELP Loans and Other business segments. Under GAAP, for our derivatives that are held to maturity, the cumulative net unrealized gain or loss over the life of the contract will equal $0 except for Floor Income Contracts where the cumulative unrealized gain will equal the amount for which we sold the contract. In our "Core Earnings" presentation, we recognize the economic effect of these hedges, which generally results in any net settlement cash paid or received being recognized ratably as an interest expense or revenue over the hedged item's life.

(2) **Goodwill and Acquired Intangibles:** We exclude goodwill and intangible impairment and amortization of acquired intangibles.

(3) **Securitization accounting:** On January 1, 2010, we adopted the new consolidation accounting guidance which Consolidated our off-balance sheet securitization trusts. As a result, from 2010 forward, there is no longer a difference between our GAAP and "Core Earnings" presentation for securitization accounting. (See "Note 2 — Significant Accounting Policies" for further details). Prior to the adoption of the new consolidation accounting guidance on January 1, 2010, certain securitization transactions in our FFELP Loans and Consumer Lending business segments were accounted for as sales of assets. Under "Core Earnings" for the FFELP Loans and Consumer Lending business segments, we present all securitization transactions as long-term non-recourse financings. The upfront "gains" on sale from securitization transactions, as well as ongoing "securitization servicing and Residual Interest revenue (loss)" presented in accordance with GAAP, were excluded from "Core Earnings" and were replaced by interest income, provisions for loan losses, and interest expense as earned or incurred on the securitization loans. The additional net interest margin included in "Core Earnings" contained any related fees or costs such as Consolidation Loan Rebate Fees, premium and discount amortization as well as any Repayment Borrower Benefit yield adjustments. We also excluded transactions with our off-balance sheet trusts from "Core Earnings" as they were considered intercompany transactions on a "Core Earnings" basis. While we believe that our "Core Earnings" presentation presents the economic substance of results from our loan portfolios, when compared to GAAP results, it understates earnings volatility from securitization gains, securitization servicing income and Residual Interest income.

(4) **Net Tax Effect:** Such tax effect is based upon our "Core Earnings" effective tax rate for the year.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Discontinued Operations

Our Purchased Paper businesses are presented in discontinued operations for the current and prior periods. In the fourth quarter of 2009, we sold our Purchased Paper — Mortgage/Properties business for $280 million which resulted in an after-tax loss of $95 million. As a result of this sale, the results of operations of this business were required to be presented in discontinued operations beginning in the fourth quarter of 2009.

In the fourth quarter of 2010, we began actively marketing for sale our Purchased Paper — Non-Mortgage business and concluded it was probable this business would be sold within one year at which time we would exit the business. The Purchased Paper — Non-Mortgage business comprises operations and cash flows that can be clearly distinguished operationally and for financial reporting purposes from the rest of the Company. As a result, we have classified the business as held-for-sale, and, as such, the results of operations of this business were required to be presented in discontinued operations beginning in the fourth quarter of 2010. In connection with this classification, we were required to carry this business at the lower of fair value or historical cost basis. This resulted in us recording an after-tax loss of $52 million from discontinued operations in the fourth quarter of 2010, primarily due to adjusting the value of this business to its estimated fair value. We sold the Purchased Paper — Non-Mortgage business in the third quarter of 2011 which resulted in a $23 million after-tax gain.

The Purchased Paper — Mortgage/Properties business and the Purchased Paper — Non-Mortgage business comprise operations and cash flows that can be clearly distinguished operationally and for financial reporting purposes, from the rest of the Company. Accordingly, this Component is presented as discontinued operations as (1) the operations and cash flows of the Component have been eliminated from our ongoing operations as of December 31, 2010, and (2) we will have no continuing involvement in the operations of this Component subsequent to the sale of the Purchased Paper-Non Mortgage business.

The following table summarizes the discontinued assets and liabilities at December 31, 2011 and 2010.

	At December 31,	
(Dollars in millions)	2011	2010
Assets:		
Cash and equivalents	$ 3	$ 4
Other assets	14	177
Assets of discontinued operations	$ 17	$ 181
Liabilities:		
Liabilities of discontinued operations	$ 7	$ 6

At December 31, 2011, other assets of our discontinued operations consist primarily of restricted cash and a deferred tax asset for wind down accruals. Liabilities of our discontinued operations consist primarily of sale related liabilities and restructuring liabilities related to severance and contract termination costs.

At December 31, 2010, other assets of our discontinued operations consist primarily of the Purchased Paper — Non-Mortgage loan portfolio and a deferred tax asset for intangibles that will be realized when the tax loss for the sale of our Purchased Paper — Non-Mortgage business is utilized on our consolidated income tax return. Liabilities of our discontinued operations consist primarily of restructuring liabilities related to severance and contract termination costs.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Discontinued Operations (Continued)

The following table summarizes the discontinued operations.

(Dollars in millions)	Years Ended December 31, 2011	2010	2009
Operations:			
Income (loss) from discontinued operations before income taxes	$ 53	$ (91)	$ (305)
Income tax expense (benefit)	20	(24)	(85)
Income (loss) from discontinued operations, net of taxes	$ 33	$ (67)	$ (220)
Disposal:			
Loss on disposal before income taxes	$ —	$ —	$ (119)
Income tax benefit	—	—	(23)
Loss on disposal, net of taxes	$ —	$ —	$ (96)

18. Concentrations of Risk

Our business is primarily focused in providing and/or servicing to help students and their families save, plan and pay for college. We primarily originate, service and/or collect loans made to students and/or their parents to finance the cost of their education. We provide funding, delivery and servicing support for education loans in the United States, through our Private Education Loan programs and as a servicer and collector of loans for ED. In addition we are the largest holder, servicer and collector of loans under FFELP, a program that was recently discontinued. Because of this concentration in one industry, we are exposed to credit, legislative, operational, regulatory, and liquidity risks associated with the student loan industry.

Concentration Risk in the Revenues Associated with Private Education Loans

We are the leader in the origination of Private Education Loans. As such, we are exposed to the risk that students and their families have greater access to federal loans or grants for education which, in turn, would reduce our opportunity to originate and service Private Education Loans. Students and their families use multiple sources of funding to pay for their college education, including savings, current income, grants, scholarships, and FFELP and Private Education Loans. Due to an increase in federal loan limits that took effect in 2007 and 2008, we have seen a substantial increase in borrowing from federal loan programs in recent years. In addition to the risk associated with reduced Private Education Loan volumes, we are exposed to credit risk from economic conditions, particularly as they relate to the ability of recent graduates to find jobs in their fields of study, thereby increasing our risk of loss.

Concentration Risk in the Revenues Associated with FFELP Loans

Effective July 1, 2010, the HCERA legislation required that all new federal loans are to be made through the DSLP and eliminated the FFELP through which we currently generate the majority of our net income. The new law did not alter or affect the terms and conditions of existing FFELP Loans. We no longer originate FFELP Loans and therefore no longer earn revenue on newly originated FFELP Loan volume after 2010. The net interest margin we earn on our FFELP Loans portfolio, which totaled $1.9 billion in 2011, will decline over time as the portfolio amortizes.

HCERA also eliminated the need for the Guarantors and the services we provided to the sector. We earned an origination fee when we processed a loan guarantee for a Guarantor client and a maintenance fee for the life of the loan for servicing the Guarantor's portfolio of loans. FFELP Loans are no longer originated; therefore, we no

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Concentrations of Risk (Continued)

longer earn the origination fee paid by the Guarantor. The portfolio that generates the maintenance fee is now in runoff, and the maintenance fees we earn will decline ratably with the portfolio. We earned maintenance fees of $45.9 million in 2011.

Our student loan contingent collection business is also affected by HCERA. We currently have 13 Guarantors as clients. We earn revenue from Guarantors for collecting defaulted loans as well as for managing their portfolios of defaulted loans. In 2011, collection revenue from Guarantor clients totaled $246 million. We anticipate that revenue from Guarantors will be relatively stable through 2012 and then begin to steadily decline as the portfolio of defaulted loans we manage is resolved and amortizes.

Concentration Risk in the Servicing of Direct Loans

The DSLP is serviced by four private sector institutions, including Sallie Mae. Defaulted Direct Loans are collected by 22 private sector companies, including Sallie Mae. Because of the concentration of our business in servicing and collecting on Direct Loans, we are exposed to risks associated with ED reducing the amount of new loan servicing and collections allocated to us or the termination of our servicing or collections contracts.

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Quarterly Financial Information (unaudited)

	2011			
(Dollars in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net interest income	$ 898	$ 868	$ 885	$ 879
Less: provisions for loan losses	303	291	409	292
Net interest income after provisions for loan losses	595	577	476	587
Gains (losses) on derivative and hedging activities, net	(242)	(510)	(480)	272
Other income	236	182	180	187
Operating expenses	303	268	285	243
Goodwill and acquired intangible assets amortization expense	6	6	6	5
Restructuring expenses	4	2	1	3
Income tax expense (benefit)	99	(10)	(46)	285
Net income (loss) from continuing operations	177	(17)	(70)	510
Income (loss) from discontinued operations, net of taxes	(2)	11	23	1
Net income (loss)	175	(6)	(47)	511
Less: net income (loss) attributable to noncontrolling interest	—	—	—	—
Net income (loss) attributable to SLM Corporation	175	(6)	(47)	511
Preferred stock dividends	4	4	5	5
Net income (loss) attributable to SLM Corporation common stock	$ 171	$ (10)	$ (52)	$ 506
Basic earnings (loss) per common share attributable to SLM Corporation:				
Continuing operations	$ .32	$ (.04)	$ (.14)	$ 1.00
Discontinued operations	—	.02	.04	—
Total	$ .32	$ (.02)	$ (.10)	$ 1.00
Diluted earnings (loss) per common share attributable to SLM Corporation:				
Continuing operations	$ .32	$ (.04)	$ (.14)	$ .99
Discontinued operations	—	.02	.04	—
Total	$ .32	$ (.02)	$ (.10)	$ .99

SLM CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Quarterly Financial Information (unaudited) (Continued)

	2010			
(Dollars in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net interest income	$ 854	$ 896	$ 872	$ 857
Less: provisions for loan losses	359	382	358	320
Net interest income after provisions for loan losses	495	514	514	537
Gains (losses) on derivative and hedging activities, net	(82)	95	(344)	(29)
Other income	315	272	192	603
Operating expenses	287	309	302	308
Goodwill and acquired intangible assets impairment and amortization expense	10	10	670	10
Restructuring expenses	25	18	10	33
Income tax expense (benefit)	159	199	(126)	261
Net income (loss) from continuing operations	247	345	(494)	499
Loss from discontinued operations, net of taxes	(7)	(7)	(1)	(52)
Net income (loss)	240	338	(495)	447
Preferred stock dividends	19	19	19	16
Net income (loss) attributable to common stock	$ 221	$ 319	$ (514)	$ 431
Basic earnings (loss) per common share:				
Continuing operations	$ .47	$ .67	$(1.06)	$ .99
Discontinued operations	(.01)	(.01)	—	(.11)
Total	$ .46	$ .66	$(1.06)	$ .88
Diluted earnings (loss) per common share:				
Continuing operations	$ .46	$ .64	$(1.06)	$ .94
Discontinued operations	(.01)	(.01)	—	(.10)
Total	$ .45	$ .63	$(1.06)	$ .84

APPENDIX A

FEDERAL FAMILY EDUCATION LOAN PROGRAM ("FFELP")

Note: On March 30, 2010, the President signed into law the Health Care and Education Reconciliation Act of 2010 ("HCERA") which terminated the FFELP as of July 1, 2010. This appendix presents an abbreviated summary of the program prior to the termination date. The new law does not alter or affect the terms and conditions of existing FFELP Loans made before July 1, 2010 or the credit support related thereto. For a more fulsome discussion and history of some of the topics described herein, see Appendix A to our Annual Report on Form 10-K for the year ended December 31, 2010 (the "2010 Form 10-K").

This appendix describes or summarizes the material provisions of Title IV of the Higher Education Act ("HEA"), the FFELP and related statutes and regulations. It, however, is not complete and is qualified in its entirety by reference to each actual statute and regulation. Both the HEA and the related regulations has been the subject of extensive amendments over the years. We cannot predict whether future amendments or modifications might materially change any of the programs described in this appendix or the statutes and regulations that implement them.

General

The FFELP, under Title IV of HEA, provided for loans to students who were enrolled in eligible institutions, or to parents of dependent students who were enrolled in eligible institutions, to finance their educational costs. Payment of principal and interest on the student loans to the holders of the loans is insured by a state or not-for-profit guaranty agency against:

- default of the borrower;
- the death, bankruptcy or permanent, total disability of the borrower;
- closing of the student's school prior to the end of the academic period;
- false certification of the borrower's eligibility for the loan by the school; and
- an unpaid school refund.

Claims are paid from federal assets, known as "federal student loan reserve funds," which are maintained and administered by state and not-for-profit guaranty agencies. In addition the holders of student loans are entitled to receive interest subsidy payments and Special Allowance Payments from ED on eligible student loans. Special Allowance Payments raise the yield to student loan lenders when the statutory borrower interest rate is below an indexed market value.

Four types of FFELP Loans were authorized under the HEA:

- Subsidized Federal Stafford Loans to students who demonstrated requisite financial need;
- Unsubsidized Federal Stafford Loans to students who either did not demonstrate financial need or require additional loans to supplement their Subsidized Stafford Loans;
- Federal PLUS Loans to graduate or professional students (effective July 1, 2006) or parents of dependent students whose estimated costs of attending school exceed other available financial aid; and
- FFELP Consolidation Loans, which consolidate into a single loan a borrower's obligations under various federally authorized student loan programs.

Legislative Matters

The federal student loan programs are subject to frequent statutory and regulatory changes. The most significant change to FFELP was with the enactment of the HCERA, which terminated FFELP as of July 1, 2010.

On December 23, 2011, the President signed the Consolidated Appropriations Act of 2012 into law. This law includes changes that permit FFELP lenders or beneficial holders to change the index on which the Special Allowance Payments are calculated for FFELP Loans first disbursed on or after January 1, 2000. The law allows holders to elect to move the index from the Commercial Paper ("CP") Rate to the one-month London Inter Bank Offered Rate ("LIBOR"). Such elections must be made by April 1, 2012.

Eligible Lenders, Students and Educational Institutions

Lenders who were eligible to make loans under the FFELP generally included banks, savings and loan associations, credit unions, pension funds and, under some conditions, schools and guaranty agencies. A federal student loan may be made to, or on behalf of, a "qualified student." A "qualified student" is an individual who

- is a United States citizen, national or permanent resident;
- has been accepted for enrollment or is enrolled and maintaining satisfactory academic progress at a participating educational institution; and
- is carrying at least one-half of the normal full-time academic workload for the course of study the student is pursuing.

A student qualified for a subsidized Stafford Loan if his family met the financial need requirements for the particular loan program. Only PLUS Loan borrowers have to meet credit standards.

Eligible schools included institutions of higher education, including proprietary institutions, meeting the standards provided in the HEA. For a school to participate in the program, the U.S. Department of Education ("ED") had to approve its eligibility under standards established by regulation.

Financial Need Analysis

Subject to program limits and conditions, student loans generally were made in amounts sufficient to cover the student's estimated costs of attending school, including tuition and fees, books, supplies, room and board, transportation and miscellaneous personal expenses as determined by the institution. Generally, each loan applicant (and parents in the case of a dependent child) underwent a financial need analysis.

Special Allowance Payments ("SAP")

The HEA provides for quarterly Special Allowance Payments to be made by ED to holders of student loans to the extent necessary to ensure that they receive at least specified market interest rates of return. The rates for Special Allowance Payments depend on formulas that vary according to the type of loan, the date the loan was made and the type of funds, tax-exempt or taxable, used to finance the loan. ED makes a Special Allowance Payment for each calendar quarter.

The Special Allowance Payment equals the average unpaid principal balance, including interest which has been capitalized, of all eligible loans held by a holder during the quarterly period multiplied by the special allowance percentage.

For a discussion on the computation of the special allowance percentage and special allowance margin, see Appendix A to our 2010 Form 10-K.

Fees

Loan Rebate Fee. A loan rebate fee of 1.05% is paid annually on the unpaid principal and interest of each Consolidation Loan disbursed on or after October 1, 1993. This fee was reduced to .62% for loans made from October 1, 1998 to January 31, 1999.

Stafford Loan Program

For Stafford Loans, the HEA provided for:

- federal reimbursement of Stafford Loans made by eligible lenders to qualified students;
- federal interest subsidy payments on Subsidized Stafford Loans paid by ED to holders of the loans in lieu of the borrowers' making interest payments during in-school, grace and deferment periods; and
- Special Allowance Payments representing an additional subsidy paid by ED to the holders of eligible Stafford Loans.

We refer to all three types of assistance as "federal assistance."

The HEA also permits, and in some cases requires, "forbearance" periods from loan collection in some circumstances. Interest that accrues during forbearance is never subsidized. Interest that accrues during deferment periods may be subsidized.

PLUS and SLS Loan Programs

The HEA authorizes PLUS Loans to be made to graduate or professional students (effective July 1, 2006) and parents of eligible dependent students and previously authorized SLS Loans to be made to the categories of students now served by the Unsubsidized Stafford Loan program. Borrowers who have no adverse credit history or who are able to secure an endorser without an adverse credit history are eligible for PLUS Loans, as well as some borrowers with extenuating circumstances. The federal assistance applicable to PLUS and SLS Loans are similar to those of Stafford Loans. However, interest subsidy payments are not available under the PLUS and SLS programs and, in some instances, Special Allowance Payments are more restricted.

The annual and aggregate amounts of PLUS Loans were limited only to the difference between the cost of the student's education and other financial aid received, including scholarship, grants and other student loans.

Consolidation Loan Program

The enactment of HCERA ended new originations under the FFELP consolidation program, effective July 1, 2010. Previously, the HEA authorized a program under which borrowers may consolidate one or more of their student loans into a single FFELP Consolidation Loan that was insured and reinsured on a basis similar to Stafford and PLUS Loans. FFELP Consolidation Loans were made in an amount sufficient to pay outstanding principal, unpaid interest, late charges and collection costs on all federally reinsured student loans incurred under the FFELP that the borrower selects for consolidation, as well as loans made under various other federal student loan programs and loans made by different lenders. In general, a borrower's eligibility to consolidate their federal student loans ends upon receipt of a Consolidation Loan. With the end of new FFELP originations, borrowers with multiple loans, including FFELP loans, may only consolidate their loans in the DSLP. For additional information regarding the Consolidation Loan Program, see Appendix A to our 2010 Form 10-K.

Guaranty Agencies under the FFELP

Under the FFELP, guaranty agencies insured FFELP loans made by eligible lending institutions, paying claims from "federal student loan reserve funds." These loans are insured as to 100 percent of principal and accrued interest against death or discharge. FFELP loans are also insured against default, with the percent insured dependent on the date of the loans disbursement. For loans that were made before October 1, 1993, lenders are insured for 100 percent of the principal and unpaid accrued interest. From October 1, 1993 to June 30, 2006, lenders are insured for 98 percent of principal and all unpaid accrued interest. Insurance for loans made on or after July 1, 2006 was reduced from 98 percent to 97 percent.

ED guarantees to the guaranty agencies reimbursement of amounts paid to lenders on FFELP Loans. Under the HEA, the guaranty agencies by way of guaranty agreements entered into with ED are, subject to conditions, deemed to have a contractual right against the United States during the life of the loan to receive reimbursement for these amounts.

After ED reimburses a guaranty agency for a default claim, the guaranty agency attempts to collect the loan from the borrower. However, ED requires that the defaulted loans be assigned to it when the guaranty agency is not successful. A guaranty agency also refers defaulted loans to ED to "offset" any federal income tax refunds or other federal reimbursement which may be due the borrowers. Some states have similar offset programs.

To be eligible, FFELP loans must meet the requirements of the HEA and regulations issued under the HEA. Generally, these regulations require that lenders determine whether the applicant is an eligible borrower attending an eligible institution, explain to borrowers their responsibilities under the loan, ensure that the promissory notes evidencing the loan are executed by the borrower; and disburse the loan proceeds as required. After the loan is made, the lender must establish repayment terms with the borrower, properly administer deferrals and forbearances, credit the borrower for payments made, and report the loan's status to credit reporting agencies. If a borrower becomes delinquent in repaying a loan, a lender must perform collection procedures that vary depending upon the length of time a loan is delinquent. The collection procedures consist of telephone calls, demand letters, skiptracing procedures and requesting assistance from the guaranty agency.

A lender may submit a default claim to the guaranty agency after a student loan has been delinquent for at least 270 days. The guaranty agency must review and pay the claim within 90 days after the lender filed it. The guaranty agency will pay the lender interest accrued on the loan for up to 450 days after delinquency. The guaranty agency must file a reimbursement claim with ED within 45 days (reduced to 30 days July 1, 2006) after the guaranty agency paid the lender for the default claim. Following payment of claims, the guaranty agency endeavors to collect the loan. Guaranty agencies also must meet statutory and regulatory requirements for collecting loans.

If ED determines that a guaranty agency is unable to meet its insurance obligations, the holders of loans insured by that guaranty agency may submit claims directly to ED and ED is required to pay the full reimbursements amounts due, in accordance with claim processing standards no more stringent than those applied by the affected guaranty agency. However, ED's obligation to pay reimbursement amounts directly in this fashion is contingent upon ED determining a guaranty agency is unable to meet its obligations. While there have been situations where ED has made such determinations regarding affected guaranty agencies, there can be no assurances as to whether ED must make such determinations in the future or whether payments of reimbursement amounts would be made in a timely manner.

Student Loan Discharges

FFELP Loans are not generally dischargeable in bankruptcy. Under the United States Bankruptcy Code, before a student loan may be discharged, the borrower must demonstrate that repaying it would cause the borrower or his family undue hardship. When a FFELP borrower files for bankruptcy, collection of the loan is suspended during the time of the proceeding. If the borrower files under the "wage earner" provisions of the Bankruptcy Code or files a petition for discharge on the ground of undue hardship, then the lender transfers the loan to the guaranty agency which then participates in the bankruptcy proceeding. When the proceeding is complete, unless there was a finding of undue hardship, the loan is transferred back to the lender and collection resumes.

Student loans are discharged if the borrower died or becomes totally and permanently disabled. A physician must certify eligibility for a total and permanent disability discharge. Effective January 29, 2007, discharge eligibility was extended to survivors of eligible public servants and certain other eligible victims of the terrorist attacks on the United States on September 11, 2001.

If a school closes while a student is enrolled, or within 90 days after the student withdrew, loans made for that enrollment period are discharged. If a school falsely certifies that a borrower is eligible for the loan, the loan may be discharged. And if a school fails to make a refund to which a student is entitled, the loan is discharged to the extent of the unpaid refund.

Rehabilitation of Defaulted Loans

ED is authorized to enter into agreements with the guaranty agency under which the guaranty agency may sell defaulted loans that are eligible for rehabilitation to an eligible lender. For a loan to be eligible for rehabilitation the guaranty agency must have received reasonable and affordable payments for 12 months (reduced to 9 payments in 10 months effective July 1, 2006), then the borrower may request that the loan be rehabilitated. Because monthly payments are usually greater after rehabilitation, not all borrowers opt for rehabilitation. Upon rehabilitation, a borrower is again eligible for all the benefits under the HEA for which he or she is not eligible as a borrower on a defaulted loan, such as new federal aid, and the negative credit record is expunged. No student loan may be rehabilitated more than once.

The July 1, 2009 technical corrections made to the HEA under H.R. 1777, Public Law 111-39, provide authority between July 1, 2009 through September 30, 2011, for a guaranty agency to assign a defaulted loan to ED depending on market conditions.

GLOSSARY

Listed below are definitions of key terms that are used throughout this document. See also Appendix A "Federal Family Education Loan Program" for a further discussion of the FFELP.

Consolidation Loan Rebate Fee — All holders of FFELP Consolidation Loans are required to pay to the U.S. Department of Education ("ED") an annual 105 basis point Consolidation Loan Rebate Fee on all outstanding principal and accrued interest balances of FFELP Consolidation Loans purchased or originated after October 1, 1993, except for loans for which consolidation applications were received between October 1, 1998 and January 31, 1999, where the Consolidation Loan Rebate Fee is 62 basis points.

Constant Prepayment Rate ("CPR") — A variable in life-of-loan estimates that measures the rate at which loans in the portfolio prepay before their stated maturity. The CPR is directly correlated to the average life of the portfolio. CPR equals the percentage of loans that prepay annually as a percentage of the beginning of period balance.

"Core Earnings" — We prepare financial statements in accordance with generally accepted accounting principles in the United States of America ("GAAP"). In addition to evaluating our GAAP-based financial information, management evaluates the business segments on a basis that, as allowed under the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 280, "Segment Reporting," differs from GAAP. We refer to management's basis of evaluating its segment results as "Core Earnings" presentations for each business segment and refer to these performance measures in its presentations with credit rating agencies and lenders. While "Core Earnings" results are not a substitute for reported results under GAAP, we rely on "Core Earnings" performance measures in operating each business segment because we believes these measures provide additional information regarding the operational and performance indicators that are most closely assessed by management.

"Core Earnings" performance measures are the primary financial performance measures used by management to evaluate performance and to allocate resources. Accordingly, financial information is reported to management on a "Core Earnings" basis by reportable segment, as these are the measures used regularly by our chief operating decision makers. "Core Earnings" performance measures are used in developing our financial plans, tracking results, and establishing corporate performance targets and incentive compensation. Management believes this information provides additional insight into the financial performance of our core business activities. "Core Earnings" performance measures are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. Our "Core Earnings" presentation does not represent another comprehensive basis of accounting.

See "Note 16 — Segment Reporting" and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations — 'Core Earnings' — Definition and Limitations — Differences between 'Core Earnings' and GAAP" for further discussion of the differences between "Core Earnings" and GAAP, as well as reconciliations between "Core Earnings" and GAAP.

In prior filings with the SEC of SLM Corporation's annual reports on Form 10-K and quarterly reports on Form 10-Q, "Core Earnings" has been labeled as "'Core' net income" or "Managed net income" in certain instances.

Direct Loans — Educational loans provided by the DSLP (see definition below) to students and parent borrowers directly through ED (see definition below) rather than through a bank or other lender.

DSLP — The William D. Ford Federal Direct Loan Program.

ED — The U.S. Department of Education.

Embedded Floor Income — Embedded Floor Income is Floor Income (see definition below) that is earned on off-balance sheet student loans that are in securitization trusts we sponsor. At the time of the securitization, the value of Embedded Fixed Rate Floor Income is included in the initial valuation of the Residual Interest (see definition below) and the gain or loss on sale of the student loans. Embedded Floor Income is also included in the quarterly fair value adjustments of the Residual Interest.

FFELP — The Federal Family Education Loan Program, formerly the Guaranteed Student Loan Program, a program that was discontinued in 2010.

FFELP Consolidation Loans — Under the FFELP, borrowers with multiple eligible student loans may have consolidated them into a single student loan with one lender at a fixed rate for the life of the loan. The new loan is considered a FFELP Consolidation Loan. The borrower rate on a FFELP Consolidation Loan is fixed for the term of the loan and was set by the weighted average interest rate of the loans being consolidated, rounded up to the nearest 1/8th of a percent, not to exceed 8.25 percent. Holders of FFELP Consolidation Loans are eligible to earn interest under the Special Allowance Payment ("SAP") formula. In April 2008, we suspended originating new FFELP Consolidation Loans.

FFELP Stafford and Other Student Loans — Education loans to students or parents of students that are guaranteed or reinsured under the FFELP. The loans are primarily Stafford loans but also include PLUS and HEAL loans. The FFELP was discontinued in 2010.

Fixed Rate Floor Income — Fixed Rate Floor Income is Floor Income associated with student loans with borrower rates that are fixed to term (primarily FFELP Consolidation Loans and Stafford Loans originated on or after July 1, 2006).

Floor Income — For loans disbursed before April 1, 2006, FFELP Loans generally earn interest at the higher of either the borrower rate, which is fixed over a period of time, or a floating rate based on the SAP formula. We generally finance our student loan portfolio with floating rate debt whose interest is matched closely to the floating nature of the applicable SAP formula. If interest rates decline to a level at which the borrower rate exceeds the SAP formula rate, we continue to earn interest on the loan at the fixed borrower rate while the floating rate interest on our debt continues to decline. In these interest rate environments, we refer to the additional spread it earns between the fixed borrower rate and the SAP formula rate as Floor Income. Depending on the type of student loan and when it was originated, the borrower rate is either fixed to term or is reset to a market rate each July 1. As a result, for loans where the borrower rate is fixed to term, we may earn Floor Income for an extended period of time, and for those loans where the borrower interest rate is reset annually on July 1, we may earn Floor Income to the next reset date. In accordance with legislation enacted in 2006, lenders are required to rebate Floor Income to ED for all FFELP Loans disbursed on or after April 1, 2006.

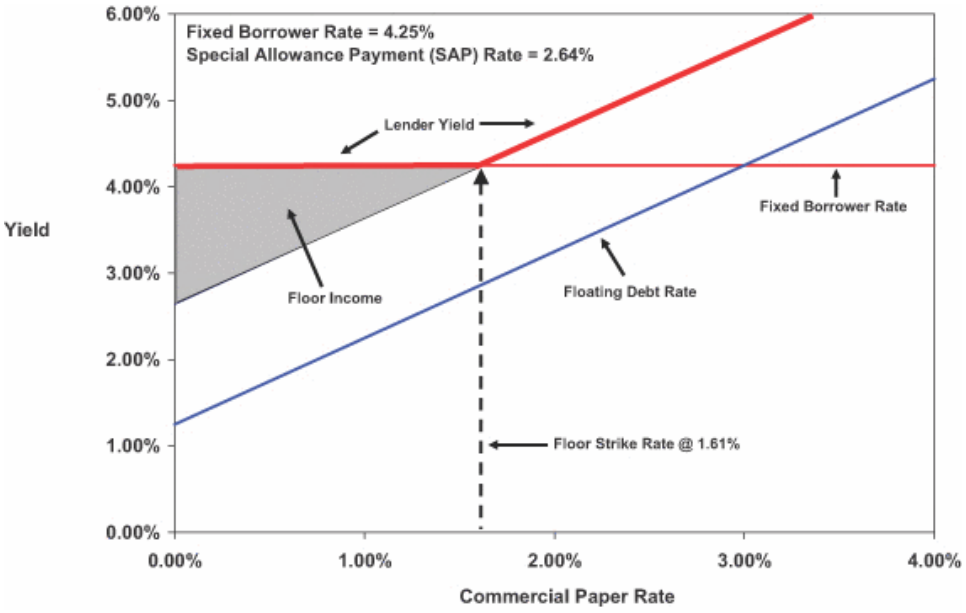
The following example shows the mechanics of Floor Income for a typical fixed rate FFELP Consolidation Loan (with a commercial paper-based SAP spread of 2.64 percent):

Fixed Borrower Rate	4.25%
SAP Spread over Commercial Paper Rate	(2.64)
Floor Strike Rate[1]	1.61%

(1) The interest rate at which the underlying index (Treasury bill or commercial paper) plus the fixed SAP spread equals the fixed borrower rate. Floor Income is earned anytime the interest rate of the underlying index declines below this rate.

Based on this example, if the quarterly average commercial paper rate is over 1.61 percent, the holder of the student loan will earn at a floating rate based on the SAP formula, which in this example is a fixed spread to commercial paper of 2.64 percent. On the other hand, if the quarterly average commercial paper rate is below 1.61 percent, the SAP formula will produce a rate below the fixed borrower rate of 4.25 percent and the loan holder earns at the borrower rate of 4.25 percent.

Graphic Depiction of Floor Income:



Floor Income Contracts — We enter into contracts with counterparties under which, in exchange for an upfront fee representing the present value of the Floor Income that we expect to earn on a notional amount of underlying student loans being economically hedged, we will pay the counterparties the Floor Income earned on that notional amount over the life of the Floor Income Contract. Specifically, we agree to pay the counterparty the difference, if positive, between the fixed borrower rate less the SAP (see definition below) spread and the average of the applicable interest rate index on that notional amount, regardless of the actual balance of underlying student loans, over the life of the contract. The contracts generally do not extend over the life of the underlying student loans. This contract effectively locks in the amount of Floor Income we will earn over the period of the contract. Floor Income Contracts are not considered effective hedges under ASC 815, "Derivatives and Hedging," and each quarter we must record the change in fair value of these contracts through income.

Guarantor(s) — State agencies or non-profit companies that guarantee (or insure) FFELP Loans made by eligible lenders under The Higher Education Act of 1965 ("HEA"), as amended.

Private Education Loans — Education loans to students or parents of students that are non-federal loans and loans not insured or guaranteed under the FFELP. The Private Education Loans we make are largely to bridge the gap between the cost of higher education and the amount funded through financial aid, federal loans or borrowers' resources. Private Education Loans include loans for higher education (undergraduate and graduate degrees) and for alternative education, such as career training, private kindergarten through secondary education schools and tutorial schools. Certain higher education loans have repayment terms similar to FFELP Loans, whereby repayments begin after the borrower leaves school while others require repayment of interest or a fixed pay amount while the borrower is still in school. Our higher education Private Education Loans are not dischargeable in bankruptcy, except in certain limited circumstances.

In the context of our Private Education Loan business, we use the term "non-traditional loans" to describe education loans made to certain borrowers that have or are expected to have a high default rate as a result of a number of factors, including having a lower tier credit rating, low program completion and graduation rates or,

where the borrower is expected to graduate, a low expected income relative to the borrower's cost of attendance. Non-traditional loans are loans to borrowers attending for-profit schools with an original FICO score of less than 670 and borrowers attending not-for-profit schools with an original FICO score of less than 640. The FICO score used in determining whether a loan is non-traditional is the greater of the borrower or co-borrower FICO score at origination.

Repayment Borrower Benefits — Financial incentives offered to borrowers based on pre-determined qualifying factors, which are generally tied directly to making on-time monthly payments. The impact of Repayment Borrower Benefits is dependent on the estimate of the number of borrowers who will eventually qualify for these benefits and the amount of the financial benefit offered to the borrower. We occasionally change Repayment Borrower Benefits programs in both amount and qualification factors. These programmatic changes must be reflected in the estimate of the Repayment Borrower Benefits discount when made.

Residual Interest — When we securitize student loans, we retain the right to receive cash flows from the student loans sold to trusts that we sponsor in excess of amounts needed to pay servicing, derivative costs (if any), other fees, and the principal and interest on the bonds backed by the student loans. The Residual Interest, which may also include reserve and other cash accounts, is the present value of these future expected cash flows, which includes the present value of any Embedded Fixed Rate Floor Income described above. We value the Residual Interest at the time of sale of the student loans to the trust and as of the end of each subsequent quarter.

Retained Interest — The Retained Interest includes the Residual Interest and servicing rights (as we retain the servicing responsibilities) for our securitization transactions accounted for as sales.

Risk Sharing — When a FFELP loan first disbursed on and after July 1, 2006 defaults, the federal government guarantees 97 percent of the principal balance plus accrued interest (98 percent on loans disbursed before July 1, 2006) and the holder of the loan is at risk for the remaining amount not guaranteed as a Risk Sharing loss on the loan. FFELP Loans originated after October 1, 1993 are subject to Risk Sharing on loan default claim payments unless the default results from the borrower's death, disability or bankruptcy.

Special Allowance Payment ("SAP") — FFELP Loans disbursed prior to April 1, 2006 (with the exception of certain PLUS and SLS loans discussed below) generally earn interest at the greater of the borrower rate or a floating rate determined by reference to the average of the applicable floating rates (91-day Treasury bill rate or commercial paper) in a calendar quarter, plus a fixed spread that is dependent upon when the loan was originated and the loan's repayment status. If the resulting floating rate exceeds the borrower rate, ED pays the difference directly to us. This payment is referred to as the Special Allowance Payment or SAP and the formula used to determine the floating rate is the SAP formula. We refer to the fixed spread to the underlying index as the SAP spread. For loans disbursed after April 1, 2006, FFELP Loans effectively only earn at the SAP rate, as the excess interest earned when the borrower rate exceeds the SAP rate (Floor Income) must be refunded to ED.

Variable rate PLUS Loans and SLS Loans earn SAP only if the variable rate, which is reset annually, exceeds the applicable maximum borrower rate. For PLUS loans disbursed on or after January 1, 2000, this limitation on SAP was repealed effective April 1, 2006.

Variable Rate Floor Income — Variable Rate Floor Income is Floor Income that is earned only through the next date at which the borrower interest rate is reset to a market rate. For FFELP Stafford loans whose borrower interest rate resets annually on July 1, we may earn Floor Income or Embedded Floor Income based on a calculation of the difference between the borrower rate and the then current interest rate.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (File No. 333-159447) filed on May 22, 2009).
3.2	Certificate of Designation of 7.25% Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 3, 2008).
3.3	By-Laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on November 21, 2011).
4.1	Indenture, dated as of October 1, 2000, between the Company and The Bank of New York Mellon, as successor to J.P. Morgan Chase Bank, National Association, formerly Chase Manhattan Bank (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on October 5, 2000).
4.2	Fourth Supplemental Indenture, dated as of January 16, 2003, between the registrant and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on January 17, 2003).
4.3	Amended Fourth Supplemental Indenture, dated as of December 17, 2004, between the Company and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on December 17, 2004).
4.4	Second Amended Fourth Supplemental Indenture, dated as of July 22, 2008, between the Company and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on July 25, 2008).
4.5	Sixth Supplemental Indenture, dated as of October 15, 2008, between the Company and The Bank of New York Mellon (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on October 15, 2008).
4.6	Medium Term Note Master Note, Series A (incorporated by reference to Exhibit 4.1.1 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on November 7, 2001).
4.7	Medium Term Note Master Note, Series B (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 1-13251) filed on January 28, 2003).
10.1	Note Purchase and Security Agreement between Bluemont Funding 1; the Conduit Lenders; the Alternate Lenders; the LIBOR lenders; the Managing Agents; Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Banc of America Securities LLC; J.P. Morgan Securities Inc.; The Bank of New York Mellon Trust Company, "National Association; and Sallie Mae, Inc., dated January 15, 2010 (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.2	Schedule of Contracts Substantially Identical to Exhibit 10.10 in all Material Respects: between Town Center Funding 1 LLC and Town Hall Funding I LLC (incorporated by reference to Exhibit 10.41 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.3*	Amendment No. 1 to Note Purchase and Security Agreement by and among Bluemont Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; J.P. Morgan Securities LLC and Merrill Lynch, Pierce Fenner Smith Incorporated, as Lead Arrangers; the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders party thereto; JPMorgan Chase Bank, N.A., Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; JPMorgan Chase Bank, N.A., as Syndication Agent; and Bank of America, N.A., as Administrative Agent, dated as of January 14, 2011.

10.4*	Amendment No. 1 to Note Purchase and Security Agreement by and among Town Center Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; J.P. Morgan Securities LLC and Merrill Lynch, Pierce Fenner Smith Incorporated, as Lead Arrangers; the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders party thereto; JPMorgan Chase Bank, N.A., Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; JPMorgan Chase Bank, N.A., as Syndication Agent; and Bank of America, N.A., as Administrative Agent, dated as of January 14, 2011.
10.5*	Amendment No. 1 to Note Purchase and Security Agreement by and among Town Hall Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; J.P. Morgan Securities LLC and Merrill Lynch, Pierce Fenner Smith Incorporated, as Lead Arrangers; the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders party thereto; JPMorgan Chase Bank, N.A., Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; JPMorgan Chase Bank, N.A., as Syndication Agent; and Bank of America, N.A., as Administrative Agent, dated as of January 14, 2011.
10.6*	Amendment No. 2 to Note Purchase and Security Agreement by and among Bluemont Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; JPMorgan Chase Bank, N.A, Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; and Bank of America, N.A., as Administrative Agent, dated as of August 2, 2011.
10.7*	Amendment No. 2 to Note Purchase and Security Agreement by and among Town Center Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; JPMorgan Chase Bank, N.A, Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; and Bank of America, N.A., as Administrative Agent, dated as of August 2, 2011.
10.8*	Amendment No. 2 to Note Purchase and Security Agreement by and among Town Hall Funding I, as the Trust; Sallie Mae, Inc., as Administrator; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; JPMorgan Chase Bank, N.A, Bank of America, N.A., Barclays Bank PLC, The Royal Bank of Scotland PLC, Deutsche Bank AG, New York Branch, Alpine Securitization Corporation and Royal Bank of Canada, as Managing Agents; and Bank of America, N.A., as Administrative Agent, dated as of August 2, 2011.
10.9*	Amended and Restated Note Purchase and Security Agreement by and among Bluemont Funding I, as the Trust; the Conduit Lenders; the Alternate Lenders; the LIBOR Lenders; the Managing Agents; Bank of America, N.A., as Administrative Agent; JPMorgan Chase Bank, N.A., as Syndication Agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Lead Arrangers; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; and Sallie Mae, Inc., as Administrator, dated as of January 13, 2012.
10.10*	Amended and Restated Note Purchase and Security Agreement by and among Town Center Funding I, as the Trust; the Conduit Lenders; the Alternate Lenders; the LIBOR lenders; the Managing Agents; Bank of America, N.A., as Administrative Agent; JPMorgan Chase Bank, N.A., as Syndication Agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Lead Arrangers; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; and Sallie Mae, Inc., as Administrator, dated as of January 13, 2012.

10.11*	Amended and Restated Note Purchase and Security Agreement by and among Town Hall Funding I, as the Trust; the Conduit Lenders; the Alternate Lenders; the LIBOR lenders; the Managing Agents; Bank of America, N.A., as Administrative Agent; JPMorgan Chase Bank, N.A., as Syndication Agent; Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Lead Arrangers; The Bank of New York Mellon Trust Company, National Association, as Eligible Lender Trustee; and Sallie Mae, Inc., as Administrator, dated as of January 13, 2012.
10.12	Affiliate Collateral Pledge and Security Agreement between SLM Education Credit Finance Corporation, HICA Education Loan Corporation and the Federal Home Loan Bank of Des Moines, dated January 15, 2010 (incorporated by reference to Exhibit 10.38 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.13	Advances, Pledge and Security Agreement between HICA Education Loan Corporation and the Federal Home Loan Bank of Des Moines, dated January 15, 2010 (incorporated by reference to Exhibit 10.39 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.14	Asset Purchase Agreement between The Student Loan Corporation; Citibank, N.A.; Citibank (South Dakota) National Association; SLC Student Loan Receivables I, Inc., SLM Corporation, Bull Run 1 LLC, SLM Education Credit Finance Corporation and Sallie Mae, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on November 8, 2010).
10.15†	Retainer Agreement between Anthony P. Terracciano and the Company, dated January 7, 2008 (incorporated by reference to Exhibit 10.30 of the Company's Quarterly Report on Form 10-Q filed on May 9, 2008).
10.16†	Amendment to Retainer Agreement Anthony Terracciano and the Company, dated December 24, 2009 (incorporated by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K filed on February 26, 2010).
10.17†	Second Amendment to Retainer Agreement between Anthony P. Terracciano and the Company, dated September 23, 2010 (incorporated by reference to Exhibit 10.44 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.18†	Employment Agreement between John F. Remondi and the Company (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on August 7, 2008).
10.19†	Employment Agreement between Joseph DePaulo and the Company (incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed on May 6, 2010).
10.20†	Employment Agreement between Laurent C. Lutz and the Company (incorporated by reference to Exhibit 10.47 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.21†	Confidential Agreement and Release of John (Jack) Hewes (incorporated by reference to Exhibit 10.48 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.22†	Form of SLM Corporation Executive Severance Plan for Senior Officers (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on November 4, 2011).
10.23†	Form of SLM Corporation Change in Control Severance Plan for Senior Officers (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed on November 4, 2011).
10.24†*	Form of Director's Indemnification Agreement.
10.25†*	Sallie Mae 401(k) Savings Plan.
10.26†*	Amendment Number One to the Sallie Mae 401(k) Savings Plan.
10.27†*	Amendment Number Two to the Sallie Mae 401(k) Savings Plan.
10.28†	Sallie Mae Supplemental 401(k) Savings Plan (incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K filed on March 2, 2009).

10.29†	Sallie Mae Deferred Compensation Plan for Key Employees Restatement Effective January 1, 2009 (incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.30†*	SLM Corporation Deferred Compensation Plan for Directors.
10.31†	Sallie Mae Supplemental Cash Account Retirement Plan (incorporated by reference to Exhibit 10.27 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.32†	Sallie Mae Employee Stock Purchase Plan, Amended and Restated as of February 15, 2008 (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on August 5, 2011).
10.33†	SLM Holding Corporation Directors Stock Plan (incorporated by reference to Exhibit A of the Company's Definitive Proxy Statement on Schedule 14A (file no. 001-13251), as filed with the Securities and Exchange Commission on April 10, 1998).
10.34†	SLM Holding Corporation Management Incentive Plan (incorporated by reference to Exhibit B of the Company's Definitive Proxy Statement on Schedule 14A (file no. 001-13251), as filed on April 10, 1998).
10.35†	Form of Stock Option Agreement, SLM Corporation Incentive Plan, ISO, Price-Vested with Replacements 2004 (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q (file no. 001-13251) filed on November 9, 2004).
10.36†	Form of Stock Option Agreement, SLM Corporation Incentive Plan, Non-Qualified, Price-Vested Options-2004 (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q (file no. 001-13251) filed on November 9, 2004).
10.37†	Amended and Restated SLM Corporation Incentive Plan (incorporated by reference to Exhibit 10.24 of the Company's Current Report on Form 8-K (file no. 001-13251) filed on May 25, 2005).
10.38†	Director's Stock Plan (incorporated by reference to Exhibit 10.25 of the Company's Current Report on Form 8-K (file no. 001-13251) filed on May 25, 2005).
10.39†	Form of Stock Option Agreement SLM Corporation Incentive Plan Net-Settled, Price-Vested Options — 1 year minimum — 2006 (incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K (file no. 001-13251) filed on March 9, 2006).
10.40†	Form of SLM Corporation Incentive Stock Plan Stock Option Agreement, Net-Settled, Performance Vested Options, 2009 (incorporated by reference to Exhibit 10.32 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.41†	Form of SLM Corporation Incentive Plan Performance Stock Term Sheet, "Core Earnings" Net Income Target-Sustained Performance, 2009 (incorporated by reference to Exhibit 10.33 of the Company's Annual Report on Form 10-K filed on March 2, 2009).
10.42†	SLM Corporation Directors Equity Plan (incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form S-8 (File No. 333-159447) filed on May 22, 2009).
10.43†	SLM Corporation 2009-2012 Incentive Plan (incorporated by reference to Exhibit 10.2 of the Company's Registration Statement on Form S-8 (File No. 333-159447) filed on May 22, 2009).
10.44†	Form of SLM Corporation Directors Equity Plan Non-Employee Director Restricted Stock Agreement 2009 (incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed on November 5, 2009).
10.45†	Form of SLM Corporation Directors Equity Plan Non-Employee Director Stock Option Agreement 2009 (incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed on November 5, 2009).

10.46†	Form of SLM Corporation 2009-2012 Incentive Plan Stock Option Agreement, Net Settled, Time Vested Options – 2010 (incorporated by reference to Exhibit 10. 7 of the Company's Quarterly Report on Form 10-Q filed on May 6, 2010).
10.47†	Form of SLM Corporation 2009-2012 Incentive Plan Performance Stock Award Term Sheet, Time Vested – 2010 (incorporated by reference to Exhibit 10.8 of the Company's Quarterly Report on Form 10-Q filed on May 6, 2010).
10.48†	Amendment to Stock Option and Restricted/Performance Stock Terms (incorporated by reference to Exhibit 10.49 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.49†	Form of SLM Corporation 2009-2012 Incentive Plan Stock Option Agreement, Net Settled, Time Vested Options – 2011 (incorporated by reference to Exhibit 10.50 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
10.50†	Form of SLM Corporation 2009-2012 Incentive Plan Restricted Stock and Restricted Stock Unit Term Sheet, Time Vested – 2011 (incorporated by reference to Exhibit 10.51 of the Company's Annual Report on Form 10-K filed on February 28, 2011).
12.1*	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends.
16.1	Letter from PricewaterhouseCoopers LLP to the Securities and Exchange Commission, dated December 6, 2011 (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed on December 6, 2011).
21.1*	List of Subsidiaries.
23*	Consent of PricewaterhouseCoopers LLP.
31.1*	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2003.
31.2*	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2003.
32.1*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2003.
32.2*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2003.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

† Management Contract or Compensatory Plan or Arrangement

* Filed herewith

Exhibit 10.3

Execution Copy

AMENDMENT NO. 1 TO NOTE PURCHASE AND SECURITY AGREEMENT

This **AMENDMENT NO. 1**, is made as of January 14, 2011 (this "***Amendment***"), to the Note Purchase Agreement (as defined below), by and among **BLUEMONT FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust (the "***Trust***"), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the "***Administrator***"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee (the "***Eligible Lender Trustee***"), **J.P. MORGAN SECURITIES LLC** (formerly known as J.P. Morgan Securities Inc.) and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED** (as successor by merger to Banc of America Securities LLC), as lead arrangers (the "***Lead Arrangers***"), the **CONDUIT LENDERS**, the **ALTERNATE LENDERS** and the **LIBOR LENDERS** party hereto, **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG, NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **ALPINE SECURITIZATION CORPORATION**, a Delaware corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (collectively, the "***Managing Agents***"), **JPMORGAN CHASE BANK, N.A.**, as syndication agent (in such capacity, the "***Syndication Agent***"), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the "***Administrative Agent***"). Capitalized terms, unless otherwise defined herein shall have the meanings set forth in the Note Purchase Agreement.

W I T N E S S E T H

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Administrative Agent and the Syndication Agent are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Note Purchase Agreement***") and the parties hereto wish to amend the Note Purchase Agreement on the terms, and subject to the conditions, set forth below; and

WHEREAS, this Amendment is being executed and delivered pursuant to and in accordance with Section 10.01 of the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.01. Amendment of Definitions.

(a) The definition of "Administrative Agent and Syndication Agent Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Administrative Agent and Syndication Agent Fee Letter***" means the Amended and Restated Administrative Agent and Syndication Agent Fee Letter, dated as of January 14, 2011, among the Trust, the Administrative Agent and the Syndication Agent.

(b) The definition of "Amendment No. 1 Effective Date" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Amendment No. 1 Effective Date***" means January 14, 2011.

(c) The definition of "Amendment No. 1 Initial Pool" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Amendment No. 1 Initial Pool***" means the pool of FFELP Loans owned by the Trust immediately prior to the Amendment No. 1 Effective Date as identified by the Administrator to the Administrative Agent and the Managing Agents on the Amendment No. 1 Effective Date.

(d) The definition of "Borrower Benefit Amount" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Borrower Benefit Amount***" means the sum of:

(a) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.075%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.250%, and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date;

(b) expected net present value of the product of (1) the sum of (A) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, and (B) the excess of (x) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate original loan amount of all Eligible FFELP Loans sold to the Trust on such Advance Date; and

(c) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.010%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date.

(e) The definition of "Capitalized Interest Account Specified Balance" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Capitalized Interest Account Specified Balance***" means, as of any date of determination, the sum of (i) for each Eligible FFELP Loan that is a Trust Student Loan included in the Amendment No. 1 Initial Pool, the product of 3.15% multiplied by the Principal Balance thereof as of such date of determination, and (ii) for each Eligible FFELP Loan that becomes a Trust Student Loan and is not included in the Amendment No. 1 Initial Pool, the product of 5.90% multiplied by the Principal Balance thereof as of such date of determination.

(f) The definition of "Cavalier Omnibus Waiver and Consent and Guaranty" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Cavalier Omnibus Waiver and Consent and Guaranty***" means the Omnibus Waiver and Consent and Guaranty, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent, relating to Cavalier Funding 1 LLC.

(g) The definition of "Co-Valuation Agents" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Co-Valuation Agents***" means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC) and Barclays Bank PLC, or any other entity appointed as successor Co-Valuation Agent pursuant to the Valuation Agent Agreement.

(h) Clause (c) of the definition of "Eligible FFELP Loan" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(c) (i) such Student Loan is a Stafford Loan, an SLS Loan, a PLUS Loan, a Consolidation Loan originated prior to October 1, 2007, or a Post-Legislation Consolidation Loan so long as such Post-Legislation Consolidation Loan is owned as of the Amendment No. 1 Effective Date by SLM Corporation or one of its direct or indirect subsidiaries, and (ii) the Obligor thereof was an Eligible Obligor at the time such Student Loan was originated;

(i) The definition of "Eligible Lender Trustee Agreements" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Eligible Lender Trustee Agreements***" means (i) the VL Funding Eligible Lender Trustee Agreement, dated as of April 24, 2009, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VL Funding LLC, and VL Funding LLC, (ii) the VK Funding Eligible Lender Trustee Agreement, dated as of April 16, 2010, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VK Funding LLC, and VK Funding LLC, and (iii) the Cavalier Funding 1 LLC Eligible Lender Trustee Agreement, dated as of January 14, 2011, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding 1 LLC, and Cavalier Funding 1 LLC.

(j) The definition of "Lead Arrangers" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Lead Arrangers***" means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC).

(k) The definition of "Lenders Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Lenders Fee Letter***" means the Amended and Restated Lenders Fee Letter, dated as of January 14, 2011, among the Trust and the Managing Agents from time to time party thereto.

(l) The definition of "Liquidity Expiration Date" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Liquidity Expiration Date***" means January 13, 2012, or if such date is extended pursuant to Section 2.16(a), the date to which it is so extended.

(m) The definition of "Maximum Financing Amount" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Maximum Financing Amount***" means at any time on or after (i) the Amendment No. 1 Effective Date and prior to January 13, 2012, $2,500,000,000, (ii) January 13, 2012 and prior to January 11, 2013, $1,666,666,666.66, and (iii) January 11, 2013, $833,333,333.33, as such amount may be adjusted from time to time pursuant to Sections 2.03 and 2.21.

(n) The definition of "Non-Rated Lender" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Non-Rated Lender***" means, as of any date of determination, any Alternate Lender, LIBOR Lender or Committed Conduit Lender which does not satisfy any of the following: (i) has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes, (ii) has a Lender Guarantor which has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes, or (iii) has a Qualified Program Support Provider.

(o) The definition of "Omnibus Amendment and Reaffirmation" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Omnibus Amendment and Reaffirmation***" means the Amended and Restated Omnibus Amendment and Reaffirmation dated as of January 14, 2011, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, the Depositor, the Master Depositor, each Seller, Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

(p) The definition of "Post-Legislation Consolidation Loan" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Post-Legislation Consolidation Loan***" means a Consolidation Loan originated on or after October 1, 2007.

(q) The definition of "Qualified Program Support Provider" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Qualified Program Support Provider***" means, with respect to a Committed Conduit Lender, any Program Support Provider to such Conduit Lender which has a Program Support Agreement in a form acceptable to the Rating Agencies and has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes.

(r) The definition of "Rating Agencies" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Rating Agencies***" means (x) with respect to the CP of any Conduit Lender, each of Moody's, S&P and Fitch, to the extent it is then rating such CP at the request of such Conduit Lender, and (y) otherwise, any one of Moody's or S&P, whichever is then rating the Class A Notes at the request of the Administrator.

(s) The definition of "Required Ratings" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Required Ratings***" means, with respect to the Class A Notes, "Aaa" by Moody's or "AAA" by S&P.

(t) The definition of "Scheduled Maturity Date" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Scheduled Maturity Date***" means January 10, 2014, or if such date is extended pursuant to Section 2.16(b), the date to which it is so extended.

(u) The definition of "S&P" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***S&P***" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

(v) The definition of "Seller Interim Trust Agreements" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Seller Interim Trust Agreements***" means (i) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and VG Funding, LLC, and (ii) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and Phoenix Fundings LLC.

(w) The definition of "Sellers" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Sellers***" means one or more of SLM Education Credit Finance Corporation, VG Funding, LLC, VL Funding LLC, Mustang Funding I, LLC, Mustang Funding II, LLC, Phoenix Fundings LLC, VK Funding LLC, Cavalier Funding 1 LLC and the Related SPE Sellers, and such other subsidiaries of SLM Corporation as may be agreed upon by the Required Managing Agents (provided, however, that if a proposed seller is a special purpose subsidiary of SLM Corporation for which the Master Servicer is responsible for any repurchase obligations, only the consent of the Administrative Agent shall be required) and with respect to which the requirements of Section 4.04 have been satisfied.

(x) The definition of "Side Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Side Letter***" means the Amended and Restated Side Letter, dated as of January 14, 2011, among the Trust, the Administrator, the Administrative Agent, the Managing Agents, the Eligible Lender Trustee and certain other financial institutions party thereto.

(y) The definition of "Subservicer" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Subservicer***" means, on the Amendment No. 1 Effective Date, Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, Pennsylvania Higher Education Assistance Agency, Citibank (South Dakota), N.A., Nelnet Inc., and, thereafter, in addition, any subservicer appointed by the Master Servicer pursuant to the Servicing Agreement of the Master Servicer.

(z) The definition of "Transaction Documents" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Transaction Documents***" means, collectively, this Agreement, the Trust Agreement, the Administration Agreement, each Servicing Agreement, each Purchase Agreement, the Conveyance Agreement, the Sale Agreement, the Tri-Party Transfer Agreement, each Permitted SPE Sale Agreement, all Guarantee Agreements, each Interim Trust Agreement, each Eligible Lender Trustee Agreement, the Valuation Agent Agreement, the Guaranty and Pledge Agreement, the Indemnity Agreement, the Revolving Credit Agreement, the Power of Attorney, the Fee Letters, the Side Letter, the Omnibus Waiver and Consent, the VK Omnibus Waiver and Consent and Guaranty, the Cavalier Omnibus Waiver and Consent and Guaranty, the SLM Guaranty, the Omnibus Amendment and Reaffirmation, and all other instruments, fee letters, documents and agreements executed in connection with any of the foregoing.

(aa) The definition of "Valuation Agent Agreement" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Valuation Agent Agreement***" means the Amended and Restated Valuation Agent Agreement, dated as of January 15, 2010, among the Trust, the Administrator, the Administrative Agent and the Co-Valuation Agents.

(bb) The definition of "Valuation Agent Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Valuation Agent Fee Letter***" means the Amended and Restated Valuation Agent Fee Letter, dated as of January 14, 2011, among the Trust and the Co-Valuation Agents, setting forth the Co-Valuation Agents Fees.

(cc) The definition of "VK Omnibus Waiver and Consent and Guaranty" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***VK Omnibus Waiver and Consent and Guaranty***" means the Amended and Restated Omnibus Waiver and Consent and Guaranty relating to VK Funding LLC, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent.

SECTION 1.02. Amendment of Section 2.15(a)(I).

Section 2.15(a)(I) of the Note Purchase Agreement is hereby amended by deleting the words "Affected Entity" and substituting the words "Affected Party" in lieu thereof.

SECTION 1.03. Amendment of Section 4.02(c).

Section 4.02(c) of the Note Purchase Agreement is hereby deleted in its entirety.

SECTION 1.04. Amendment of Section 6.01(c)(ii)(D).

Section 6.01(c)(ii)(D) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(D) not inconsistent with the factual assumptions set forth in (1) the opinion letter issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors, (2) the opinion letter issued as of April 16, 2010 by Bingham McCutchen LLP to the Secured Creditors or (3) the opinion letter issued as of the Amendment No. 1 Effective Date by Bingham McCutchen LLP to the Secured Creditors, each relating to the issues of substantive consolidation.

SECTION 1.05. Amendment of Section 6.30. Section 6.30 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

Section 6.30 Releases. Each time that an aggregate Principal Balance of Trust Student Loans (that are owned by the Trust and the Related SPE Trusts on the Amendment No. 1 Effective Date) that are or have been transferred pursuant to one or more Permitted Releases by the Trust and/or the Related SPE Trusts exceeds $630,000,000, the Administrator on behalf of the Trust shall provide each Rating Agency such information that they may reasonably require ten (10) Business Days prior to the Permitted Release and obtain a ratings affirmation letter from each Rating Agency as soon as practicable thereafter; provided, however, that no letter need be obtained if at such time a Rating Agency does not require that its rating be reaffirmed. For the avoidance of doubt, any Trust Student Loan included in the calculation of a $630,000,000 threshold shall not be included in future calculations for determining the date upon which an additional ratings affirmation letter may need to be obtained.

SECTION 1.06. Amendment of Section 7.02.

(a) Section 7.02(s) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(s) the Class A Notes shall have none of the Required Ratings;

(b) Section 7.02(t) of the Note Purchase Agreement is hereby amended by replacing the period (".") appearing at the end of such Section with "; or".

(c) Section 7.02(u) is hereby added to the Note Purchase Agreement immediately following Section 7.02(t) as follows:

(u) (1) SLM Education Credit Finance Corporation shall fail to comply with clause (u) of Section 10.01(a) in connection with the amendment, alteration, change or deletion of the definition of "Independent Manager" or any of the "Special Purpose Provisions" (each as defined in the related organizational document), or (2) any Person shall be appointed as an "Independent Manager" (as defined in the related organizational document) of the Depositor other than in strict compliance with the requirements therefor set forth in the Depositor's Amended and Restated Limited Liability Company Operating Agreement, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

SECTION 1.07. Amendment of Article IX. Article IX of the Note Purchase Agreement is hereby amended by inserting a new Section 9.11 in numerical order as follows:

Section 9.11 Compliance with Rule 17g-5. Each of the Lenders, the Managing Agents, the Lead Arrangers, the Syndication Agent, the Co-Valuation Agents and the Administrative Agent agrees that (i) each such Person shall be responsible for its own compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission, including, without limitation, any requirement to provide information regarding any CP to any Rating Agency or any other nationally recognized statistical rating organization, and (ii) neither this Agreement nor any other Transaction Document shall constitute a contract by or with any other party hereto or its Affiliates to provide information to a nationally recognized statistical rating organization on behalf of any such Person or its Affiliates.

SECTION 1.08. Amendment of Section 10.12(a).

(a) Section 10.12(a)(vi) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(vi) to any Rating Agency rating the Class A Notes, the CP of the Conduit Lenders or rating SLM Corporation, or any nationally recognized statistical rating organization in connection with any Conduit Lender's compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission;

(b) Section 10.12(a)(vii) of the Note Purchase Agreement is hereby relabeled Section 10.12(a)(viii) and the following Section 10.12(a)(vii) is inserted in numerical order:

(vii) to any administrative agent, sub-administrative agent, administrator, sub-administrator, administrative trustee, sub-administrative trustee or any entity serving in a similar capacity for any Conduit Lender; and

SECTION 1.09. Amendment of Exhibit A.

Exhibit A to the Note Purchase Agreement is hereby restated in its entirety as set forth on Exhibit A to this Amendment (it being understood that any Person previously party to the Note Purchase Agreement or previously party thereto in a particular capacity that is not listed on such

Exhibit A or is not listed therein in such capacity shall cease to be a party to the Note Purchase Agreement or cease to be a party thereto in such capacity, as applicable, from and after the date hereof).

SECTION 1.10. Amendment of Exhibit M.

Exhibit M to the Note Purchase Agreement is hereby restated in its entirety as set forth on Exhibit M to this Amendment.

ARTICLE II

WAIVERS

SECTION 2.01. Applicability of Section 2.16(b). The parties hereto do hereby agree that the notice period requirements set forth in Section 2.16(b) of the Note Purchase Agreement shall not apply to the amendment of the definition of "Scheduled Maturity Date" as set forth in Section 1.01 of this Amendment.

SECTION 2.02. Applicability of Section 10.01(a). The parties hereto do hereby agree that the Rating Agency Condition requirement with respect to the Class A Notes set forth in Section 10.01(a) of the Note Purchase Agreement shall be satisfied with respect to the amendments specified herein in respect of the Class A Notes upon receipt of a statement in writing from Moody's that the amendments specified herein will not result in a withdrawal or reduction of the ratings of the Class A Notes. For the avoidance of doubt, the satisfaction of the Rating Agency Condition with respect to the amendments specified herein shall apply with respect to the CP of each Conduit Lender on the terms specified in the definition of "Rating Agency Condition" as set forth in the Note Purchase Agreement.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Conditions Precedent to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the following conditions precedent (and each party, by the execution hereof and delivery of its signature hereto, hereby acknowledges that all such conditions precedent have been satisfied or waived):

(a) execution and delivery of this Amendment by all parties hereto;

(b) satisfaction of the Rating Agency Condition (subject to Section 2.02 above);

(c) receipt by each Managing Agent, in immediately available funds, of its share of the Consent Fee on the date hereof in accordance with the terms of, and as defined in, the Lenders Fee Letter (after giving effect to the amendment and restatement thereof on the date hereof) and all others fees and expenses due and payable to such Managing Agent or any of the Lenders in its Facility Group on or prior to the date hereof, in the case of expenses, to the extent invoiced as of the Business Day prior to date hereof;

(d) receipt by each of the Lead Arrangers, the Co-Valuation Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee, in immediately available funds, of all fees and expenses due and payable to each such Person on or prior to the date hereof, in the case of expenses, to the extent invoiced as of the Business Day prior to date hereof;

(e) receipt by the Administrative Agent and each Managing Agent, in form and substance satisfactory to the Administrative Agent and each such Managing Agent, of each of the items listed on Schedule I hereto;

(f) the Managing Agents having completed satisfactory legal due diligence in respect of the Trust and SLM Corporation and its Affiliates; and

(g) receipt by the Administrative Agent of satisfactory evidence that the other FFELP Loan Facilities have been amended on terms substantially similar to those set forth in this Amendment.

SECTION 3.02. Representations and Warranties. The Administrator (on behalf of the Trust) makes the following representations and warranties for the benefit of the Administrative Agent and the Secured Creditors as of the date of this Amendment: (i) each of the representations and warranties contained in the Note Purchase Agreement is true and correct and (ii) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing after giving effect to this Amendment.

SECTION 3.03. Transaction Documents. On and after the date hereof, any reference to the Note Purchase Agreement in any Transaction Document shall be deemed to refer to the Note Purchase Agreement as amended by this Amendment and each of the parties hereto agrees that, for all purposes, this Amendment shall constitute a "***Transaction Document***" under and as defined in the Note Purchase Agreement.

SECTION 3.04. No Course of Dealing. The Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents have entered into this Amendment on the express understanding with the Trust and the Administrator that in entering into this Amendment, the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents are not establishing any course of dealing with the Trust or the Administrator. Other than as amended or modified by the terms of this Amendment, the Administrative Agent's, the Conduit Lenders', the LIBOR Lenders', the Alternate Lenders' and the Managing Agents' rights to require strict performance with all other terms and conditions of the Note Purchase Agreement and the other Transaction Documents shall not in any way be impaired by the execution of this Amendment. None of the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents shall be obligated in any manner to execute any further amendments or waivers in the future.

SECTION 3.05. Limited Effect. Except as expressly amended hereby, all of the provisions, covenants, terms and conditions of the Note Purchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with their respective terms, and are hereby ratified and confirmed.

SECTION 3.06. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 3.07. Execution in Counterparts; Severability. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 3.08. Expense Provisions Apply. For the avoidance of doubt, Section 10.08 of the Note Purchase Agreement shall apply in respect of this Amendment.

SECTION 3.09. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Amendment.

(b) Notwithstanding the foregoing, none of the Secured Creditors shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this Amendment solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

SECTION 3.10. Consents.

(a) Each of the Secured Creditors party hereto agrees to the terms of, and authorizes the Administrative Agent to execute on its behalf, the amendment and restatement of that certain Omnibus Waiver and Consent and Guaranty dated as of April 16, 2010, in the form attached hereto as Exhibit B-1, and the amendment and restatement of that certain Omnibus Amendment and Reaffirmation dated as of January 15, 2010, in the form attached hereto as Exhibit B-2.

(b) Each of the Managing Agents and the Administrative Agent hereby consents to the amendment and restatement of the Depositor's Limited Liability Company Operating Agreement on the terms set forth in the form of Amended and Restated Limited Liability Company Operating Agreement attached hereto as Exhibit C.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

BLUEMONT FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Stephen O'Connell
Name: Stephen O'Connell
Title: Vice President

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

BANK OF AMERICA, N.A., as securities intermediary and depositary bank with respect to the Trust Accounts

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LEAD ARRANGER:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to Banc of America Securities LLC)

By: /s/ Jeffrey K. Fricano
Name: Jeffrey K. Fricano
Title: Director

BANK OF AMERICA FACILITY GROUP:

MANAGING AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LIBOR LENDER:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

THE SYNDICATION AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

LEAD ARRANGER:

J.P. MORGAN SECURITIES LLC (formerly known as J.P. Morgan Securities Inc.)

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

JPMORGAN FACILITY GROUP:

CONDUIT LENDERS:

CHARIOT FUNDING LLC

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

FALCON ASSET SECURITIZATION COMPANY LLC

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

JUPITER SECURITIZATION COMPANY LLC (as successor by merger to JS Siloed Trust and Park Avenue Receivables Company, LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

MANAGING AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

ALTERNATE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

BARCLAYS FACILITY GROUP:

COMMITTED CONDUIT LENDERS:

SHEFFIELD RECEIVABLES CORPORATION

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ David Mira
Name: David Mira
Title: Associate Director

SALISBURY RECEIVABLES COMPANY LLC

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ David Mira
Name: David Mira
Title: Associate Director

MANAGING AGENT:

BARCLAYS BANK PLC

By: /s/ Jeffrey Goldberg
Name: Jeffrey Goldberg
Title: Director

RBS FACILITY GROUP:

CONDUIT LENDERS:

AMSTERDAM FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

WINDMILL FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

MANAGING AGENT:

THE ROYAL BANK OF SCOTLAND PLC
By: RBS Securities Inc., as agent

By: /s/ Michael Zappaterrini
Name: Michael Zappaterrini
Title: Managing Director

ALTERNATE LENDER:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Michael Zappaterrini
Name: Michael Zappaterrini
Title: Managing Director

DEUTSCHE BANK FACILITY GROUP:

CONDUIT LENDER:

GEMINI SECURITIZATION CORP., LLC

By: /s/ Frank B. Bilotta
Name: Frank B. Bilotta
Title: President

MANAGING AGENT:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Joseph J. Lau
Name: Joseph J. Lau
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

ALTERNATE LENDER:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Joseph J. Lau
Name: Joseph J. Lau
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

CREDIT SUISSE FACILITY GROUP:

CONDUIT LENDER:

ALPINE SECURITIZATION CORPORATION

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

MANAGING AGENT:

ALPINE SECURITIZATION CORPORATION

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

ALTERNATE LENDER:

CREDIT SUISSE, NEW YORK BRANCH

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

RBC FACILITY GROUP:

CONDUIT LENDERS:

OLD LINE FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

THUNDER BAY FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

MANAGING AGENT:

ROYAL BANK OF CANADA

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

ALTERNATE LENDER:

ROYAL BANK OF CANADA

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

Signature Page to
Amendment No. 1 to
Note Purchase Agreement
(Bluemont Funding I)

Agreed and acknowledged
with respect to Section 3.05:

SLM CORPORATION

By: /s/ Stephen O'Connell
Name: Stephen O'Connell
Title: Senior Vice President

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark Rein
Name: Mark Rein
Title: Vice President

Agreed and acknowledged
with respect to Section 3.10(a):

CO-VALUATION AGENTS:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to BANC OF AMERICA SECURITIES LLC)

By: /s/ Jeffrey Fricano
Name: Jeffrey Fricano
Title: Director

BARCLAYS BANK PLC

By: /s/ Jeffrey Goldberg
Name: Jeffrey Goldberg
Title: Director

J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

EXHIBIT A[1]

COMMITMENTS

Facility Group	Managing Agent[2]	Conduit Lender(s)		LIBOR Lender		Alternate Lender	
		Name	*Commitment*	*Name*	*Commitment*	*Name*	*Commitment*
Bank of America Facility Group	Bank of America, N.A.	NONE	N/A	Bank of America, N.A.	$475,000,000.00	NONE	N/A
JPMorgan Facility Group	JPMorgan Chase Bank, N.A.	Chariot Funding LLC Falcon Asset Securitization Company LLC Jupiter Securitization Company LLC	NONE NONE NONE	NONE	N/A	JPMorgan Chase Bank, N.A.	$475,000,000.00
Barclays Facility Group	Barclays Bank plc	Sheffield Receivables Corporation Salisbury Receivables Company LLC	$175,000,000.00 $300,000,000.00	NONE	N/A	NONE	N/A
RBS Facility Group	The Royal Bank of Scotland plc	Amsterdam Funding Corporation Windmill Funding Corporation	NONE NONE	NONE	N/A	The Royal Bank of Scotland plc	$425,000,000.00
RBC Facility Group	Royal Bank of Canada	Old Line Funding, LLC Thunder Bay Funding, LLC	NONE NONE	NONE	N/A	Royal Bank of Canada	$275,000,000.00
Deutsche Bank Facility Group	Deutsche Bank AG, New York Branch	Gemini Securitization Corp., LLC	NONE	NONE	N/A	Deutsche Bank AG, New York Branch	$187,500,000.00
Credit Suisse Facility Group	Alpine Securitization Corporation	Alpine Securitization Corporation	NONE	NONE	N/A	Credit Suisse, New York Branch	$187,500,000.00

[1] The Administrative Agent may amend, restate or otherwise revise this Exhibit A from time to time to reflect assignments made pursuant to this Agreement.

[2] The Managing Agent for any Facility Group with more than one Conduit Lender may allocate Advances made by the Conduit Lenders, Alternate Lenders and LIBOR Lenders within its Facility Group in its discretion.

Exhibit 10.4

Execution Copy

AMENDMENT NO. 1 TO NOTE PURCHASE AND SECURITY AGREEMENT

This **AMENDMENT NO. 1**, is made as of January 14, 2011 (this "***Amendment***"), to the Note Purchase Agreement (as defined below), by and among **TOWN CENTER FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust (the "***Trust***"), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the "***Administrator***"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee (the "***Eligible Lender Trustee***"), **J.P. MORGAN SECURITIES LLC** (formerly known as J.P. Morgan Securities Inc.) and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED** (as successor by merger to Banc of America Securities LLC), as lead arrangers (the "***Lead Arrangers***"), the **CONDUIT LENDERS**, the **ALTERNATE LENDERS** and the **LIBOR LENDERS** party hereto, **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG, NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **ALPINE SECURITIZATION CORPORATION**, a Delaware corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (collectively, the "***Managing Agents***"), **JPMORGAN CHASE BANK, N.A.**, as syndication agent (in such capacity, the "***Syndication Agent***"), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the "***Administrative Agent***"). Capitalized terms, unless otherwise defined herein shall have the meanings set forth in the Note Purchase Agreement.

W I T N E S S E T H

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Administrative Agent and the Syndication Agent are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Note Purchase Agreement***") and the parties hereto wish to amend the Note Purchase Agreement on the terms, and subject to the conditions, set forth below; and

WHEREAS, this Amendment is being executed and delivered pursuant to and in accordance with Section 10.01 of the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.01. Amendment of Definitions.

(a) The definition of "Administrative Agent and Syndication Agent Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Administrative Agent and Syndication Agent Fee Letter***" means the Amended and Restated Administrative Agent and Syndication Agent Fee Letter, dated as of January 14, 2011, among the Trust, the Administrative Agent and the Syndication Agent.

(b) The definition of "Amendment No. 1 Effective Date" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Amendment No. 1 Effective Date***" means January 14, 2011.

(c) The definition of "Amendment No. 1 Initial Pool" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Amendment No. 1 Initial Pool***" means the pool of FFELP Loans owned by the Trust immediately prior to the Amendment No. 1 Effective Date as identified by the Administrator to the Administrative Agent and the Managing Agents on the Amendment No. 1 Effective Date.

(d) The definition of "Borrower Benefit Amount" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Borrower Benefit Amount***" means the sum of:

(a) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.075%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.250%, and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date;

(b) expected net present value of the product of (1) the sum of (A) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, and (B) the excess of (x) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate original loan amount of all Eligible FFELP Loans sold to the Trust on such Advance Date; and

(c) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.010%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date.

(e) The definition of "Capitalized Interest Account Specified Balance" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Capitalized Interest Account Specified Balance***" means, as of any date of determination, the sum of (i) for each Eligible FFELP Loan that is a Trust Student Loan included in the Amendment No. 1 Initial Pool, the product of 3.15% multiplied by the Principal Balance thereof as of such date of determination, and (ii) for each Eligible FFELP Loan that becomes a Trust Student Loan and is not included in the Amendment No. 1 Initial Pool, the product of 5.90% multiplied by the Principal Balance thereof as of such date of determination.

(f) The definition of "Cavalier Omnibus Waiver and Consent and Guaranty" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Cavalier Omnibus Waiver and Consent and Guaranty***" means the Omnibus Waiver and Consent and Guaranty, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent, relating to Cavalier Funding 1 LLC.

(g) The definition of "Co-Valuation Agents" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Co-Valuation Agents***" means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC) and Barclays Bank PLC, or any other entity appointed as successor Co-Valuation Agent pursuant to the Valuation Agent Agreement.

(h) Clause (c) of the definition of "Eligible FFELP Loan" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(c) (i) such Student Loan is a Stafford Loan, an SLS Loan, a PLUS Loan, a Consolidation Loan originated prior to October 1, 2007, or a Post-Legislation Consolidation Loan so long as such Post-Legislation Consolidation Loan is owned as of the Amendment No. 1 Effective Date by SLM Corporation or one of its direct or indirect subsidiaries, and (ii) the Obligor thereof was an Eligible Obligor at the time such Student Loan was originated;

(i) The definition of "Eligible Lender Trustee Agreements" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Eligible Lender Trustee Agreements***" means (i) the VL Funding Eligible Lender Trustee Agreement, dated as of April 24, 2009, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VL Funding LLC, and VL Funding LLC, (ii) the VK Funding Eligible Lender Trustee Agreement, dated as of April 16, 2010, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VK Funding LLC, and VK Funding LLC, and (iii) the Cavalier Funding 1 LLC Eligible Lender Trustee Agreement, dated as of January 14, 2011, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding 1 LLC, and Cavalier Funding 1 LLC.

(j) The definition of "Lead Arrangers" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Lead Arrangers***" means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC).

(k) The definition of "Lenders Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Lenders Fee Letter***" means the Amended and Restated Lenders Fee Letter, dated as of January 14, 2011, among the Trust and the Managing Agents from time to time party thereto.

(l) The definition of "Liquidity Expiration Date" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Liquidity Expiration Date***" means January 13, 2012, or if such date is extended pursuant to Section 2.16(a), the date to which it is so extended.

(m) The definition of "Maximum Financing Amount" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Maximum Financing Amount***" means at any time on or after (i) the Amendment No. 1 Effective Date and prior to January 13, 2012, $2,500,000,000, (ii) January 13, 2012 and prior to January 11, 2013, $1,666,666,666.67, and (iii) January 11, 2013, $833,333,333.33, as such amount may be adjusted from time to time pursuant to Sections 2.03 and 2.21.

(n) The definition of "Non-Rated Lender" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Non-Rated Lender***" means, as of any date of determination, any Alternate Lender, LIBOR Lender or Committed Conduit Lender which does not satisfy any of the following: (i) has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes, (ii) has a Lender Guarantor which has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes, or (iii) has a Qualified Program Support Provider.

(o) The definition of "Omnibus Amendment and Reaffirmation" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Omnibus Amendment and Reaffirmation***" means the Amended and Restated Omnibus Amendment and Reaffirmation dated as of January 14, 2011, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, the Depositor, the Master Depositor, each Seller, Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

(p) The definition of "Post-Legislation Consolidation Loan" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Post-Legislation Consolidation Loan***" means a Consolidation Loan originated on or after October 1, 2007.

(q) The definition of "Qualified Program Support Provider" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Qualified Program Support Provider***" means, with respect to a Committed Conduit Lender, any Program Support Provider to such Conduit Lender which has a Program Support Agreement in a form acceptable to the Rating Agencies and has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes.

(r) The definition of "Rating Agencies" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Rating Agencies***" means (x) with respect to the CP of any Conduit Lender, each of Moody's, S&P and Fitch, to the extent it is then rating such CP at the request of such Conduit Lender, and (y) otherwise, any one of Moody's or S&P, whichever is then rating the Class A Notes at the request of the Administrator.

(s) The definition of "Required Ratings" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Required Ratings***" means, with respect to the Class A Notes, "Aaa" by Moody's or "AAA" by S&P.

(t) The definition of "Scheduled Maturity Date" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Scheduled Maturity Date***" means January 10, 2014, or if such date is extended pursuant to Section 2.16(b), the date to which it is so extended.

(u) The definition of "S&P" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***S&P***" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

(v) The definition of "Seller Interim Trust Agreements" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Seller Interim Trust Agreements***" means (i) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and VG Funding, LLC, and (ii) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and Phoenix Fundings LLC.

(w) The definition of "Sellers" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Sellers***" means one or more of SLM Education Credit Finance Corporation, VG Funding, LLC, VL Funding LLC, Mustang Funding I, LLC, Mustang Funding II, LLC, Phoenix Fundings LLC, VK Funding LLC, Cavalier Funding 1 LLC and the Related SPE Sellers, and such other subsidiaries of SLM Corporation as may be agreed upon by the Required Managing Agents (provided, however, that if a proposed seller is a special purpose subsidiary of SLM Corporation for which the Master Servicer is responsible for any repurchase obligations, only the consent of the Administrative Agent shall be required) and with respect to which the requirements of Section 4.04 have been satisfied.

(x) The definition of "Side Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Side Letter***" means the Amended and Restated Side Letter, dated as of January 14, 2011, among the Trust, the Administrator, the Administrative Agent, the Managing Agents, the Eligible Lender Trustee and certain other financial institutions party thereto.

(y) The definition of "Subservicer" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Subservicer***" means, on the Amendment No. 1 Effective Date, Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, Pennsylvania Higher Education Assistance Agency, Citibank (South Dakota), N.A., Nelnet Inc., and, thereafter, in addition, any subservicer appointed by the Master Servicer pursuant to the Servicing Agreement of the Master Servicer.

(z) The definition of "Transaction Documents" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Transaction Documents***" means, collectively, this Agreement, the Trust Agreement, the Administration Agreement, each Servicing Agreement, each Purchase Agreement, the Conveyance Agreement, the Sale Agreement, the Tri-Party Transfer Agreement, each Permitted SPE Sale Agreement, all Guarantee Agreements, each Interim Trust Agreement, each Eligible Lender Trustee Agreement, the Valuation Agent Agreement, the Guaranty and Pledge Agreement, the Indemnity Agreement, the Revolving Credit Agreement, the Power of Attorney, the Fee Letters, the Side Letter, the Omnibus Waiver and Consent, the VK Omnibus Waiver and Consent and Guaranty, the Cavalier Omnibus Waiver and Consent and Guaranty, the SLM Guaranty, the Omnibus Amendment and Reaffirmation, and all other instruments, fee letters, documents and agreements executed in connection with any of the foregoing.

(aa) The definition of "Valuation Agent Agreement" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Valuation Agent Agreement***" means the Amended and Restated Valuation Agent Agreement, dated as of January 15, 2010, among the Trust, the Administrator, the Administrative Agent and the Co-Valuation Agents.

(bb) The definition of "Valuation Agent Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Valuation Agent Fee Letter***" means the Amended and Restated Valuation Agent Fee Letter, dated as of January 14, 2011, among the Trust and the Co-Valuation Agents, setting forth the Co-Valuation Agents Fees.

(cc) The definition of "VK Omnibus Waiver and Consent and Guaranty" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***VK Omnibus Waiver and Consent and Guaranty***" means the Amended and Restated Omnibus Waiver and Consent and Guaranty relating to VK Funding LLC, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent.

SECTION 1.02. Amendment of Section 2.15(a)(I).

Section 2.15(a)(I) of the Note Purchase Agreement is hereby amended by deleting the words "Affected Entity" and substituting the words "Affected Party" in lieu thereof.

SECTION 1.03. Amendment of Section 4.02(c).

Section 4.02(c) of the Note Purchase Agreement is hereby deleted in its entirety.

SECTION 1.04. Amendment of Section 6.01(c)(ii)(D).

Section 6.01(c)(ii)(D) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(D) not inconsistent with the factual assumptions set forth in (1) the opinion letter issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors, (2) the opinion letter issued as of April 16, 2010 by Bingham McCutchen LLP to the Secured Creditors or (3) the opinion letter issued as of the Amendment No. 1 Effective Date by Bingham McCutchen LLP to the Secured Creditors, each relating to the issues of substantive consolidation.

SECTION 1.05. Amendment of Section 6.30. Section 6.30 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

Section 6.30 Releases. Each time that an aggregate Principal Balance of Trust Student Loans (that are owned by the Trust and the Related SPE Trusts on the Amendment No. 1 Effective Date) that are or have been transferred pursuant to one or more Permitted Releases by the Trust and/or the Related SPE Trusts exceeds $630,000,000, the Administrator on behalf of the Trust shall provide each Rating Agency such information that they may reasonably require ten (10) Business Days prior to the Permitted Release and obtain a ratings affirmation letter from each Rating Agency as soon as practicable thereafter; provided, however, that no letter need be obtained if at such time a Rating Agency does not require that its rating be reaffirmed. For the avoidance of doubt, any Trust Student Loan included in the calculation of a $630,000,000 threshold shall not be included in future calculations for determining the date upon which an additional ratings affirmation letter may need to be obtained.

SECTION 1.06. Amendment of Section 7.02.

(a) Section 7.02(s) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(s) the Class A Notes shall have none of the Required Ratings;

(b) Section 7.02(t) of the Note Purchase Agreement is hereby amended by replacing the period (".") appearing at the end of such Section with "; or".

(c) Section 7.02(u) is hereby added to the Note Purchase Agreement immediately following Section 7.02(t) as follows:

(u) (1) SLM Education Credit Finance Corporation shall fail to comply with clause (u) of Section 10.01(a) in connection with the amendment, alteration, change or deletion of the definition of "Independent Manager" or any of the "Special Purpose Provisions" (each as defined in the related organizational document), or (2) any Person shall be appointed as an "Independent Manager" (as defined in the related organizational document) of the Depositor other than in strict compliance with the requirements therefor set forth in the Depositor's Amended and Restated Limited Liability Company Operating Agreement, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

SECTION 1.07. Amendment of Article IX. Article IX of the Note Purchase Agreement is hereby amended by inserting a new Section 9.11 in numerical order as follows:

Section 9.11 Compliance with Rule 17g-5. Each of the Lenders, the Managing Agents, the Lead Arrangers, the Syndication Agent, the Co-Valuation Agents and the Administrative Agent agrees that (i) each such Person shall be responsible for its own compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission, including, without limitation, any requirement to provide information regarding any CP to any Rating Agency or any other nationally recognized statistical rating organization, and (ii) neither this Agreement nor any other Transaction Document shall constitute a contract by or with any other party hereto or its Affiliates to provide information to a nationally recognized statistical rating organization on behalf of any such Person or its Affiliates.

SECTION 1.08. Amendment of Section 10.12(a).

(a) Section 10.12(a)(vi) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(vi) to any Rating Agency rating the Class A Notes, the CP of the Conduit Lenders or rating SLM Corporation, or any nationally recognized statistical rating organization in connection with any Conduit Lender's compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission;

(b) Section 10.12(a)(vii) of the Note Purchase Agreement is hereby relabeled Section 10.12(a)(viii) and the following Section 10.12(a)(vii) is inserted in numerical order:

(vii) to any administrative agent, sub-administrative agent, administrator, sub-administrator, administrative trustee, sub-administrative trustee or any entity serving in a similar capacity for any Conduit Lender; and

SECTION 1.09. Amendment of Exhibit A.

Exhibit A to the Note Purchase Agreement is hereby restated in its entirety as set forth on Exhibit A to this Amendment (it being understood that any Person previously party to the Note Purchase Agreement or previously party thereto in a particular capacity that is not listed on such

Exhibit A or is not listed therein in such capacity shall cease to be a party to the Note Purchase Agreement or cease to be a party thereto in such capacity, as applicable, from and after the date hereof).

SECTION 1.10. Amendment of Exhibit M.

Exhibit M to the Note Purchase Agreement is hereby restated in its entirety as set forth on Exhibit M to this Amendment.

ARTICLE II

WAIVERS

SECTION 2.01. Applicability of Section 2.16(b). The parties hereto do hereby agree that the notice period requirements set forth in Section 2.16(b) of the Note Purchase Agreement shall not apply to the amendment of the definition of "Scheduled Maturity Date" as set forth in Section 1.01 of this Amendment.

SECTION 2.02. Applicability of Section 10.01(a). The parties hereto do hereby agree that the Rating Agency Condition requirement with respect to the Class A Notes set forth in Section 10.01(a) of the Note Purchase Agreement shall be satisfied with respect to the amendments specified herein in respect of the Class A Notes upon receipt of a statement in writing from Moody's that the amendments specified herein will not result in a withdrawal or reduction of the ratings of the Class A Notes. For the avoidance of doubt, the satisfaction of the Rating Agency Condition with respect to the amendments specified herein shall apply with respect to the CP of each Conduit Lender on the terms specified in the definition of "Rating Agency Condition" as set forth in the Note Purchase Agreement.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Conditions Precedent to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the following conditions precedent (and each party, by the execution hereof and delivery of its signature hereto, hereby acknowledges that all such conditions precedent have been satisfied or waived):

(a) execution and delivery of this Amendment by all parties hereto;

(b) satisfaction of the Rating Agency Condition (subject to Section 2.02 above);

(c) receipt by each Managing Agent, in immediately available funds, of its share of the Consent Fee on the date hereof in accordance with the terms of, and as defined in, the Lenders Fee Letter (after giving effect to the amendment and restatement thereof on the date hereof) and all others fees and expenses due and payable to such Managing Agent or any of the Lenders in its Facility Group on or prior to the date hereof, in the case of expenses, to the extent invoiced as of the Business Day prior to date hereof;

(d) receipt by each of the Lead Arrangers, the Co-Valuation Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee, in immediately available funds, of all fees and expenses due and payable to each such Person on or prior to the date hereof, in the case of expenses, to the extent invoiced as of the Business Day prior to date hereof;

(e) receipt by the Administrative Agent and each Managing Agent, in form and substance satisfactory to the Administrative Agent and each such Managing Agent, of each of the items listed on Schedule I hereto;

(f) the Managing Agents having completed satisfactory legal due diligence in respect of the Trust and SLM Corporation and its Affiliates; and

(g) receipt by the Administrative Agent of satisfactory evidence that the other FFELP Loan Facilities have been amended on terms substantially similar to those set forth in this Amendment.

SECTION 3.02. Representations and Warranties. The Administrator (on behalf of the Trust) makes the following representations and warranties for the benefit of the Administrative Agent and the Secured Creditors as of the date of this Amendment: (i) each of the representations and warranties contained in the Note Purchase Agreement is true and correct and (ii) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing after giving effect to this Amendment.

SECTION 3.03. Transaction Documents. On and after the date hereof, any reference to the Note Purchase Agreement in any Transaction Document shall be deemed to refer to the Note Purchase Agreement as amended by this Amendment and each of the parties hereto agrees that, for all purposes, this Amendment shall constitute a "***Transaction Document***" under and as defined in the Note Purchase Agreement.

SECTION 3.04. No Course of Dealing. The Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents have entered into this Amendment on the express understanding with the Trust and the Administrator that in entering into this Amendment, the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents are not establishing any course of dealing with the Trust or the Administrator. Other than as amended or modified by the terms of this Amendment, the Administrative Agent's, the Conduit Lenders', the LIBOR Lenders', the Alternate Lenders' and the Managing Agents' rights to require strict performance with all other terms and conditions of the Note Purchase Agreement and the other Transaction Documents shall not in any way be impaired by the execution of this Amendment. None of the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents shall be obligated in any manner to execute any further amendments or waivers in the future.

SECTION 3.05. Limited Effect. Except as expressly amended hereby, all of the provisions, covenants, terms and conditions of the Note Purchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with their respective terms, and are hereby ratified and confirmed.

SECTION 3.06. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 3.07. Execution in Counterparts; Severability. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 3.08. Expense Provisions Apply. For the avoidance of doubt, Section 10.08 of the Note Purchase Agreement shall apply in respect of this Amendment.

SECTION 3.09. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Amendment.

(b) Notwithstanding the foregoing, none of the Secured Creditors shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this Amendment solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

SECTION 3.10. Consents.

(a) Each of the Secured Creditors party hereto agrees to the terms of, and authorizes the Administrative Agent to execute on its behalf, the amendment and restatement of that certain Omnibus Waiver and Consent and Guaranty dated as of April 16, 2010, in the form attached hereto as Exhibit B-1, and the amendment and restatement of that certain Omnibus Amendment and Reaffirmation dated as of January 15, 2010, in the form attached hereto as Exhibit B-2.

(b) Each of the Managing Agents and the Administrative Agent hereby consents to the amendment and restatement of the Depositor's Limited Liability Company Operating Agreement on the terms set forth in the form of Amended and Restated Limited Liability Company Operating Agreement attached hereto as Exhibit C.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

TOWN CENTER FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Stephen O'Connell
Name: Stephen O'Connell
Title: Vice President

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

BANK OF AMERICA, N.A., as securities intermediary and depositary bank with respect to the Trust Accounts

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LEAD ARRANGER:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to Banc of America Securities LLC)

By: /s/ Jeffrey K. Fricano
Name: Jeffrey K. Fricano
Title: Director

BANK OF AMERICA FACILITY GROUP:

MANAGING AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LIBOR LENDER:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

THE SYNDICATION AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

LEAD ARRANGER:

J.P. MORGAN SECURITIES LLC (formerly known as J.P. Morgan Securities Inc.)

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

JPMORGAN FACILITY GROUP:

CONDUIT LENDERS:

CHARIOT FUNDING LLC

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

FALCON ASSET SECURITIZATION COMPANY LLC

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

JUPITER SECURITIZATION COMPANY LLC (as successor by merger to JS Siloed Trust and Park Avenue Receivables Company, LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

MANAGING AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

ALTERNATE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

BARCLAYS FACILITY GROUP:

COMMITTED CONDUIT LENDERS:

SHEFFIELD RECEIVABLES CORPORATION

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ David Mira
Name: David Mira
Title: Associate Director

SALISBURY RECEIVABLES COMPANY LLC

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ David Mira
Name: David Mira
Title: Associate Director

MANAGING AGENT:

BARCLAYS BANK PLC

By: /s/ Jeffrey Goldberg
Name: Jeffrey Goldberg
Title: Director

RBS FACILITY GROUP:

CONDUIT LENDERS:

AMSTERDAM FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

WINDMILL FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

MANAGING AGENT:

THE ROYAL BANK OF SCOTLAND PLC
By: RBS Securities Inc., as agent

By: /s/ Michael Zappaterrini
Name: Michael Zappaterrini
Title: Managing Director

ALTERNATE LENDER:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Michael Zappaterrini
Name: Michael Zappaterrini
Title: Managing Director

DEUTSCHE BANK FACILITY GROUP:

CONDUIT LENDER:

GEMINI SECURITIZATION CORP., LLC

By: /s/ Frank B. Bilotta
Name: Frank B. Bilotta
Title: President

MANAGING AGENT:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Joseph J. Lau
Name: Joseph J. Lau
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

ALTERNATE LENDER:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Joseph J. Lau
Name: Joseph J. Lau
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

CREDIT SUISSE FACILITY GROUP:

CONDUIT LENDER:

ALPINE SECURITIZATION CORPORATION

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

MANAGING AGENT:

ALPINE SECURITIZATION CORPORATION

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

ALTERNATE LENDER:

CREDIT SUISSE, NEW YORK BRANCH

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

RBC FACILITY GROUP:

CONDUIT LENDERS:

OLD LINE FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

THUNDER BAY FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

MANAGING AGENT:

ROYAL BANK OF CANADA

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

ALTERNATE LENDER:

ROYAL BANK OF CANADA

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

Signature Page to
Amendment No. 1 to
Note Purchase Agreement
(Town Center Funding I)

Agreed and acknowledged
with respect to Section 3.05:

SLM CORPORATION

By: /s/ Stephen O'Connell
Name: Stephen O'Connell
Title: Senior Vice President

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark Rein
Name: Mark Rein
Title: Vice President

Agreed and acknowledged
with respect to Section 3.10(a):

CO-VALUATION AGENTS:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to BANC OF AMERICA SECURITIES LLC)

By: /s/ Jeffrey Fricano
Name: Jeffrey Fricano
Title: Director

BARCLAYS BANK PLC

By: /s/ Jeffrey Goldberg
Name: Jeffrey Goldberg
Title: Director

J.P. MORGAN SECURITIES LLC
(formerly known as J.P. MORGAN SECURITIES INC.)

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

EXHIBIT A[1]

COMMITMENTS

Facility Group	Managing Agent[2]	Conduit Lender(s)		LIBOR Lender		Alternate Lender	
		Name	*Commitment*	*Name*	*Commitment*	*Name*	*Commitment*
Bank of America Facility Group	Bank of America, N.A.	NONE	N/A	Bank of America, N.A.	$475,000,000.00	NONE	N/A
JPMorgan Facility Group	JPMorgan Chase Bank, N.A.	Chariot Funding LLC Falcon Asset Securitization Company LLC Jupiter Securitization Company LLC	NONE NONE NONE	NONE	N/A	JPMorgan Chase Bank, N.A.	$475,000,000.00
Barclays Facility Group	Barclays Bank plc	Sheffield Receivables Corporation Salisbury Receivables Company LLC	$175,000,000.00 $300,000,000.00	NONE	N/A	NONE	N/A
RBS Facility Group	The Royal Bank of Scotland plc	Amsterdam Funding Corporation Windmill Funding Corporation	NONE NONE	NONE	N/A	The Royal Bank of Scotland plc	$425,000,000.00
RBC Facility Group	Royal Bank of Canada	Old Line Funding, LLC Thunder Bay Funding, LLC	NONE NONE	NONE	N/A	Royal Bank of Canada	$275,000,000.00
Deutsche Bank Facility Group	Deutsche Bank AG, New York Branch	Gemini Securitization Corp., LLC	NONE	NONE	N/A	Deutsche Bank AG, New York Branch	$187,500,000.00
Credit Suisse Facility Group	Alpine Securitization Corporation	Alpine Securitization Corporation	NONE	NONE	N/A	Credit Suisse, New York Branch	$187,500,000.00

[1] The Administrative Agent may amend, restate or otherwise revise this Exhibit A from time to time to reflect assignments made pursuant to this Agreement.

[2] The Managing Agent for any Facility Group with more than one Conduit Lender may allocate Advances made by the Conduit Lenders, Alternate Lenders and LIBOR Lenders within its Facility Group in its discretion.

Exhibit 10.5

Execution Copy

AMENDMENT NO. 1 TO NOTE PURCHASE AND SECURITY AGREEMENT

This **AMENDMENT NO. 1**, is made as of January 14, 2011 (this "***Amendment***"), to the Note Purchase Agreement (as defined below), by and among **TOWN HALL FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust (the "***Trust***"), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the "***Administrator***"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee (the "***Eligible Lender Trustee***"), **J.P. MORGAN SECURITIES LLC** (formerly known as J.P. Morgan Securities Inc.) and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED** (as successor by merger to Banc of America Securities LLC), as lead arrangers (the "***Lead Arrangers***"), the **CONDUIT LENDERS**, the **ALTERNATE LENDERS** and the **LIBOR LENDERS** party hereto, **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG, NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **ALPINE SECURITIZATION CORPORATION**, a Delaware corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (collectively, the "***Managing Agents***"), **JPMORGAN CHASE BANK, N.A.**, as syndication agent (in such capacity, the "***Syndication Agent***"), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the "***Administrative Agent***"). Capitalized terms, unless otherwise defined herein shall have the meanings set forth in the Note Purchase Agreement.

W I T N E S S E T H

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Administrative Agent and the Syndication Agent are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Note Purchase Agreement***") and the parties hereto wish to amend the Note Purchase Agreement on the terms, and subject to the conditions, set forth below; and

WHEREAS, this Amendment is being executed and delivered pursuant to and in accordance with Section 10.01 of the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.01. Amendment of Definitions.

(a) The definition of "Administrative Agent and Syndication Agent Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Administrative Agent and Syndication Agent Fee Letter***" means the Amended and Restated Administrative Agent and Syndication Agent Fee Letter, dated as of January 14, 2011, among the Trust, the Administrative Agent and the Syndication Agent.

(b) The definition of "Amendment No. 1 Effective Date" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Amendment No. 1 Effective Date***" means January 14, 2011.

(c) The definition of "Amendment No. 1 Initial Pool" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Amendment No. 1 Initial Pool***" means the pool of FFELP Loans owned by the Trust immediately prior to the Amendment No. 1 Effective Date as identified by the Administrator to the Administrative Agent and the Managing Agents on the Amendment No. 1 Effective Date.

(d) The definition of "Borrower Benefit Amount" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Borrower Benefit Amount***" means the sum of:

(a) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.075%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.250%, and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date;

(b) expected net present value of the product of (1) the sum of (A) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, and (B) the excess of (x) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate original loan amount of all Eligible FFELP Loans sold to the Trust on such Advance Date; and

(c) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.010%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date.

(e) The definition of "Capitalized Interest Account Specified Balance" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Capitalized Interest Account Specified Balance***" means, as of any date of determination, the sum of (i) for each Eligible FFELP Loan that is a Trust Student Loan included in the Amendment No. 1 Initial Pool, the product of 3.15% multiplied by the Principal Balance thereof as of such date of determination, and (ii) for each Eligible FFELP Loan that becomes a Trust Student Loan and is not included in the Amendment No. 1 Initial Pool, the product of 5.90% multiplied by the Principal Balance thereof as of such date of determination.

(f) The definition of "Cavalier Omnibus Waiver and Consent and Guaranty" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Cavalier Omnibus Waiver and Consent and Guaranty***" means the Omnibus Waiver and Consent and Guaranty, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent, relating to Cavalier Funding 1 LLC.

(g) The definition of "Co-Valuation Agents" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Co-Valuation Agents***" means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC) and Barclays Bank PLC, or any other entity appointed as successor Co-Valuation Agent pursuant to the Valuation Agent Agreement.

(h) Clause (c) of the definition of "Eligible FFELP Loan" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(c) (i) such Student Loan is a Stafford Loan, an SLS Loan, a PLUS Loan, a Consolidation Loan originated prior to October 1, 2007, or a Post-Legislation Consolidation Loan so long as such Post-Legislation Consolidation Loan is owned as of the Amendment No. 1 Effective Date by SLM Corporation or one of its direct or indirect subsidiaries, and (ii) the Obligor thereof was an Eligible Obligor at the time such Student Loan was originated;

(i) The definition of "Eligible Lender Trustee Agreements" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Eligible Lender Trustee Agreements***" means (i) the VL Funding Eligible Lender Trustee Agreement, dated as of April 24, 2009, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VL Funding LLC, and VL Funding LLC, (ii) the VK Funding Eligible Lender Trustee Agreement, dated as of April 16, 2010, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VK Funding LLC, and VK Funding LLC, and (iii) the Cavalier Funding 1 LLC Eligible Lender Trustee Agreement, dated as of January 14, 2011, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding 1 LLC, and Cavalier Funding 1 LLC.

(j) The definition of "Lead Arrangers" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Lead Arrangers***" means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC).

(k) The definition of "Lenders Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Lenders Fee Letter***" means the Amended and Restated Lenders Fee Letter, dated as of January 14, 2011, among the Trust and the Managing Agents from time to time party thereto.

(l) The definition of "Liquidity Expiration Date" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Liquidity Expiration Date***" means January 13, 2012, or if such date is extended pursuant to Section 2.16(a), the date to which it is so extended.

(m) The definition of "Maximum Financing Amount" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Maximum Financing Amount***" means at any time on or after (i) the Amendment No. 1 Effective Date and prior to January 13, 2012, $2,500,000,000, (ii) January 13, 2012 and prior to January 11, 2013, $1,666,666,666.67, and (iii) January 11, 2013, $833,333,333.33, as such amount may be adjusted from time to time pursuant to Sections 2.03 and 2.21.

(n) The definition of "Non-Rated Lender" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Non-Rated Lender***" means, as of any date of determination, any Alternate Lender, LIBOR Lender or Committed Conduit Lender which does not satisfy any of the following: (i) has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes, (ii) has a Lender Guarantor which has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes, or (iii) has a Qualified Program Support Provider.

(o) The definition of "Omnibus Amendment and Reaffirmation" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Omnibus Amendment and Reaffirmation***" means the Amended and Restated Omnibus Amendment and Reaffirmation dated as of January 14, 2011, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, the Depositor, the Master Depositor, each Seller, Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

(p) The definition of "Post-Legislation Consolidation Loan" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***Post-Legislation Consolidation Loan***" means a Consolidation Loan originated on or after October 1, 2007.

(q) The definition of "Qualified Program Support Provider" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Qualified Program Support Provider***" means, with respect to a Committed Conduit Lender, any Program Support Provider to such Conduit Lender which has a Program Support Agreement in a form acceptable to the Rating Agencies and has a short-term unsecured indebtedness rating of at least "A-1" by S&P, if S&P is then a Rating Agency in respect of the Class A Notes, and "Prime-1" by Moody's, if Moody's is then a Rating Agency in respect of the Class A Notes.

(r) The definition of "Rating Agencies" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Rating Agencies***" means (x) with respect to the CP of any Conduit Lender, each of Moody's, S&P and Fitch, to the extent it is then rating such CP at the request of such Conduit Lender, and (y) otherwise, any one of Moody's or S&P, whichever is then rating the Class A Notes at the request of the Administrator.

(s) The definition of "Required Ratings" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Required Ratings***" means, with respect to the Class A Notes, "Aaa" by Moody's or "AAA" by S&P.

(t) The definition of "Scheduled Maturity Date" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Scheduled Maturity Date***" means January 10, 2014, or if such date is extended pursuant to Section 2.16(b), the date to which it is so extended.

(u) The definition of "S&P" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***S&P***" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

(v) The definition of "Seller Interim Trust Agreements" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Seller Interim Trust Agreements***" means (i) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and VG Funding, LLC, and (ii) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and Phoenix Fundings LLC.

(w) The definition of "Sellers" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Sellers***" means one or more of SLM Education Credit Finance Corporation, VG Funding, LLC, VL Funding LLC, Mustang Funding I, LLC, Mustang Funding II, LLC, Phoenix Fundings LLC, VK Funding LLC, Cavalier Funding 1 LLC and the Related SPE Sellers, and such other subsidiaries of SLM Corporation as may be agreed upon by the Required Managing Agents (provided, however, that if a proposed seller is a special purpose subsidiary of SLM Corporation for which the Master Servicer is responsible for any repurchase obligations, only the consent of the Administrative Agent shall be required) and with respect to which the requirements of Section 4.04 have been satisfied.

(x) The definition of "Side Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Side Letter***" means the Amended and Restated Side Letter, dated as of January 14, 2011, among the Trust, the Administrator, the Administrative Agent, the Managing Agents, the Eligible Lender Trustee and certain other financial institutions party thereto.

(y) The definition of "Subservicer" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Subservicer***" means, on the Amendment No. 1 Effective Date, Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, Pennsylvania Higher Education Assistance Agency, Citibank (South Dakota), N.A., Nelnet Inc., and, thereafter, in addition, any subservicer appointed by the Master Servicer pursuant to the Servicing Agreement of the Master Servicer.

(z) The definition of "Transaction Documents" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Transaction Documents***" means, collectively, this Agreement, the Trust Agreement, the Administration Agreement, each Servicing Agreement, each Purchase Agreement, the Conveyance Agreement, the Sale Agreement, the Tri-Party Transfer Agreement, each Permitted SPE Sale Agreement, all Guarantee Agreements, each Interim Trust Agreement, each Eligible Lender Trustee Agreement, the Valuation Agent Agreement, the Guaranty and Pledge Agreement, the Indemnity Agreement, the Revolving Credit Agreement, the Power of Attorney, the Fee Letters, the Side Letter, the Omnibus Waiver and Consent, the VK Omnibus Waiver and Consent and Guaranty, the Cavalier Omnibus Waiver and Consent and Guaranty, the SLM Guaranty, the Omnibus Amendment and Reaffirmation, and all other instruments, fee letters, documents and agreements executed in connection with any of the foregoing.

(aa) The definition of "Valuation Agent Agreement" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Valuation Agent Agreement***" means the Amended and Restated Valuation Agent Agreement, dated as of January 15, 2010, among the Trust, the Administrator, the Administrative Agent and the Co-Valuation Agents.

(bb) The definition of "Valuation Agent Fee Letter" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Valuation Agent Fee Letter***" means the Amended and Restated Valuation Agent Fee Letter, dated as of January 14, 2011, among the Trust and the Co-Valuation Agents, setting forth the Co-Valuation Agents Fees.

(cc) The definition of "VK Omnibus Waiver and Consent and Guaranty" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***VK Omnibus Waiver and Consent and Guaranty***" means the Amended and Restated Omnibus Waiver and Consent and Guaranty relating to VK Funding LLC, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent.

SECTION 1.02. Amendment of Section 2.15(a)(I).

Section 2.15(a)(I) of the Note Purchase Agreement is hereby amended by deleting the words "Affected Entity" and substituting the words "Affected Party" in lieu thereof.

SECTION 1.03. Amendment of Section 4.02(c).

Section 4.02(c) of the Note Purchase Agreement is hereby deleted in its entirety.

SECTION 1.04. Amendment of Section 6.01(c)(ii)(D).

Section 6.01(c)(ii)(D) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(D) not inconsistent with the factual assumptions set forth in (1) the opinion letter issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors, (2) the opinion letter issued as of April 16, 2010 by Bingham McCutchen LLP to the Secured Creditors or (3) the opinion letter issued as of the Amendment No. 1 Effective Date by Bingham McCutchen LLP to the Secured Creditors, each relating to the issues of substantive consolidation.

SECTION 1.05. Amendment of Section 6.30. Section 6.30 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

Section 6.30 Releases. Each time that an aggregate Principal Balance of Trust Student Loans (that are owned by the Trust and the Related SPE Trusts on the Amendment No. 1 Effective Date) that are or have been transferred pursuant to one or more Permitted Releases by the Trust and/or the Related SPE Trusts exceeds $630,000,000, the Administrator on behalf of the Trust shall provide each Rating Agency such information that they may reasonably require ten (10) Business Days prior to the Permitted Release and obtain a ratings affirmation letter from each Rating Agency as soon as practicable thereafter; provided, however, that no letter need be obtained if at such time a Rating Agency does not require that its rating be reaffirmed. For the avoidance of doubt, any Trust Student Loan included in the calculation of a $630,000,000 threshold shall not be included in future calculations for determining the date upon which an additional ratings affirmation letter may need to be obtained.

SECTION 1.06. Amendment of Section 7.02.

(a) Section 7.02(s) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(s) the Class A Notes shall have none of the Required Ratings;

(b) Section 7.02(t) of the Note Purchase Agreement is hereby amended by replacing the period (".") appearing at the end of such Section with "; or".

(c) Section 7.02(u) is hereby added to the Note Purchase Agreement immediately following Section 7.02(t) as follows:

(u) (1) SLM Education Credit Finance Corporation shall fail to comply with clause (u) of Section 10.01(a) in connection with the amendment, alteration, change or deletion of the definition of "Independent Manager" or any of the "Special Purpose Provisions" (each as defined in the related organizational document), or (2) any Person shall be appointed as an "Independent Manager" (as defined in the related organizational document) of the Depositor other than in strict compliance with the requirements therefor set forth in the Depositor's Amended and Restated Limited Liability Company Operating Agreement, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

SECTION 1.07. Amendment of Article IX. Article IX of the Note Purchase Agreement is hereby amended by inserting a new Section 9.11 in numerical order as follows:

Section 9.11 Compliance with Rule 17g-5. Each of the Lenders, the Managing Agents, the Lead Arrangers, the Syndication Agent, the Co-Valuation Agents and the Administrative Agent agrees that (i) each such Person shall be responsible for its own compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission, including, without limitation, any requirement to provide information regarding any CP to any Rating Agency or any other nationally recognized statistical rating organization, and (ii) neither this Agreement nor any other Transaction Document shall constitute a contract by or with any other party hereto or its Affiliates to provide information to a nationally recognized statistical rating organization on behalf of any such Person or its Affiliates.

SECTION 1.08. Amendment of Section 10.12(a).

(a) Section 10.12(a)(vi) of the Note Purchase Agreement is hereby replaced in its entirety as follows:

(vi) to any Rating Agency rating the Class A Notes, the CP of the Conduit Lenders or rating SLM Corporation, or any nationally recognized statistical rating organization in connection with any Conduit Lender's compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission;

(b) Section 10.12(a)(vii) of the Note Purchase Agreement is hereby relabeled Section 10.12(a)(viii) and the following Section 10.12(a)(vii) is inserted in numerical order:

(vii) to any administrative agent, sub-administrative agent, administrator, sub-administrator, administrative trustee, sub-administrative trustee or any entity serving in a similar capacity for any Conduit Lender; and

SECTION 1.09. Amendment of Exhibit A.

Exhibit A to the Note Purchase Agreement is hereby restated in its entirety as set forth on Exhibit A to this Amendment (it being understood that any Person previously party to the Note Purchase Agreement or previously party thereto in a particular capacity that is not listed on such

Exhibit A or is not listed therein in such capacity shall cease to be a party to the Note Purchase Agreement or cease to be a party thereto in such capacity, as applicable, from and after the date hereof).

SECTION 1.10. Amendment of Exhibit M.

Exhibit M to the Note Purchase Agreement is hereby restated in its entirety as set forth on Exhibit M to this Amendment.

ARTICLE II

WAIVERS

SECTION 2.01. Applicability of Section 2.16(b). The parties hereto do hereby agree that the notice period requirements set forth in Section 2.16(b) of the Note Purchase Agreement shall not apply to the amendment of the definition of "Scheduled Maturity Date" as set forth in Section 1.01 of this Amendment.

SECTION 2.02. Applicability of Section 10.01(a). The parties hereto do hereby agree that the Rating Agency Condition requirement with respect to the Class A Notes set forth in Section 10.01(a) of the Note Purchase Agreement shall be satisfied with respect to the amendments specified herein in respect of the Class A Notes upon receipt of a statement in writing from Moody's that the amendments specified herein will not result in a withdrawal or reduction of the ratings of the Class A Notes. For the avoidance of doubt, the satisfaction of the Rating Agency Condition with respect to the amendments specified herein shall apply with respect to the CP of each Conduit Lender on the terms specified in the definition of "Rating Agency Condition" as set forth in the Note Purchase Agreement.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Conditions Precedent to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the following conditions precedent (and each party, by the execution hereof and delivery of its signature hereto, hereby acknowledges that all such conditions precedent have been satisfied or waived):

(a) execution and delivery of this Amendment by all parties hereto;

(b) satisfaction of the Rating Agency Condition (subject to Section 2.02 above);

(c) receipt by each Managing Agent, in immediately available funds, of its share of the Consent Fee on the date hereof in accordance with the terms of, and as defined in, the Lenders Fee Letter (after giving effect to the amendment and restatement thereof on the date hereof) and all others fees and expenses due and payable to such Managing Agent or any of the Lenders in its Facility Group on or prior to the date hereof, in the case of expenses, to the extent invoiced as of the Business Day prior to date hereof;

(d) receipt by each of the Lead Arrangers, the Co-Valuation Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee, in immediately available funds, of all fees and expenses due and payable to each such Person on or prior to the date hereof, in the case of expenses, to the extent invoiced as of the Business Day prior to date hereof;

(e) receipt by the Administrative Agent and each Managing Agent, in form and substance satisfactory to the Administrative Agent and each such Managing Agent, of each of the items listed on Schedule I hereto;

(f) the Managing Agents having completed satisfactory legal due diligence in respect of the Trust and SLM Corporation and its Affiliates; and

(g) receipt by the Administrative Agent of satisfactory evidence that the other FFELP Loan Facilities have been amended on terms substantially similar to those set forth in this Amendment.

SECTION 3.02. Representations and Warranties. The Administrator (on behalf of the Trust) makes the following representations and warranties for the benefit of the Administrative Agent and the Secured Creditors as of the date of this Amendment: (i) each of the representations and warranties contained in the Note Purchase Agreement is true and correct and (ii) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing after giving effect to this Amendment.

SECTION 3.03. Transaction Documents. On and after the date hereof, any reference to the Note Purchase Agreement in any Transaction Document shall be deemed to refer to the Note Purchase Agreement as amended by this Amendment and each of the parties hereto agrees that, for all purposes, this Amendment shall constitute a "***Transaction Document***" under and as defined in the Note Purchase Agreement.

SECTION 3.04. No Course of Dealing. The Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents have entered into this Amendment on the express understanding with the Trust and the Administrator that in entering into this Amendment, the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents are not establishing any course of dealing with the Trust or the Administrator. Other than as amended or modified by the terms of this Amendment, the Administrative Agent's, the Conduit Lenders', the LIBOR Lenders', the Alternate Lenders' and the Managing Agents' rights to require strict performance with all other terms and conditions of the Note Purchase Agreement and the other Transaction Documents shall not in any way be impaired by the execution of this Amendment. None of the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents shall be obligated in any manner to execute any further amendments or waivers in the future.

SECTION 3.05. Limited Effect. Except as expressly amended hereby, all of the provisions, covenants, terms and conditions of the Note Purchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with their respective terms, and are hereby ratified and confirmed.

SECTION 3.06. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 3.07. Execution in Counterparts; Severability. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 3.08. Expense Provisions Apply. For the avoidance of doubt, Section 10.08 of the Note Purchase Agreement shall apply in respect of this Amendment.

SECTION 3.09. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Amendment.

(b) Notwithstanding the foregoing, none of the Secured Creditors shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this Amendment solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

SECTION 3.10. Consents.

(a) Each of the Secured Creditors party hereto agrees to the terms of, and authorizes the Administrative Agent to execute on its behalf, the amendment and restatement of that certain Omnibus Waiver and Consent and Guaranty dated as of April 16, 2010, in the form attached hereto as Exhibit B-1, and the amendment and restatement of that certain Omnibus Amendment and Reaffirmation dated as of January 15, 2010, in the form attached hereto as Exhibit B-2.

(b) Each of the Managing Agents and the Administrative Agent hereby consents to the amendment and restatement of the Depositor's Limited Liability Company Operating Agreement on the terms set forth in the form of Amended and Restated Limited Liability Company Operating Agreement attached hereto as Exhibit C.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

TOWN HALL FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Stephen O'Connell
Name: Stephen O'Connell
Title: Vice President

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

BANK OF AMERICA, N.A., as securities intermediary and depositary bank with respect to the Trust Accounts

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LEAD ARRANGER:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to Banc of America Securities LLC)

By: /s/ Jeffrey K. Fricano
Name: Jeffrey K. Fricano
Title: Director

BANK OF AMERICA FACILITY GROUP:

MANAGING AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LIBOR LENDER:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

THE SYNDICATION AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

LEAD ARRANGER:

J.P. MORGAN SECURITIES LLC (formerly known as J.P. Morgan Securities Inc.)

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

JPMORGAN FACILITY GROUP:

CONDUIT LENDERS:

CHARIOT FUNDING LLC

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

FALCON ASSET SECURITIZATION COMPANY LLC

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

JUPITER SECURITIZATION COMPANY LLC (as successor by merger to JS Siloed Trust and Park Avenue Receivables Company, LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

MANAGING AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

ALTERNATE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

BARCLAYS FACILITY GROUP:

COMMITTED CONDUIT LENDERS:

SHEFFIELD RECEIVABLES CORPORATION

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ David Mira
Name: David Mira
Title: Associate Director

SALISBURY RECEIVABLES COMPANY LLC

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ David Mira
Name: David Mira
Title: Associate Director

MANAGING AGENT:

BARCLAYS BANK PLC

By: /s/ Jeffrey Goldberg
Name: Jeffrey Goldberg
Title: Director

RBS FACILITY GROUP:

CONDUIT LENDERS:

AMSTERDAM FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

WINDMILL FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

MANAGING AGENT:

THE ROYAL BANK OF SCOTLAND PLC
By: RBS Securities Inc., as agent

By: /s/ Michael Zappaterrini
Name: Michael Zappaterrini
Title: Managing Director

ALTERNATE LENDER:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Michael Zappaterrini
Name: Michael Zappaterrini
Title: Managing Director

DEUTSCHE BANK FACILITY GROUP:

CONDUIT LENDER:

GEMINI SECURITIZATION CORP., LLC

By: /s/ Frank B. Bilotta
Name: Frank B. Bilotta
Title: President

MANAGING AGENT:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Joseph J. Lau
Name: Joseph J. Lau
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

ALTERNATE LENDER:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Joseph J. Lau
Name: Joseph J. Lau
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

CREDIT SUISSE FACILITY GROUP:

CONDUIT LENDER:

ALPINE SECURITIZATION CORPORATION

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

MANAGING AGENT:

ALPINE SECURITIZATION CORPORATION

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

ALTERNATE LENDER:

CREDIT SUISSE, NEW YORK BRANCH

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ Fred Mastromarino
Name: Fred Mastromarino
Title: Vice President

RBC FACILITY GROUP:

CONDUIT LENDERS:

OLD LINE FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

THUNDER BAY FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

MANAGING AGENT:

ROYAL BANK OF CANADA

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

ALTERNATE LENDER:

ROYAL BANK OF CANADA

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

Agreed and acknowledged
with respect to Section 3.05:

SLM CORPORATION

By: /s/ Stephen O'Connell
Name: Stephen O'Connell
Title: Senior Vice President

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark Rein
Name: Mark Rein
Title: Vice President

Agreed and acknowledged
with respect to Section 3.10(a):

CO-VALUATION AGENTS:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to BANC OF AMERICA SECURITIES LLC)

By: /s/ Jeffrey Fricano
Name: Jeffrey Fricano
Title: Director

BARCLAYS BANK PLC

By: /s/ Jeffrey Goldberg
Name: Jeffrey Goldberg
Title: Director

J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)

By: /s/ Scott T. Cornelis
Name: Scott T. Cornelis
Title: Vice President

EXHIBIT A[1]

COMMITMENTS

Facility Group	Managing Agent[2]	Conduit Lender(s)		LIBOR Lender		Alternate Lender	
		Name	*Commitment*	*Name*	*Commitment*	*Name*	*Commitment*
Bank of America Facility Group	Bank of America, N.A.	NONE	N/A	Bank of America, N.A.	$475,000,000.00	NONE	N/A
JPMorgan Facility Group	JPMorgan Chase Bank, N.A.	Chariot Funding LLC Falcon Asset Securitization Company LLC Jupiter Securitization Company LLC	NONE NONE NONE	NONE	N/A	JPMorgan Chase Bank, N.A.	$475,000,000.00
Barclays Facility Group	Barclays Bank plc	Sheffield Receivables Corporation Salisbury Receivables Company LLC	$175,000,000.00 $300,000,000.00	NONE	N/A	NONE	N/A
RBS Facility Group	The Royal Bank of Scotland plc	Amsterdam Funding Corporation Windmill Funding Corporation	NONE NONE	NONE	N/A	The Royal Bank of Scotland plc	$425,000,000.00
RBC Facility Group	Royal Bank of Canada	Old Line Funding, LLC Thunder Bay Funding, LLC	NONE NONE	NONE	N/A	Royal Bank of Canada	$275,000,000.00
Deutsche Bank Facility Group	Deutsche Bank AG, New York Branch	Gemini Securitization Corp., LLC	NONE	NONE	N/A	Deutsche Bank AG, New York Branch	$187,500,000.00
Credit Suisse Facility Group	Alpine Securitization Corporation	Alpine Securitization Corporation	NONE	NONE	N/A	Credit Suisse, New York Branch	$187,500,000.00

[1] The Administrative Agent may amend, restate or otherwise revise this Exhibit A from time to time to reflect assignments made pursuant to this Agreement.

[2] The Managing Agent for any Facility Group with more than one Conduit Lender may allocate Advances made by the Conduit Lenders, Alternate Lenders and LIBOR Lenders within its Facility Group in its discretion.

Exhibit 10.6

Execution Version

AMENDMENT NO. 2 TO NOTE PURCHASE AND SECURITY AGREEMENT

This **AMENDMENT NO. 2**, is made as of August 2, 2011 (this "***Amendment***"), to the Note Purchase Agreement (as defined below), by and among **BLUEMONT FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust (the "***Trust***"), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the "***Administrator***"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee (the "***Eligible Lender Trustee***"), **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG, NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **ALPINE SECURITIZATION CORPORATION**, a Delaware corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (collectively, the "***Managing Agents***"), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the "***Administrative Agent***"). Capitalized terms, unless otherwise defined herein shall have the meanings set forth in the Note Purchase Agreement.

W I T N E S S E T H

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Administrative Agent and the Syndication Agent are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Note Purchase Agreement***") and the parties hereto wish to amend the Note Purchase Agreement on the terms, and subject to the conditions, set forth below; and

WHEREAS, this Amendment is being executed and delivered pursuant to and in accordance with Section 10.01 of the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.01. Amendment of Definitions.

(a) The definition of "Required Ratings" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Required Ratings***" means, with respect to the Class A Notes, "Aaa" by Moody's or "AAA" by S&P; provided that, if the rating assigned by Moody's or S&P to the Class

A Notes is lower than the aforementioned rating solely as a direct result of such Rating Agency lowering its U.S. Debt Rating, then "Required Ratings" with respect to such Rating Agency shall mean the higher of (x) such Rating Agency's U.S. Debt Rating or (y) "Aa2", in the case of Moody's, and "AA", in the case of S&P.

(b) The definition of "U.S. Debt Rating" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***U.S. Debt Rating***" means the bond rating of the government of the United States of America.

ARTICLE II
MISCELLANEOUS

SECTION 2.01. Conditions Precedent to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the following conditions precedent (and each party, by the execution hereof and delivery of its signature hereto, hereby acknowledges that all such conditions precedent have been satisfied or waived):

(a) execution and delivery of this Amendment by all parties hereto;

(b) satisfaction of the Rating Agency Condition;

(c) receipt by the Administrative Agent and each Managing Agent, in the form attached hereto as Exhibit A, of Amendment No. 2 to Amended and Restated Valuation Agent Agreement among the Trust, the Administrator, the Administrative Agent and each of the Co-Valuation Agents, duly executed by each party thereto; and

(d) receipt by the Administrative Agent of satisfactory evidence that the other FFELP Loan Facilities have been amended on terms substantially similar to those set forth in this Amendment.

SECTION 2.02. Representations and Warranties. The Administrator (on behalf of the Trust) makes the following representations and warranties for the benefit of the Administrative Agent and the Secured Creditors as of the date of this Amendment: (i) each of the representations and warranties contained in the Note Purchase Agreement is true and correct and (ii) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing after giving effect to this Amendment.

SECTION 2.03. Transaction Documents. On and after the date hereof, any reference to the Note Purchase Agreement in any Transaction Document shall be deemed to refer to the Note Purchase Agreement as amended by this Amendment and each of the parties hereto agrees that, for all purposes, this Amendment shall constitute a "***Transaction Document***" under and as defined in the Note Purchase Agreement.

SECTION 2.04. No Course of Dealing. The Administrative Agent and the Managing Agents have entered into this Amendment on the express understanding with the Trust and the Administrator that in entering into this Amendment, the Administrative Agent and the Managing Agents are not establishing any course of dealing with the Trust or the Administrator. Other than as amended or modified by the terms of this Amendment, the Administrative Agent's, the Conduit Lenders', the LIBOR Lenders', the Alternate Lenders' and the Managing Agents' rights to require strict performance with all other terms and conditions of the Note Purchase Agreement and the other Transaction Documents shall not in any way be impaired by the execution of this Amendment. None of the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents shall be obligated in any manner to execute any further amendments or waivers in the future.

SECTION 2.05. Limited Effect. Except as expressly amended hereby, all of the provisions, covenants, terms and conditions of the Note Purchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with their respective terms, and are hereby ratified and confirmed.

SECTION 2.06. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 2.07. Execution in Counterparts; Severability. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 2.08. Expense Provisions Apply. For the avoidance of doubt, Section 10.08 of the Note Purchase Agreement shall apply in respect of this Amendment.

SECTION 2.09. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Amendment.

(b) Notwithstanding the foregoing, none of the Secured Parties shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this

Amendment solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

BLUEMONT FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

BANK OF AMERICA, N.A., as Managing Agent

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

JPMORGAN CHASE BANK, N.A., as Managing Agent

By: /s/ Catherine V. Frank
Name: Catherine V. Frank
Title: Managing Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

BARCLAYS BANK PLC, as Managing Agent

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

THE ROYAL BANK OF SCOTLAND PLC, as Managing Agent

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

DEUTSCHE BANK AG, NEW YORK BRANCH, as Managing Agent

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

ALPINE SECURITIZATION CORPORATION, as
Managing Agent

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ David Lister
Name: David Lister
Title: Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Bluemont Funding I)

ROYAL BANK OF CANADA, as Managing Agent

By: /s/ Karen E. Stone
Name: Karen E. Stone
Title: Authorized Signatory

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

Agreed and acknowledged
with respect to Section 2.05:

SLM CORPORATION

By: /s/ Leo E. Subler
Name: Leo E. Subler
Title: Senior Vice President

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Exhibit 10.7

Execution Version

AMENDMENT NO. 2 TO NOTE PURCHASE AND SECURITY AGREEMENT

This **AMENDMENT NO. 2**, is made as of August 2, 2011 (this "***Amendment***"), to the Note Purchase Agreement (as defined below), by and among **TOWN CENTER FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust (the "***Trust***"), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the "***Administrator***"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee (the "***Eligible Lender Trustee***"), **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG, NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **ALPINE SECURITIZATION CORPORATION**, a Delaware corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (collectively, the "***Managing Agents***"), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the "***Administrative Agent***"). Capitalized terms, unless otherwise defined herein shall have the meanings set forth in the Note Purchase Agreement.

W I T N E S S E T H

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Administrative Agent and the Syndication Agent are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Note Purchase Agreement***") and the parties hereto wish to amend the Note Purchase Agreement on the terms, and subject to the conditions, set forth below; and

WHEREAS, this Amendment is being executed and delivered pursuant to and in accordance with Section 10.01 of the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.01. Amendment of Definitions.

(a) The definition of "Required Ratings" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Required Ratings***" means, with respect to the Class A Notes, "Aaa" by Moody's or "AAA" by S&P; provided that, if the rating assigned by Moody's or S&P to the Class

A Notes is lower than the aforementioned rating solely as a direct result of such Rating Agency lowering its U.S. Debt Rating, then "Required Ratings" with respect to such Rating Agency shall mean the higher of (x) such Rating Agency's U.S. Debt Rating or (y) "Aa2", in the case of Moody's, and "AA", in the case of S&P.

(b) The definition of "U.S. Debt Rating" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***U.S. Debt Rating***" means the bond rating of the government of the United States of America.

ARTICLE II
MISCELLANEOUS

SECTION 2.01. Conditions Precedent to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the following conditions precedent (and each party, by the execution hereof and delivery of its signature hereto, hereby acknowledges that all such conditions precedent have been satisfied or waived):

(a) execution and delivery of this Amendment by all parties hereto;

(b) satisfaction of the Rating Agency Condition;

(c) receipt by the Administrative Agent and each Managing Agent, in the form attached hereto as Exhibit A, of Amendment No. 2 to Amended and Restated Valuation Agent Agreement among the Trust, the Administrator, the Administrative Agent and each of the Co-Valuation Agents, duly executed by each party thereto; and

(d) receipt by the Administrative Agent of satisfactory evidence that the other FFELP Loan Facilities have been amended on terms substantially similar to those set forth in this Amendment.

SECTION 2.02. Representations and Warranties. The Administrator (on behalf of the Trust) makes the following representations and warranties for the benefit of the Administrative Agent and the Secured Creditors as of the date of this Amendment: (i) each of the representations and warranties contained in the Note Purchase Agreement is true and correct and (ii) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing after giving effect to this Amendment.

SECTION 2.03. Transaction Documents. On and after the date hereof, any reference to the Note Purchase Agreement in any Transaction Document shall be deemed to refer to the Note Purchase Agreement as amended by this Amendment and each of the parties hereto agrees that, for all purposes, this Amendment shall constitute a "***Transaction Document***" under and as defined in the Note Purchase Agreement.

SECTION 2.04. No Course of Dealing. The Administrative Agent and the Managing Agents have entered into this Amendment on the express understanding with the Trust and the Administrator that in entering into this Amendment, the Administrative Agent and the Managing Agents are not establishing any course of dealing with the Trust or the Administrator. Other than as amended or modified by the terms of this Amendment, the Administrative Agent's, the Conduit Lenders', the LIBOR Lenders', the Alternate Lenders' and the Managing Agents' rights to require strict performance with all other terms and conditions of the Note Purchase Agreement and the other Transaction Documents shall not in any way be impaired by the execution of this Amendment. None of the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents shall be obligated in any manner to execute any further amendments or waivers in the future.

SECTION 2.05. Limited Effect. Except as expressly amended hereby, all of the provisions, covenants, terms and conditions of the Note Purchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with their respective terms, and are hereby ratified and confirmed.

SECTION 2.06. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 2.07. Execution in Counterparts; Severability. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 2.08. Expense Provisions Apply. For the avoidance of doubt, Section 10.08 of the Note Purchase Agreement shall apply in respect of this Amendment.

SECTION 2.09. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Amendment.

(b) Notwithstanding the foregoing, none of the Secured Parties shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this

Amendment solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

TOWN CENTER FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

BANK OF AMERICA, N.A., as Managing Agent

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

JPMORGAN CHASE BANK, N.A., as Managing Agent

By: /s/ Catherine V. Frank
Name: Catherine V. Frank
Title: Managing Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

BARCLAYS BANK PLC, as Managing Agent

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

THE ROYAL BANK OF SCOTLAND PLC, as Managing Agent

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

DEUTSCHE BANK AG, NEW YORK BRANCH, as Managing Agent

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

ALPINE SECURITIZATION CORPORATION, as
Managing Agent

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ David Lister
Name: David Lister
Title: Director

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

ROYAL BANK OF CANADA, as Managing Agent

By: /s/ Karen E. Stone
Name: Karen E. Stone
Title: Authorized Signatory

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Center Funding I)

Agreed and acknowledged
with respect to Section 2.05:

SLM CORPORATION

By: /s/ Leo E. Subler
Name: Leo E. Subler
Title: Senior Vice President

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Exhibit 10.8

Execution Version

AMENDMENT NO. 2 TO NOTE PURCHASE AND SECURITY AGREEMENT

This **AMENDMENT NO. 2**, is made as of August 2, 2011 (this "***Amendment***"), to the Note Purchase Agreement (as defined below), by and among **TOWN HALL FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust (the "***Trust***"), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the "***Administrator***"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee (the "***Eligible Lender Trustee***"), **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG, NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **ALPINE SECURITIZATION CORPORATION**, a Delaware corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (collectively, the "***Managing Agents***"), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the "***Administrative Agent***"). Capitalized terms, unless otherwise defined herein shall have the meanings set forth in the Note Purchase Agreement.

W I T N E S S E T H

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Administrative Agent and the Syndication Agent are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Note Purchase Agreement***") and the parties hereto wish to amend the Note Purchase Agreement on the terms, and subject to the conditions, set forth below; and

WHEREAS, this Amendment is being executed and delivered pursuant to and in accordance with Section 10.01 of the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.01. Amendment of Definitions.

(a) The definition of "Required Ratings" in Section 1.01 of the Note Purchase Agreement is hereby replaced in its entirety as follows:

"***Required Ratings***" means, with respect to the Class A Notes, "Aaa" by Moody's or "AAA" by S&P; provided that, if the rating assigned by Moody's or S&P to the Class

A Notes is lower than the aforementioned rating solely as a direct result of such Rating Agency lowering its U.S. Debt Rating, then "Required Ratings" with respect to such Rating Agency shall mean the higher of (x) such Rating Agency's U.S. Debt Rating or (y) "Aa2", in the case of Moody's, and "AA", in the case of S&P.

(b) The definition of "U.S. Debt Rating" is hereby added to Section 1.01 of the Note Purchase Agreement in alphabetical order as follows:

"***U.S. Debt Rating***" means the bond rating of the government of the United States of America.

ARTICLE II
MISCELLANEOUS

SECTION 2.01. Conditions Precedent to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the following conditions precedent (and each party, by the execution hereof and delivery of its signature hereto, hereby acknowledges that all such conditions precedent have been satisfied or waived):

(a) execution and delivery of this Amendment by all parties hereto;

(b) satisfaction of the Rating Agency Condition;

(c) receipt by the Administrative Agent and each Managing Agent, in the form attached hereto as Exhibit A, of Amendment No. 2 to Amended and Restated Valuation Agent Agreement among the Trust, the Administrator, the Administrative Agent and each of the Co-Valuation Agents, duly executed by each party thereto; and

(d) receipt by the Administrative Agent of satisfactory evidence that the other FFELP Loan Facilities have been amended on terms substantially similar to those set forth in this Amendment.

SECTION 2.02. Representations and Warranties. The Administrator (on behalf of the Trust) makes the following representations and warranties for the benefit of the Administrative Agent and the Secured Creditors as of the date of this Amendment: (i) each of the representations and warranties contained in the Note Purchase Agreement is true and correct and (ii) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing after giving effect to this Amendment.

SECTION 2.03. Transaction Documents. On and after the date hereof, any reference to the Note Purchase Agreement in any Transaction Document shall be deemed to refer to the Note Purchase Agreement as amended by this Amendment and each of the parties hereto agrees that, for all purposes, this Amendment shall constitute a "***Transaction Document***" under and as defined in the Note Purchase Agreement.

SECTION 2.04. No Course of Dealing. The Administrative Agent and the Managing Agents have entered into this Amendment on the express understanding with the Trust and the Administrator that in entering into this Amendment, the Administrative Agent and the Managing Agents are not establishing any course of dealing with the Trust or the Administrator. Other than as amended or modified by the terms of this Amendment, the Administrative Agent's, the Conduit Lenders', the LIBOR Lenders', the Alternate Lenders' and the Managing Agents' rights to require strict performance with all other terms and conditions of the Note Purchase Agreement and the other Transaction Documents shall not in any way be impaired by the execution of this Amendment. None of the Administrative Agent, the Conduit Lenders, the LIBOR Lenders, the Alternate Lenders and the Managing Agents shall be obligated in any manner to execute any further amendments or waivers in the future.

SECTION 2.05. Limited Effect. Except as expressly amended hereby, all of the provisions, covenants, terms and conditions of the Note Purchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with their respective terms, and are hereby ratified and confirmed.

SECTION 2.06. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 2.07. Execution in Counterparts; Severability. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 2.08. Expense Provisions Apply. For the avoidance of doubt, Section 10.08 of the Note Purchase Agreement shall apply in respect of this Amendment.

SECTION 2.09. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Amendment.

(b) Notwithstanding the foregoing, none of the Secured Parties shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this

Amendment solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

TOWN HALL FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of January 15, 2010 by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Signature Page to
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Note Purchase and Security Agreement
(Town Hall Funding I)

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Vice President

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(Town Hall Funding I)

BANK OF AMERICA, N.A., as Managing Agent

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Vice President

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(Town Hall Funding I)

JPMORGAN CHASE BANK, N.A., as Managing Agent

By: /s/ Catherine V. Frank
Name: Catherine V. Frank
Title: Managing Director

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BARCLAYS BANK PLC, as Managing Agent

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

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(Town Hall Funding I)

THE ROYAL BANK OF SCOTLAND PLC, as Managing Agent

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

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DEUTSCHE BANK AG, NEW YORK BRANCH, as Managing Agent

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

Signature Page to
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(Town Hall Funding I)

ALPINE SECURITIZATION CORPORATION, as
Managing Agent

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

By: /s/ David Lister
Name: David Lister
Title: Director

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Amendment No. 2 to
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(Town Hall Funding I)

ROYAL BANK OF CANADA, as Managing Agent

By: /s/ Karen E. Stone
Name: Karen E. Stone
Title: Authorized Signatory

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

Signature Page to
Amendment No. 2 to
Note Purchase and Security Agreement
(Town Hall Funding I)

Agreed and acknowledged
with respect to Section 2.05:

SLM CORPORATION

By: /s/ Leo E. Subler
Name: Leo E. Subler
Title: Senior Vice President

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Exhibit 10.9
EXECUTION COPY

AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT

by and among

BLUEMONT FUNDING I,
as the Trust,

THE CONDUIT LENDERS PARTY HERETO,
as Conduit Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as Alternate Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as LIBOR Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as Managing Agents,

BANK OF AMERICA, N.A.,
as Administrative Agent,

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent,

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and
J.P. MORGAN SECURITIES LLC,
as Lead Arrangers,

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION,
as Eligible Lender Trustee,

and

SALLIE MAE, INC.,
as Administrator

January 13, 2012

TABLE OF CONTENTS

AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT (this *"**Agreement**"*) is made as of January 13, 2012, among **BLUEMONT FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust hereunder (the *"**Trust**"*), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the *"**Administrator**"*), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee hereunder (the *"**Eligible Lender Trustee**"*), **J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)** and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to BANC OF AMERICA SECURITIES LLC)**, as lead arrangers (the *"**Lead Arrangers**"*), the **CONDUIT LENDERS** (as hereinafter defined) from time to time parties hereto, the **ALTERNATE LENDERS** (as hereinafter defined) from time to time parties hereto, the **LIBOR LENDERS** (as hereinafter defined) from time to time parties hereto, **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG**, **NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **CREDIT SUISSE AG, NEW YORK BRANCH**, the New York branch of a Swiss banking corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (as hereinafter defined) (and together with any other similar financial institutions which become parties hereto, collectively, the *"**Managing Agents**"*), **JPMORGAN CHASE BANK, N.A.,** as syndication agent hereunder (in such capacity, the *"**Syndication Agent**"*), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the *"**Administrative Agent**"*).

PRELIMINARY STATEMENTS

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Syndication Agent and the Administrative Agent, are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010, as amended by that certain Amendment No. 1, dated as of January 14, 2011 and as further amended by that certain Amendment No. 2, dated as of August 2, 2011 (as further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Initial Note Purchase Agreement***"), and the parties hereto wish to amend and restate the Initial Note Purchase Agreement as set forth below;

WHEREAS, on the date hereof, the Administrator withdrew its request for Moody's to rate the Class A Notes;

WHEREAS, this Agreement is being executed and delivered pursuant to and in accordance with Section 10.01 of the Initial Note Purchase Agreement;

WHEREAS, the Conduit Lenders are special purpose entities engaged in the business of issuing promissory notes and obtaining funding (directly or indirectly) in the commercial paper market and purchasing notes of certain entities for the purpose of financing financial assets of such entities; and

WHEREAS, the LIBOR Lenders are financial institutions engaged in the business of purchasing notes of certain entities for the purpose of financing financial assets of such entities; and

WHEREAS, from time to time, the Master Depositor has purchased, and may continue to purchase, certain Eligible FFELP Loans in accordance with the Purchase Agreements; and

WHEREAS, from time to time, the Depositor has purchased, and will continue to purchase, certain Eligible FFELP Loans in accordance with the Conveyance Agreement and the Tri-Party Transfer Agreement; and

WHEREAS, from time to time, the Trust has purchased, and will continue to purchase, certain Eligible FFELP Loans in accordance with the Sale Agreement; and

WHEREAS, the Eligible Lender Trustee has maintained and will continue to maintain, legal title of the Trust Student Loans on behalf of the Trust in accordance with the terms of the Trust Agreement; and

WHEREAS, the Trust desires to fund or refinance, as the case may be, such purchases through the issuance of its Class A variable funding notes (the *"**Class A Notes**"*) and the sale of such Class A Notes to the Managing Agents for the benefit of the Conduit Lenders, the LIBOR Lenders and the Alternate Lenders, as applicable, on the terms and conditions set forth herein; and

WHEREAS, the Conduit Lenders may, from time to time, assign all or a part of such Class A Notes or assign interests therein or commitments to purchase or fund such Class A Notes to the Alternate Lenders or to certain Program Support Providers pursuant to the terms of the Program Support Agreements; and

WHEREAS, each Managing Agent is willing to act as the agent on behalf of its related Conduit Lenders, Alternate Lenders, LIBOR Lenders and Program Support Providers, as applicable, pursuant to this Agreement and the corresponding Program Support Agreements; and

WHEREAS, the parties hereto desire that the provisions of the Initial Note Purchase Agreement shall be effective from the Original Closing Date (as hereinafter defined) through but excluding the date hereof and the provisions of this Agreement shall be effective from and including the date hereof.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Certain Defined Terms.

Certain capitalized terms used throughout this Agreement are defined above or in this Section.

As used in this Agreement and its exhibits, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined unless otherwise noted).

*"**A&R Closing Date**"* means January 13, 2012.

*"**A&R Initial Pool**"* means the pool of FFELP Loans owned by the Trust immediately prior to the A&R Closing Date as identified by the Administrator to the Administrative Agent and the Managing Agents on the A&R Closing Date.

*"**A&R Transaction Documents**"* means this Agreement, the Lenders Fee Letter, the Side Letter, the Administrative Agent and Syndication Agent Fee Letter, the Valuation Agent Fee Letter, the Valuation Agent Agreement and the Omnibus Reaffirmation and Amendment.

*"**Accounting Based Consolidation Event**"* means the consolidation, for financial and/or regulatory accounting purposes, of all or any portion of the assets and liabilities of a Conduit Lender that are subject to this Agreement or any other Transaction Document with all or any portion of the assets and liabilities of an Affected Party or any of its Affiliates. An Accounting Based Consolidation Event shall be deemed to occur on the date any Affected Party or its Affiliate shall acknowledge in writing that any such consolidation of the assets and liabilities of the Conduit Lender shall occur.

*"**Additional Student Loan**"* means any Student Loan that became or becomes a Trust Student Loan after the Original Closing Date.

*"**Adjusted Cash Income**"* means, for any period, Adjusted Revenue for such period less Operating Expenses for such period.

*"**Adjusted Pool Balance**"* means, as of any date:

(a) (i) the aggregate of the Principal Balance of each Eligible FFELP Loan acquired by the Trust on or prior to the Valuation Date set forth in the most recent Valuation Report multiplied by the Applicable Percentage for such Eligible FFELP Loan, determined by reference to the most recent Valuation Report, plus (ii) the Collateral Value of each Eligible FFELP Loan acquired by the Trust since the Valuation Date set forth in the most recent Valuation Report, minus (iii) the aggregate of the Principal Balance of each Eligible FFELP Loan that was subject to a release pursuant to Section 2.18 since the Valuation Date set forth in the most recent Valuation Report, multiplied by the Applicable Percentage for such Eligible FFELP Loan, minus

(b) the Excess Concentration Amount multiplied by the weighted average Applicable Percentage for all Eligible FFELP Loans.

*"**Adjusted Revenue**"* means, for any period, (a) the sum, without duplication, of all items which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as (i) *"*total interest income*"* and (ii) *"*total other income,*"* less (b) the sum of (i) *"*provisions for losses,*"* (ii) *"*gains on student loan securitizations*"* and (iii) *"*servicing and securitization revenue,*"* eliminating (c) *"*total net impact of SFAS No. 133 derivative accounting,*"* and including (d) *"*net interest income on securitized loans, after provisions for losses,*"* in the case of (c) and (d) above as currently reported in SLM Corporation's most recent Form 10-Q or Form 10-K, as applicable, under "MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS" or as subsequently identified in writing by SLM Corporation.

*"**Administrative Agent**"* means Bank of America, N.A., a national banking association, and its successors and assigns, in its capacity as agent for the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate Lenders hereunder.

*"**Administrative Agent Fees**"* means the fees, reasonable expenses and charges of the Administrative Agent, including reasonable legal fees and expenses, as set forth in the Administrative Agent and Syndication Agent Fee Letter.

*"**Administrative Agent and Syndication Agent Fee Letter**"* means the Second Amended and Restated Administrative Agent and Syndication Agent Fee Letter, dated as of the A&R Closing Date, among the Trust, the Administrative Agent and the Syndication Agent.

*"**Administrative Questionnaire**"* means an Administrative Questionnaire in a form supplied by the Administrative Agent.

*"**Administration Account**"* means the special account created pursuant to Section 2.04(b).

*"**Administration Agreement**"* means the Amended and Restated Administration Agreement, dated as of the Original Closing Date, among the Depositor, the Trust, the Eligible Lender Trustee, the Administrator and the Administrative Agent.

*"**Administrator Fee**"* means, for each calendar month, a fee payable to the Administrator monthly in arrears equal to $10,000.

*"**Administrator**"* means Sallie Mae, Inc., a Delaware corporation, and its successors and assigns, in its capacity as administrator of the Trust in accordance with the Administration Agreement.

*"**Administrator Default**"* has the meaning assigned to such term in Section 5.01 of the Administration Agreement.

*"**Advance**"* means an advance, including a Purchase Price Advance, an Excess Collateral Advance or a Capitalized Interest Advance, made by the Lenders pursuant to Article II.

*"**Advance Date**"* means, with respect to any Advance, the date on which such Advance is made.

*"**Advance Reconciliation Statement**"* has the meaning assigned to such term in Section 4.03.

*"**Advance Request**"* has the meaning assigned to such term in Section 2.02(b).

*"**Adverse Claim**"* means a lien, security interest, charge, encumbrance or other right or claim or restriction in favor of any Person (including any UCC financing statement or similar instrument filed against the assets of that Person) other than, with respect to the Pledged Collateral, any lien, security interest, charge, encumbrance or other right or claim or restriction in favor of the Administrative Agent, for the benefit of the Secured Creditors.

*"**Affected Party**"* means the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, each LIBOR Lender, each Conduit Lender, each Managing Agent, each Alternate Lender, each Program Support Provider and the holding company of each of the foregoing and any permitted assignee or participant of any LIBOR Lender, any Conduit Lender, any Alternate Lender, any Program Support Provider or any holding company of the foregoing.

*"**Affiliate**"* means, when used with respect to a Person, any other Person controlling, controlled by or under common control with such Person. A Person shall be deemed to control another person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities or membership interests, by contract or otherwise.

*"**Agent Parties**"* has the meaning assigned to such term in Section 10.02(c).

*"**Aggregate Note Balance**"* means, as of any date of determination, the principal amount of each Class A Note Outstanding and for all Class A Notes, the aggregate principal amount of all Class A Notes Outstanding, after giving effect to (i) all distributions applied to principal on the Class A Notes on such date of determination and (ii) Advances made on such date of determination.

*"**Agreement**"* means this Amended and Restated Note Purchase and Security Agreement, together with all exhibits and appendices attached hereto.

*"**Alternate Lender**"* means any financial institution identified as an Alternate Lender on Exhibit A attached hereto as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

*"**Amortization Event**"* has the meaning assigned to such term in Section 7.01.

*"**Amortization Period**"* means the period commencing upon the occurrence of an Amortization Event and ending upon the earliest of (a) the date the Class A Notes and all other

Obligations are paid in full, (b) 90 days (or in the case of an Amortization Event under Section 7.01(j), 85 days) from the occurrence of such Amortization Event, (c) solely with respect to an Amortization Event under Section 7.01(i) or Section 7.01(j), the reinstatement of the Revolving Period pursuant to the terms of such Section and (d) the occurrence of a Termination Event.

*"**Amortization Period Rate**"* means, (a) during the first 30 days following the commencement of the Amortization Period, the Base Rate plus 1.00% per annum plus the Non-Renewal Step-Up Rate, (b) during the second 30 days following the commencement of the Amortization Period, the Base Rate plus 1.50% per annum plus the Non-Renewal Step-Up Rate and (c) thereafter, until the Termination Date, the Base Rate plus 2.00% per annum plus the Non-Renewal Step-Up Rate.

*"**Applicable Margin**"* means, with respect to any Advance and any Lender, the Applicable Margin as set forth in the Lenders Fee Letter.

*"**Applicable Percentage**"* has the meaning set forth in the Side Letter.

*"**Approved Fund**"* means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of any entity that administers or manages a Lender.

*"**Asset Coverage Ratio**"* means, on the last day of each calendar month, and as of any other date of determination, the ratio (expressed as a percentage) of (a) the sum of (i) the Adjusted Pool Balance as of such date, (ii) (without duplication) any accrued and unpaid interest thereon and any accrued and unpaid Special Allowance Payments and Interest Subsidy Payments on the Trust Student Loans as of such date and (iii) funds (including Eligible Investments) on deposit in the Collection Account, the Administration Account, the Capitalized Interest Account and the Reserve Account, if any, as of such date, to (b) the Reported Liabilities as of such date and rounding to the nearest second decimal place.

*"**Assignee Group**"* means two or more assignees that meet the requirements to be an assignee under Section 10.04(b) and that are Affiliates of one another, commercial paper conduits managed by the same manager or affiliated managers or Approved Funds managed by the same investment advisor.

*"**Assignment Amount**"* means, with respect to an Alternate Lender at the time of any assignment pursuant to Section 10.04(g), an amount equal to the lesser of (a) such Alternate Lender's pro rata share of the aggregate principal amount of the Class A Notes requested by the related Conduit Lender to be assigned at such time plus any accrued and unpaid interest owed thereon at the applicable CP Rate and (b) such Alternate Lender's unused Assignment Commitment (minus the unrecovered principal amount of such Alternate Lender's investments pursuant to the Program Support Agreement to which it is a party).

*"**Assignment Commitment**"* means, with respect to an Alternate Lender, such Alternate Lender's Commitment multiplied by 1.02.

*"**Authorized Officer**"* means:

(a) with respect to the Trust, any officer of the Eligible Lender Trustee who is authorized to act for the Eligible Lender Trustee in matters relating to the Trust pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Eligible Lender Trustee to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Eligible Lender Trustee from time to time thereafter and delivered to the Administrative Agent);

(b) with respect to the Administrator, any officer of the Administrator who is authorized to act for the Administrator in matters relating to itself or to the Trust and to be acted upon by the Administrator pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Administrator to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Administrator from time to time thereafter and delivered to the Administrative Agent);

(c) with respect to the Depositor, any officer of the Depositor who is authorized to act for the Depositor in matters relating to itself or to be acted upon by the Depositor pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Depositor to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Depositor from time to time thereafter and delivered to the Administrative Agent);

(d) with respect to the Master Servicer, any officer of the Master Servicer who is authorized to act for the Master Servicer in matters relating to itself or to be acted upon by the Master Servicer pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Master Servicer to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Master Servicer from time to time thereafter and delivered to the Administrative Agent);

(e) with respect to the Eligible Lender Trustee, any officer of the Eligible Lender Trustee who is authorized to act for the Eligible Lender Trustee in matters relating to itself or to be acted upon by the Eligible Lender Trustee pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Eligible Lender Trustee to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Eligible Lender Trustee from time to time thereafter and delivered to the Administrative Agent);

(f) with respect to SLM Corporation, chief executive officer, chief financial officer, president, any vice president, treasurer or other senior officer of SLM Corporation who is authorized to act for SLM Corporation in matters relating to itself or to be acted upon by SLM Corporation pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by SLM Corporation to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by SLM Corporation from time to time thereafter and delivered to the Administrative Agent); and

(g) with respect to the Administrative Agent, any officer of the Administrative Agent who is authorized to act for the Administrative Agent in matters relating to itself or to be acted upon by the Administrative Agent pursuant to the Transaction Documents and who is identified

on the list of Authorized Officers delivered by the Administrative Agent to the Administrator and the Eligible Lender Trustee on the A&R Closing Date (as such list may be modified or supplemented by the Administrative Agent from time to time thereafter and delivered to the Administrator and the Eligible Lender Trustee).

*"**Available Funds**"* means, with respect to a Settlement Date, the sum of the following amounts received into the Collection Account with respect to the related Settlement Period:

(a) all collections of principal and interest on the Trust Student Loans, including any payments received from the Guarantees on the Trust Student Loans but net of (i) any collections in respect of principal on the Trust Student Loans applied by the Trust to repurchase Guaranteed loans from the Guarantors under the Guarantee Agreements, (ii) amounts required by the Higher Education Act to be paid to the Department or to be repaid or rebated to Obligors (whether or not in the form of a principal reduction of the applicable Trust Student Loan) on the Trust Student Loans for that Settlement Period including Floor Income Rebate Fees and Monthly Rebate Fees and (iii) amounts deposited into the Floor Income Rebate Account during the related Settlement Period;

(b) any Interest Subsidy Payments and Special Allowance Payments with respect to the Trust Student Loans received during that Settlement Period for the Trust Student Loans;

(c) all Liquidation Proceeds from any Trust Student Loans which became Liquidated Student Loans during that Settlement Period in accordance with the Servicer's applicable Servicing Policies, plus all Recoveries on Liquidated Student Loans which were written off in prior Settlement Periods or during that Settlement Period;

(d) the aggregate amounts received during that Settlement Period for those Trust Student Loans (i) repurchased by the applicable Seller or the Depositor, as applicable, (ii) purchased by the Servicer or its assignee, (iii) in respect of SLM Corporation's guaranty of the repurchase obligations of the applicable Seller, the Depositor or the Servicer or (iv) sold to another eligible lender pursuant to Section 3.11 of the Servicing Agreement;

(e) the aggregate amounts, if any, received by the Trust from the applicable Seller, the Depositor or the Servicer, as the case may be, as reimbursement of non-guaranteed principal or interest amounts, or lost Interest Subsidy Payments and Special Allowance Payments, on the Trust Student Loans pursuant to the Sale Agreement or Section 3.05 of the Servicing Agreement, respectively;

(f) amounts received by the Trust pursuant to Sections 3.01 and 3.12 of the Servicing Agreement during that Settlement Period as to yield or principal adjustments other than deposits into the Borrower Benefit Account;

(g) investment earnings for that Settlement Period earned on investments in the Trust Accounts during such Settlement Period;

(h) amounts, if any, transferred into the Collection Account from the Capitalized Interest Account in excess of the Required Capitalized Interest Account Balance, calculated as of the end of the Settlement Period related to that Settlement Date;

(i) amounts, if any, transferred into the Collection Account from the Reserve Account in excess of the Reserve Account Specified Balance, calculated as of the end of the Settlement Period related to that Settlement Date;

(j) amounts, if any, transferred into the Collection Account from the Floor Income Rebate Account representing amounts no longer required to be held in connection with floor income payment obligations;

(k) amounts, if any, transferred into the Collection Account from the Administration Account in accordance with Section 2.04(b);

(l) amounts, if any, transferred into the Collection Account from the Borrower Benefit Account to offset reductions in yield on affected Trust Student Loans and any amounts released from the Borrower Benefit Account in accordance with Section 6.26(b) during the related Settlement Period;

(m) amounts, if any, received by the Trust from SLM Corporation under the Revolving Credit Agreement and which have been deposited into the Collection Account;

(n) all proceeds from any Permitted Release (to the extent such proceeds were not previously used to prepay the Aggregate Note Balance or used to purchase new Eligible FFELP Loans);

(o) amounts received, if any, in respect of insurance proceeds; and

(p) all other Collections or other amounts deposited into the Collection Account for application pursuant to Section 2.05(b) on the applicable Settlement Date;

provided, that if on any Settlement Date, there would not be sufficient funds, after application of Available Funds, as defined above, and application of amounts available from the Capitalized Interest Account and the Reserve Account, in that order, to pay any of the items specified in clauses (i) through (iv) of Section 2.05(b), then Available Funds for that Settlement Date will include, in addition to the Available Funds as defined above, amounts on deposit in the Collection Account, or amounts held by the Administrative Agent for deposit into the Collection Account which would have constituted Available Funds for the Settlement Date immediately succeeding that Settlement Date, up to the amount necessary to pay such items, and the Available Funds for the immediately succeeding Settlement Date will be adjusted accordingly.

*"**Bankruptcy Code**"* means Title 11 of the United States Code (11 U.S.C. Section 101 et seq.), as amended from time to time, and any successor statute.

*"**Base Rate**"* means, for any day, a rate per annum determined by the Administrative Agent equal to the highest of (a) the sum of the LIBOR Base Rate (determined in accordance with clause (ii) of the definition thereof) and 1.00% for such day, (b) the Prime Rate for such day and (c) the sum of 0.50% and the Federal Funds Rate for such day.

*"**Base Rate Advance**"* means an Advance funded with reference to the Base Rate.

*"**Benefit Plan**"* means any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Trust or any ERISA Affiliate is, or at any time during the immediately preceding six years was, an *"*employer*"* as defined in Section 3(5) of ERISA.

*"**Borrower Benefit Account**"* means the special account created pursuant to Section 2.04(d).

*"**Borrower Benefit Amount**"* means, the sum of:

(a) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.075%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.250%, and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date;

(b) expected net present value of the product of (1) the sum of (A) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, and (B) the excess of (x) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate original loan amount of all Eligible FFELP Loans sold to the Trust on such Advance Date; and

(c) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.010%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date.

*"**Borrower Benefit Programs**"* means any of the following borrower benefit programs:

(i) the "Direct Repay/ACH Benefit plan" benefit program under which Obligors who make student loan payments electronically through automatic monthly deductions receive an interest rate reduction as long as loan payments continue to be successfully deducted from the borrower's bank account;

(ii) any borrower benefit program under which Obligors who make a certain number of scheduled payments on time receive a rebate of their original loan amount; and

(iii) any other borrower benefit program (other than the Direct/Repay ACH Benefit plan described in clause (i) above) under which Obligors who make a certain number of scheduled payments on time receive an interest rate reduction.

*"**Business Day**"* means a day of the year other than a Saturday or a Sunday or other day on which (a) banks are not authorized or required to close in Charlotte, North Carolina or New York, New York and (b) trust companies are not authorized or required to close in Wilmington, Delaware; provided, however, if the term "Business Day" is used in connection with the LIBOR Rate, it means any day on which (x) dealings in dollar deposits are carried on in the London interbank market and (y) banks are not authorized or required to close in New York, New York.

*"**Capitalized Interest Account**"* means the special account created pursuant to Section 2.06(a).

*"**Capitalized Interest Account Funding Event**"* means the occurrence of (i) the third Business Day preceding the Scheduled Maturity Date, (ii) with respect to an Amortization Event under Sections 7.01(a) through (h), the first day of an Amortization Period, (iii) with respect to an Amortization Event under Section 7.01(i) or (j), the last day of an Amortization Period (unless caused by the reinstatement of the Revolving Period in which case no Capitalized Interest Account Funding Event shall have occurred), or (iv) the Termination Date.

*"**Capitalized Interest Account Specified Balance**"* means, as of any date of determination, the sum of (i) for each Eligible FFELP Loan that is a Trust Student Loan included in the A&R Initial Pool, the product of 3.86% multiplied by the Principal Balance thereof as of such date of determination, and (ii) for each Eligible FFELP Loan that becomes a Trust Student Loan and is not included in the A&R Initial Pool, the product of 5.90% multiplied by the Principal Balance thereof as of such date of determination.

*"**Capitalized Interest Account Unfunded Balance**"* means, as of any date of determination, the amount, if any, by which (x) the Capitalized Interest Account Specified Balance exceeds (y) the outstanding balance of Capitalized Interest Advances then on deposit in the Capitalized Interest Account.

*"**Capitalized Interest Advance**"* means an Advance made upon a Capitalized Interest Account Funding Event or as provided in Section 2.21(b), the proceeds of which are to be deposited into the Capitalized Interest Account.

*"**Carryover Servicing Fee**"* has the meaning specified in Attachment A to the Servicing Agreement.

*"**Cavalier Omnibus Waiver and Consent and Guaranty**"* means the Omnibus Waiver and Consent and Guaranty, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent, relating to Cavalier Funding 1 LLC.

*"**Change of Control**"* means (i) a merger or consolidation of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, into another Person (other than an Affiliate of SLM Corporation), (ii) any merger or

consolidation to which the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, shall be a party resulting in the creation of another Person (other than an Affiliate of SLM Corporation), (iii) any Person (other than an Affiliate of SLM Corporation) succeeding to the properties and assets of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, substantially as a whole or (iv) an event or series of events by which any Person (other than an Affiliate of SLM Corporation) acquires the right to vote more than 50% of the common stock or other voting interest of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable.

*"**Churchill Bluemont Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Bluemont Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Churchill Eligible FFELP Loan**"* means, with respect to the Initial Pool only, a Student Loan that was an Eligible FFELP Loan under and as defined in any of the Churchill Note Purchase Agreements immediately prior to the termination of the Churchill FFELP Loan Facilities and, at any time of determination after the Closing Date, satisfies the criteria in subclauses (a) through (j) and (l) through (v) of clause (2) of the definition of "Eligible FFELP Loan" under this Agreement.

*"**Churchill FFELP Loan Facilities**"* means, collectively, the financing facilities established pursuant to the Churchill Note Purchase Agreements.

*"**Churchill Note Purchase Agreements**"* means the Churchill Bluemont Note Purchase Agreement, the Churchill Town Center Note Purchase Agreement and the Churchill Town Hall Note Purchase Agreement.

*"**Churchill Town Center Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Town Center Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Churchill Town Hall Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Town Hall Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Class A Advance**"* means an Advance under a Class A Note.

*"**Class A Note**"* means a variable funding note, substantially in the form attached hereto as Exhibit J.

"***Closing Date***" means the Original Closing Date.

*"**Co-Valuation Agents**"* means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC) and Barclays Bank PLC, or any other entity appointed as successor Co-Valuation Agent pursuant to the Valuation Agent Agreement.

*"**Co-Valuation Agents Fees**"* means the fees and charges, if any, of the Co-Valuation Agents, including reasonable legal fees and expenses, payable to the Co-Valuation Agents pursuant to the Valuation Agent Fee Letter.

*"**Code**"* means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute and the regulations promulgated and rulings issued thereunder.

*"**Collateral Value**"* means with respect to each pool of Eligible FFELP Loans to be added to the Trust Student Loans in connection with a particular Purchase Price Advance, an amount equal to the product of the weighted average advance rate referred to in clause (a) of the definition of Applicable Percentage for such pool and the aggregate Principal Balance of such pool; provided, however, that if the Applicable Percentage set forth in the most recent Valuation Report is the percentage referred to in clause (b) or (c) of the definition of Applicable Percentage, then in calculating each of the percentages used in determining the weighted average advance rate referred to in clause (a) of the definition of Applicable Percentage for such pool, each such percentage shall be multiplied by a fraction the numerator of which is the lower of the percentages calculated pursuant to clause (b) and (c) of the definition of Applicable Percentage in the most recent Valuation Report, and the denominator of which is the weighted average advance rate calculated pursuant to clause (a) of the definition of Applicable Percentage in the most recent Valuation Report.

*"**Collection Account**"* means the special account created pursuant to Section 2.04(a).

*"**Collections**"* means (a) all amounts received with respect to principal and interest and other proceeds, payments and reimbursements, including Recoveries, with respect to any Trust Student Loan and any other collection of cash with respect to such Trust Student Loan and (b) all other cash collections and other cash proceeds of the Pledged Collateral (including, without limitation, in each of clauses (a) and (b) above, each of the items enumerated in the definition of Available Funds with respect to any Settlement Period).

*"**Commitment**"* means (i) with respect to a Lender, the obligation, if any, of such Lender to fund Advances pursuant to this Agreement in the amount stated to be such Lender's "Commitment" on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time including by the Administrative Agent to reflect assignments, reallocations, decreases and increases of the Commitments permitted under this Agreement and (ii) with respect to a Facility Group, the aggregate Commitment of the Lenders within such Facility Group, in each case as such Commitment may be reduced or increased

pursuant to Section 2.03; provided, however, that upon termination of a Revolving Period that is not capable of being reinstated, and on each Settlement Date thereafter on which the Aggregate Note Balance has been reduced, the Commitment shall be reduced for (a) each Lender to an amount equal to such Lender's Pro Rata Share of the sum of (1) the Aggregate Note Balance of the Class A Note held by such Lender's Facility Group and (2) the Capitalized Interest Account Unfunded Balance, and (b) each Facility Group to an amount equal to the sum of (1) the Aggregate Note Balance of the Class A Note held by such Facility Group and (2) such Facility Group's Pro Rata Share of the Capitalized Interest Account Unfunded Balance.

*"**Committed Conduit Lender**"* means any Conduit Lender that has a Commitment and any of its successors or assigns (subject to Section 10.04).

*"**Conduit Assignee**"* means, with respect to a Conduit Lender, any special purpose entity that finances its activities directly or indirectly through asset backed commercial paper and (x) is administered by a Managing Agent or any Affiliate of a Managing Agent or (y) has entered into a Program Support Agreement with an Alternate Lender which is a member of such Conduit Lender's Facility Group or an Affiliate of such an Alternate Lender, and in either case is designated by such Conduit Lender's Managing Agent from time to time to accept an assignment from such Conduit Lender of outstanding Advances; provided, however, that with respect to any Conduit Lender with a Commitment hereunder, such Conduit Assignee must be an assignee with respect to such Commitment.

*"**Conduit Lender**"* means any special purpose entity identified as a Conduit Lender on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

"***Consolidated Tangible Net Worth***" means, as of any date of determination, the consolidated stockholders' equity of SLM Corporation and its consolidated subsidiaries, determined in accordance with GAAP, less their consolidated Intangible Assets, all determined as of such date.

*"**Consolidation Loan**"* means a loan made to a borrower which loan consolidates such borrower's PLUS/SLS Loans, direct loans made by the Department of Education, Stafford Loans made in accordance with the Higher Education Act and/or loans made under the Federal Health Education Assistance Loan Program authorized under Sections 701 through 720 of the Public Health Services Act.

*"**Conveyance Agreement**"* means the Conveyance Agreement, dated as of February 29, 2008, among the Master Depositor, the Depositor and the Interim Eligible Lender Trustee, under which the Master Depositor may from time to time transfer, on a true sale basis, certain Eligible FFELP Loans to the Depositor, together with all transfer agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**CP**"* means the commercial paper notes issued from time to time by means of which a Conduit Lender (directly or indirectly) obtains financing.

*"**CP Advance**"* means an Advance made through the issuance of CP.

*"**CP Rate**"* means, for any Settlement Period, for any Conduit Lender, for the portion of the Aggregate Note Balance funded by such Conduit Lender directly or indirectly with CP, the rate equivalent to the weighted average cost (as determined by the applicable Managing Agent and which shall include Dealer Fees, incremental carrying costs incurred with respect to CP maturing on dates other than those on which corresponding funds are received by the Conduit Lender, other borrowings by the Conduit Lender to fund any Advances hereunder or its related commercial paper issuer if the Conduit Lender does not itself issue commercial paper (other than under any Program Support Agreement), actual costs of swapping foreign currencies into dollars to the extent the CP is issued in a market outside the U.S. and any other costs associated with the issuance of CP) of or related to the issuance of CP that are allocated, in whole or in part, by the Conduit Lender or the applicable Managing Agent to fund or maintain such portion of the Aggregate Note Balance (and which may be also allocated in part to the funding of other assets of the Conduit Lender); provided, however, that if the rate (or rates) is a discount rate, then the rate (or if more than one rate, the weighted average of the rates) shall be the rate resulting from converting such discount rate (or rates) to an interest-bearing equivalent rate per annum; provided further, however, that for any Conduit Lender in the Facility Group for which JPMorgan Chase Bank, N.A. is Managing Agent, the "CP Rate" for any Settlement Period shall be equal to the weighted average of the JPMorgan Daily/30 Day LIBOR Rate calculated on each date during which CP is issued by such Conduit Lender to fund or maintain its CP Advances during such Settlement Period and as reported to the Administrative Agent by JPMorgan Chase Bank, N.A., as Managing Agent under Section 2.27.

*"**CRD**"* shall mean Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, as amended from time to time, including pursuant to Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009.

*"**CRD Prohibited Hedge**"* means, with respect to any equity interest or credit exposure, any credit risk mitigation, any short positions or any other hedge (as required by Article 122a of CRD, as interpreted from time to time by the Committee of European Banking Supervisors, including in the "Guidelines to Article 122a of the Capital Requirements Directive" published on December 31, 2010) with respect to such equity interest or credit exposure.

*"**Cutoff Date**"* means the Initial Cutoff Date or any Subsequent Cutoff Date, as applicable.

*"**Dealer Fees**"* means a commercial paper dealer fee, payable to each Conduit Lender, of not greater than five basis points per annum on the amount of CP Advances made by such Conduit Lender.

*"**Debt**"* means, with respect to any Person, (a) indebtedness of such Person for borrowed money; (b) obligations of such Person evidenced by bonds, debentures, notes, letters of credit, interest rate and currency swaps or other similar instruments; (c) obligations of such Person to pay the deferred purchase price of property or services; (d) obligations of such Person as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases; (e) obligations secured by an Adverse Claim upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such

obligations; (f) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of other Persons of the kinds referred to in clauses (a) through (e) above; (g) all obligations of such Person upon which interest charges are customarily paid; (h) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person; (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances or as an account party in respect of letters of credit and letters of guaranty; (j) all obligations of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such obligations provide that such Person is not liable therefor; and (k) any other liabilities of such Person which would be treated as indebtedness in accordance with GAAP.

*"**Defaulted Student Loan**"* means any Trust Student Loan (a) as to which any payment or portion thereof is more than the number of days past due from the original due date thereof that would permit the Eligible Lender Trustee, or any other Person acting on its behalf, to submit a default claim to the applicable Guarantor under the terms of the Higher Education Act (which number of days, as of the A&R Closing Date, is 270), (b) the Obligor of which is the subject of an Event of Bankruptcy (without giving effect to any applicable cure or continuance period) or is deceased or disabled or (c) as to which a continuing condition exists that, with notice or the lapse of time or both, would constitute a default, breach, violation or event permitting acceleration under the terms of such Student Loan (other than payment defaults continuing for a period of not more than the number of days past due from the original due date thereof that would permit the submission of a default claim to the applicable Guarantor under the terms of the Higher Education Act).

*"**Defaulting Lender**"* means any Alternate Lender, LIBOR Lender or Committed Conduit Lender that has failed to make its Pro Rata Share of any Advance required to be made by such Lender as and when required under Section 2.01 and has not reimbursed the other Lenders for such failure in accordance with the last sentence of Section 2.01(d).

*"**Delaware Trustee**"* means BNY Mellon Trust of Delaware, a Delaware banking corporation.

*"**Delinquent Student Loan**"* means any Trust Student Loan, which is not a Defaulted Student Loan, as to which any payment, or portion thereof, is more than 120 days past due from the original due date thereof.

*"**Departing Facility Group**"* means a Facility Group whose Commitment the Trust has determined to assign in accordance with Section 2.21(a).

*"**Department of Education**"* or *"**Department**"* means the United States Department of Education, or any other officer, board, body, commission or agency succeeding to the functions thereof under the Higher Education Act.

*"**Depositor**"* means Bluemont Funding LLC, a Delaware limited liability company, in its capacity as depositor with respect to the Trust.

*"**Depositor Interim Trust Agreement**"* means the interim trust agreement, dated as of February 29, 2008, between the Depositor and the Interim Eligible Lender Trustee.

*"**Distressed Lender**"* means any Lender that (i) is a Defaulting Lender, (ii) becomes or is insolvent or has a parent company that has become or is insolvent or (iii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

*"**Eligible FFELP Loan**"* means either:

(1) a Churchill Eligible FFELP Loan; or

(2) a Student Loan which meets the following criteria as of any date of determination:

(a) such Student Loan is fully disbursed;

(b) [reserved];

(c) (i) such Student Loan is a Stafford Loan, an SLS Loan, a PLUS Loan or a Consolidation Loan, and (ii) the Obligor thereof was an Eligible Obligor at the time such Student Loan was originated;

(d) such Student Loan is a U.S. Dollar denominated obligation payable in the United States;

(e) at least 97% of the principal of and interest on such Student Loan is guaranteed by the applicable Guarantor and eligible for reinsurance under the Higher Education Act, such percentage to be met without giving effect to any increase due to any special servicer status under the Higher Education Act of any applicable Servicer;

(f) such Student Loan provides for periodic payments which fully amortize the amount financed over its term to maturity (exclusive of any deferral or forbearance periods granted in accordance with applicable law, including, without limitation, the Higher Education Act, and in accordance with the applicable Guarantee Agreement);

(g) such Student Loan is being serviced by a Servicer under a Servicing Agreement; which is in full force and effect (provided that the Servicing Agreement with Pennsylvania Higher Education Assistance Agency shall qualify for such purposes notwithstanding the absence of the approval of the Office of the Attorney General of the Commonwealth of Pennsylvania as long as such approval is obtained within 90 days after the Closing Date or such later date as is consented to in writing by the Required Managing Agents) and all other

conditions for such agreement to be in full force and effect have been satisfied on, and at all times after, the Closing Date) and if such Student Loan is serviced by a Subservicer, the related Obligor has been directed to make all payments into a Permitted Lockbox;

(h) such Student Loan bears interest at a stated rate equal to the maximum rate permitted under the Higher Education Act for such Student Loan (before giving effect to any borrower benefit programs);

(i) such Student Loan is eligible for the payment of quarterly Special Allowance Payments at a rate established under the formula set forth in the Higher Education Act for such Student Loan;

(j) if not yet in repayment status, such Student Loan is eligible for the payment of Interest Subsidy Payments by the Department of Education or, if not so eligible, is a Student Loan for which interest either is billed quarterly to the Obligor or deferred until commencement of the repayment period, in which case such accrued interest is subject to capitalization to the full extent permitted by the applicable Guarantor;

(k) such Student Loan is not a Defaulted Student Loan at the time the Advance to purchase such Student Loan is made (except with respect to any Churchill Eligible FFELP Loan);

(l) such Student Loan is supported by the following documentation:

(i) loan application, and any supplement thereto;

(ii) evidence of Guarantee;

(iii) any other document and/or record which the Trust or the related Servicer or other agent may be required to retain pursuant to the Higher Education Act;

(iv) if applicable, payment history (or similar documentation) including (A) an indication of the Principal Balance and the date through which interest has been paid, each as of the related date of determination and (B) an accounting of the allocation of all payments by the Obligor or on the Obligor's behalf to principal and interest on the Student Loan;

(v) if applicable, documentation which supports periods of current or past deferment or past forbearance;

(vi) if applicable, a collection history, if the Student Loan was ever in a delinquent status, including detailed summaries of contacts and including the addresses or telephone numbers used in contacting or attempting to contact the related Obligor and any endorser and, if required by the Guarantor, copies of all letters and other correspondence relating to due diligence processing;

(vii) if applicable, evidence of all requests for skip-tracing assistance and current address of the related Obligor, if located;

(viii) if applicable, evidence of requests for pre-claims assistance, and evidence that the Obligor's school(s) have been notified; and

(ix) if applicable, a record of any event resulting in a change to or confirmation of any data in the Student Loan file;

(m) such Student Loan was originated and has been serviced in compliance with all requirements of applicable law, including the Higher Education Act and all origination fees authorized to be collected pursuant to Section 438 of the Higher Education Act have been paid to the United States Secretary of Education;

(n) such Student Loan is evidenced by a single original Student Loan Note and any addendum thereto (or a certified copy thereof if more than one Student Loan is represented by a single Student Loan Note and all Student Loans represented thereby are not being sold) (whether e-signed or otherwise), containing terms in accordance with those required by the FFELP Program, the applicable Guarantee Agreements and other applicable requirements and which does not require the Obligor to consent to the transfer, sale or assignment of the rights and duties of the related Seller, the Master Depositor (or the Interim Eligible Lender Trustee on behalf of the Master Depositor), or the Depositor (or the Interim Eligible Lender Trustee on behalf of the Depositor) or the Trust (or the Eligible Lender Trustee on behalf of the Trust) and does not contain any provision that restricts the ability of the Administrative Agent, on behalf of the Secured Creditors, to exercise its rights under the Transaction Documents;

(o) in each case, (i) immediately prior to the sale thereof to the Master Depositor, the applicable Seller had, (ii) immediately prior to the sale thereof by the Master Depositor to the Depositor or the Related SPE Seller, as applicable, the Master Depositor had, (iii) if applicable, immediately prior to the sale thereof by a Related SPE Seller to the Depositor, such Related SPE Seller had, and (iv) immediately following the acquisition thereof on the related Advance Date, the Trust has, good and marketable title to such Student Loan free and clear of any Adverse Claim or other encumbrance, lien or security interest, or any other prior commitment, other than as may be granted in favor of the Administrative Agent, on behalf of the Secured Creditors;

(p) such Student Loan has not been modified, extended or renegotiated in any way, except (i) as required under the Higher Education Act or other applicable laws, rules and regulations and the applicable Guarantee Agreement, (ii) as provided for or permitted under the applicable underwriting guidelines or Servicing Policies if such modification, extension or renegotiation does not materially adversely affect the value or collectability thereof or (iii) as provided for in the Transaction Documents;

(q) such Student Loan constitutes a legal, valid and binding obligation to pay on the part of the related Obligor enforceable in accordance with its terms and is not noted on the appropriate Servicer's books and records as being subject to a current bankruptcy proceeding;

(r) such Student Loan constitutes an instrument, an account or a general intangible as defined in the UCC in the jurisdiction that governs the perfection of the interests of the Trust therein and the perfection of the Secured Creditors' interest therein;

(s) the sale or assignment of such Student Loan to the Master Depositor or an interim eligible lender trustee on its behalf pursuant to a Purchase Agreement, the sale or assignment of which to the Depositor or the Interim Eligible Lender Trustee on its behalf pursuant to the Conveyance Agreement or the Tri-Party Transfer Agreement, the sale or assignment of which to the Trust or the Eligible Lender Trustee on its behalf pursuant to the Sale Agreement, and the granting of a security interest to the Administrative Agent pursuant to this Agreement does not contravene or conflict with any applicable law, rule or regulation, or require the consent or approval of, or notice to, any Person;

(t) such Student Loan was (i) acquired by the Master Depositor pursuant to a Purchase Agreement and then acquired by the Depositor pursuant to the Conveyance Agreement or (ii) acquired by the Depositor pursuant to the Tri-Party Transfer Agreement, and subsequently sold to the Trust pursuant to the Sale Agreement, and notwithstanding whether the Trust or a Related SPE Trust owned the Student Loan prior to the Closing Date, was not previously owned by the Trust at any time on or after the Closing Date and subsequently re-acquired by the Trust after the Closing Date, unless such repurchase is required under the Higher Education Act;

(u) the purchase price paid for such Student Loan at the time of purchase by the Trust (i) did not exceed the Applicable Percentage (in effect at the time of purchase) multiplied by the Principal Balance thereof, plus amounts, if any, drawn under the Revolving Credit Agreement; and (ii) is reasonably equal to its fair market value at the time of purchase; and

(v) the purchase of such Student Loan will not result in (i) an Amortization Event, (ii) a Termination Event or (iii) an increase in any Excess Concentration Amount that would result in the Asset Coverage Ratio being less than 100%.

For so long as any Rating Agency would consider the Trust potentially to be a "Debt Collection Agency" (as defined in Title 20 of the New York City Administrative Code), with respect to any Student Loan, in the case where (i) the related Obligor resides in New York City, (ii) the related Student Loan was purchased or will be purchased on or after July 16, 2009, and (iii) on such related purchase date the related Obligor had not made all payments then due and payable, such Student Loan is not or will not be an Eligible FFELP Loan.

"***Eligible Institution***" means (a) an institution of higher education, (b) a vocational school or (c) any other institution which, in all of the above cases, is an "eligible institution" as defined in the Higher Education Act and has been approved by the Department of Education and the applicable Guarantor.

"***Eligible Investments***" means book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

(a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America; provided, that obligations of, or guaranteed by, the Government National

Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association shall be Eligible Investments only if, at the time of investment, they have a rating from each of the Rating Agencies in the highest investment category granted thereby;

(b) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the laws of the United States of America or any State (or any domestic branch of a foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (a) above or portion of such obligation for the benefit of the holders of such depository receipts); provided, that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Settlement Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) thereof shall have a credit rating from each of the Rating Agencies in the highest investment category granted thereby;

(c) non-extendible commercial paper having, at the time of the investment, a rating from each of the Rating Agencies then rating that commercial paper in the highest investment category granted thereby;

(d) investments in money market funds having a rating from each of the Rating Agencies in the highest investment category granted thereby (including funds for which the Administrative Agent, the Syndication Agent, or the Eligible Lender Trustee or any of their respective Affiliates is investment manager or advisor);

(e) bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above; and

(f) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or any agency or instrumentality thereof, the obligations of which are backed by the full faith and credit of the United States of America, in each case entered into with a depository institution or trust company (acting as principal) described in clause (b) above.

For purposes of the definition of "Eligible Investments," the phrase "highest investment category" means (i) in the case of Fitch, "AAA" for long-term investments (or the equivalent) and "F-1+" for short-term investments (or the equivalent), (ii) in the case of Moody's, "Aaa" for long-term investments and "Prime-1" for short-term investments, and (iii) in the case of S&P, "AAA" for long-term investments and "A-1+" for short-term investments. A proposed investment not rated by Fitch but rated in the highest investment category by Moody's and S&P shall be considered to be rated by each of the Rating Agencies in the highest investment category granted thereby. In the event the rating(s) of an Eligible Investment falls below the applicable rating(s) set forth herein, the Administrator shall promptly (but in no event longer than the earlier of (x) the maturity date of such Eligible Investment and (y) 60 days from the time of such downgrade) replace such investment, at no cost to the Trust, with an Eligible Investment which has the required ratings.

*"**Eligible Lender**"* means any *"*eligible lender,*"* as defined in the Higher Education Act, which has received an eligible lender designation from the Department of Education or from a Guarantor with respect to Student Loans.

*"**Eligible Lender Trustee**"* means The Bank of New York Mellon Trust Company, National Association, a national banking association, not in its individual capacity but solely as Eligible Lender Trustee under the Trust Agreement and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the terms of the Trust Agreement.

*"**Eligible Lender Trustee Agreements**"* means (i) the VL Funding Eligible Lender Trustee Agreement, dated as of April 24, 2009, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VL Funding LLC, and VL Funding LLC, (ii) the VK Funding Eligible Lender Trustee Agreement, dated as of April 16, 2010, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VK Funding LLC, and VK Funding LLC, and (iii) the Cavalier Funding 1 LLC Eligible Lender Trustee Agreement, dated as of January 14, 2011, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding 1 LLC, and Cavalier Funding 1 LLC.

*"**Eligible Lender Trustee Fees**"* means the fees, reasonable expenses and charges of the Eligible Lender Trustee, including reasonable legal fees and expenses, as agreed to in writing by the Eligible Lender Trustee and the Administrator.

*"**Eligible Lender Trustee Guarantee Agreement**"* means any guarantee or similar agreement issued by any Guarantor to the Eligible Lender Trustee relating to the Guarantee of Trust Student Loans, and any amendment thereto entered into in accordance with the provisions thereof and hereof.

*"**Eligible Obligor**"* means an Obligor who is eligible under the Higher Education Act to be the obligor of a loan for financing a program of education at an Eligible Institution, including an Obligor who is eligible under the Higher Education Act to be an obligor of a loan made pursuant to Section 428A, 428B and 428C of the Higher Education Act.

*"**ERISA**"* means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor statute and the regulations promulgated and rulings issued thereunder.

*"**ERISA Affiliate**"* means (a) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Trust, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Trust, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Trust, any corporation described in clause (a) above or any trade or business described in clause (b) above or other Person which is required to be aggregated with the Trust pursuant to regulations promulgated under Section 414(o) of the Code.

*"**Estimated Interest Adjustment**"* means, for each Settlement Date with respect to any Facility Group, the variation, if any, between (x) the Yield paid on the preceding Settlement Date to such Facility Group and (y) the Yield that accrued on the portion of the Aggregate Note Balance allocable to such Facility Group during the Interest Accrual Period then ending on such preceding Settlement Date. The amount by which clause (y) exceeds clause (x) shall be a positive Estimated Interest Adjustment and the amount by which clause (x) exceeds clause (y) shall be a negative Estimated Interest Adjustment.

*"**Eurodollar Reserve Percentage**"* means, for any day during any period, the reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities"). The LIBOR Rate shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

*"**Event of Bankruptcy**"* means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, which decree or order remains unstayed and in effect for a period of 30 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

*"**Excess Collateral Advance**"* means an Advance made to the Trust that is not a Purchase Price Advance or a Capitalized Interest Advance and is made to provide additional Available Funds; provided, however, that the amount of any such Advance shall not exceed the amount by which (a) the Adjusted Pool Balance plus the sum of the amounts on deposit in the Trust Accounts (other than the Borrower Benefit Account and the Floor Income Rebate Account) exceeds (b) the Reported Liabilities.

*"**Excess Concentration Amount**"* has the meaning set forth in the Side Letter.

*"**Excess Distribution Certificate**"* has the meaning assigned to such term in the Trust Agreement.

*"**Excess Spread**"* means the annualized percentage, calculated on the last day of each calendar month, which is a fraction, the numerator of which is the positive difference, if any, between (x) the Expected Interest Collections for such month with respect to the Trust Student Loans and (y) the sum of (i) the Primary Servicing Fee payable to the Master Servicer for such month, (ii) all other fees payable under this Agreement for such month (other than the Non-Use Fee), (iii) all Monthly Rebate Fees for such month, (iv) all other accrued and unpaid amounts generally payable by the Trust with respect to the Trust Student Loans to the Department or any Guarantor, regardless of whether such amounts are then due and owing and whether such amounts may be netted or deducted from payments to be received from the Department or such Guarantor, as applicable, and (v) all Yield payable to the Lenders for such month in respect of the Class A Notes, and the denominator of which is the product of (x) the weighted average Principal Balance of all Trust Student Loans held by the Trust during such month and (y) the Applicable Percentage as calculated based upon the most recent Valuation Report delivered in the succeeding calendar month.

*"**Excess Spread Test**"* means the three-month average Excess Spread (or, with respect to the first Settlement Period hereunder, the one-month Excess Spread or, with respect to the second Settlement Period hereunder, the two-month average Excess Spread) is greater than or equal to 0.25%.

*"**Excess Yield**"* means, with respect to any Advances for any Lender and any Settlement Date, the amount by which:

(A) the sum of the amounts calculated pursuant to clauses (a) and (b) of the definition of "Yield" with respect to such Advance during the related Yield Period exceeds

(B) (X) the aggregate sum for each day within such Yield Period of (a) the sum of (i)(I) with respect to a CP Advance, the Related LIBOR Rate plus 0.25% and (II) with respect to a LIBOR Advance, the applicable LIBOR Rate for such LIBOR Advance and (ii) the Used Fee Rate (without giving effect to the application of the Non-Renewal Step-Up Rate) that would be applicable if such Advance were a CP Advance, multiplied by (b) the outstanding principal amount of such Lender's Advances on such day, divided by (Y) 360.

*"**Excluded Taxes**"* has the meaning assigned to such term in Section 2.20(a).

*"**Exiting Facility Group**"* means any Maturity Non-Renewing Facility Group.

*"**Exiting Facility Group Amortization Period**"* means, with respect to any Maturity Non-Renewing Facility Group, the period beginning on the then current Scheduled Maturity Date for such Maturity Non-Renewing Facility Group and ending on the earliest to occur of (i) the occurrence of an Amortization Event or a Termination Event, (ii) 90 days after the start of the period described above and (iii) the date the Aggregate Note Balance of the Class A Note held by the Exiting Facility Group has been repaid in full.

*"**Expected Interest Collections**"* means, for any calendar month, the sum of (i) the amount of interest due or accrued with respect to the Trust Student Loans and payable by the related Obligors thereon during such calendar month (whether or not such interest is actually paid), (ii) all Interest Subsidy Payments and Special Allowance Payments estimated to have accrued with respect to the Trust Student Loans during such calendar month whether or not actually received and (iii) investment earnings on the Trust Accounts for such calendar month.

*"**Facility**"* means the FFELP student loan conduit securitization facility established pursuant to this Agreement.

*"**Facility Group**"* means a Managing Agent and its related Conduit Lenders, Alternate Lenders, LIBOR Lenders and Program Support Providers, as applicable.

*"**Fair Market Auction**"* means a commercially reasonable sale of Trust Student Loans pursuant to an arm's-length auction process with respect to which (a) bids have been solicited from two or more potential bidders including at least two bidders that are not Affiliates of SLM Corporation, (b) at least one bid is received from a bidder that is not an Affiliate of SLM Corporation and (c) if an Affiliate of SLM Corporation submits the winning bid, such bid is in an amount reasonably equal to the fair market value of the Trust Student Loans being sold.

"*FATCA*" means Sections 1471 through 1474 of the Code and any regulations or official interpretations thereof.

*"**Federal Funds Rate**"* means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (adjusted, if necessary, to the nearest 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by it.

*"**Federal Reimbursement Contracts**"* means any agreement between any Guarantor and the Department of Education providing for the payment by the Department of Education of amounts authorized to be paid pursuant to the Higher Education Act, including but not necessarily limited to reimbursement of amounts paid or payable upon defaulted student loans Guaranteed by such Guarantor to holders of qualifying student loans Guaranteed by any Guarantor.

*"**Fee Letters**"* means the Administrative Agent and Syndication Agent Fee Letter, the Lenders Fee Letter and the Valuation Agent Fee Letter.

"***FFELP Loan***" means a Consolidation Loan, a PLUS Loan, an SLS Loan or a Stafford Loan.

*"**FFELP Loan Facilities**"* means the FFELP student loan conduit securitization facilities established pursuant to (i) this Agreement; (ii) that certain Amended and Restated Note Purchase and Security Agreement, dated as of the A&R Closing Date, among Town Hall Funding I, the arrangers party thereto, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing

agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, JPMorgan Chase Bank, N.A., as syndication agent, and Sallie Mae, Inc., as administrator; and (iii) that certain Amended and Restated Note Purchase and Security Agreement, dated as of the A&R Closing Date, among Town Center Funding I, the arrangers party thereto, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, JPMorgan Chase Bank, N.A., as syndication agent, and Sallie Mae, Inc., as administrator.

*"**FFELP Program**"* means the Federal Family Education Loan Program authorized under the Higher Education Act, including Stafford Loans, SLS Loans, PLUS Loans and Consolidation Loans.

*"**Financing* Costs*"* means an amount equal to the sum (without duplication) of (i) the accrued Yield applicable to the Class A Notes for the preceding Yield Period; (ii) the Non-Use Fee applicable to the Class A Notes for the preceding Settlement Period; (iii) any past due Yield payable on the Class A Notes; (iv) any past due Non-Use Fees applicable to the Class A Notes; (v) interest on any related loans or other disbursements payable by the Lenders as a result of unreimbursed draws on or under a Program Support Agreement supporting the purchase of the Class A Notes; and (vi) increased costs of the Affected Parties resulting from Yield Protection, if any.

*"**Fitch**"* means Fitch, Inc. (or its successors in interest).

*"**Floor**"* has the meaning assigned to such term in the Side Letter.

*"**Floor Income Rebate Account**"* means the special account created pursuant to Section 2.04(c).

*"**Floor Income Rebate Fee**"* means the quarterly rebate fee payable to the Department of Education on Trust Student Loans originated on or after April 1, 2006 for which interest payable by the related Obligors for such quarter exceeds the Interest Subsidy Payments or Special Allowance Payments applicable to such Trust Student Loans for such quarter.

*"**Fund**"* means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding, or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

*"**GAAP**"* means generally accepted accounting principles as in effect from time to time in the United States that are applicable to the circumstances as of the date of determination and applied on a consistent basis.

*"**GLB Regulations**"* means the Joint Banking Agencies' Privacy of Consumer Financial Information, Final Rule (12 CFR Parts 40, 216, 332 and 573) or the Federal Trade Commission's Privacy of Consumer Financial Information, Final Rule (16 CFR Part 313), as applicable, implementing Title V of the Gramm-Leach-Bliley Act, Public Law 106-102, as amended.

*"**Governmental Authority**"* means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions or pertaining to government, including without limitation any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

*"**Grant**"* or *"**Granted**"* means to pledge, create and grant a security interest in and with regard to property. A Grant of Trust Student Loans, other assets or of any other agreement includes all rights, powers and options (but none of the obligations) of the granting party thereunder.

*"**Guarantee**"* or *"**Guaranteed**"* means, with respect to a Student Loan, the insurance or guarantee by the applicable Guarantor, in accordance with the terms and conditions of the applicable Guarantee Agreement, of some or all of the principal of and accrued interest on such Student Loan and the coverage of such Student Loan by the Federal Reimbursement Contracts providing, among other things, for reimbursement to such Guarantor for losses incurred by it on defaulted Student Loans insured or guaranteed by such Guarantor.

*"**Guarantee Agreements**"* means the Federal Reimbursement Contracts, the Eligible Lender Trustee Guarantee Agreements and any other guarantee or agreement issued by a Guarantor to the Eligible Lender Trustee, which pertain to Student Loans, providing for the payment by the Guarantor of amounts authorized to be paid pursuant to the Higher Education Act to holders of qualifying Student Loans guaranteed in accordance with the Higher Education Act by such Guarantor.

*"**Guarantee Payments**"* means, with respect to a Student Loan, any payment made by a Guarantor pursuant to a Guarantee Agreement in respect of a Trust Student Loan.

*"**Guarantee Percentage**"* means, with respect to a Student Loan, the percentage of principal of and accrued interest on such Student Loan that is Guaranteed under the applicable Guarantee Agreement.

*"**Guarantor**"* means any entity listed on Exhibit B to this Agreement authorized to guarantee Student Loans under the Higher Education Act and with which the Eligible Lender Trustee maintains in effect a Guarantee Agreement.

*"**Guaranty and Pledge Agreement**"* means the Guaranty and Pledge Agreement, dated as of the Original Closing Date, between the Depositor and the Administrative Agent.

*"**Higher Education Act**"* means the Higher Education Act of 1965, as amended or supplemented from time to time, and all regulations and guidelines promulgated thereunder.

*"**Holding Account Lender**"* means (i) any Non-Rated Lender and (ii) any other Lender that has elected at its option to make a Lender Holding Deposit.

*"**Indemnified Party**"* has the meaning assigned to such term in Section 8.01(a).

*"**Indemnity Agreement**"* means the Indemnity Agreement entered into by SLM Corporation, the Trust and the Administrative Agent dated as of the Original Closing Date.

*"**Initial Cutoff Date**"* means the date set forth as such in the initial Advance Request delivered under the Initial Note Purchase Agreement.

*"**Initial Note Purchase Agreement**"* has the meaning assigned to such term in the Preliminary Statements.

*"**Initial Pool**"* means the pool of FFELP Loans owned by the Trust immediately prior to the termination of the Churchill Bluemont Note Purchase Agreement.

*"**Intangible Assets**"* means the amount (to the extent reflected in determining such consolidated stockholders' equity) of all unamortized debt discount and expense, unamortized deferred charges (which for purposes of this definition do not include deferred taxes or premiums paid in connection with the purchase of student loans), goodwill, patents, trademarks, service marks, trade names, anticipated future benefit of tax loss carry-forwards, copyrights, organization or developmental expenses and other intangible assets.

*"**Interest Accrual Period**"* means, each period from a Settlement Date until the immediately succeeding Settlement Date, provided, that the initial Interest Accrual Period shall be the period from the Closing Date until the first Settlement Date.

*"**Interest Coverage Ratio**"* means, for any period of four consecutive fiscal quarters, the ratio of Adjusted Cash Income for such period to Interest Expense for such period.

*"**Interest Expense**"* means, for any period, the aggregate amount which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as "total interest expense."

*"**Interest Subsidy Payments**"* means the interest subsidy payments on certain Trust Student Loans authorized to be made by the Department of Education pursuant to Section 428 of the Higher Education Act or similar payments authorized by federal law or regulations.

*"**Interim Eligible Lender Trustee**"* means The Bank of New York Mellon Trust Company, National Association, a national banking association, not in its individual capacity but solely as eligible lender trustee for the Depositor under the Depositor Interim Trust Agreement, for the Master Depositor under the Master Depositor Interim Trust Agreement, or for the applicable Sellers under the Seller Interim Trust Agreements, as applicable, and its successor or successors and any other corporation which may at any time be substituted in its place.

*"**Interim Trust Agreements**"* means collectively, the Seller Interim Trust Agreements, the Master Depositor Interim Trust Agreement and the Depositor Interim Trust Agreement.

*"**Investment Deficit**"* has the meaning assigned to such term in Section 2.01(d).

*"**Investment Company Act**"* means the Investment Company Act of 1940, as amended.

*"**JPMorgan Daily/30 Day LIBOR Rate**"* shall mean, for any day, a rate per annum equal to the thirty (30) day London-Interbank Offered Rate appearing on the Bloomberg BBAM (British Bankers Association) Page (or on any successor or substitute page of such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by JPMorgan Chase Bank, N.A., as Managing Agent for its Facility Group from time to time in accordance with its customary practices for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m. (London time) on such day or, if such day is not a Business Day in London, the immediately preceding Business Day in London. In the event that such rate is not available on any day at such time for any reason, then the "JPMorgan Daily/30 Day LIBOR Rate" for such day shall be the rate at which thirty (30) day U.S. Dollar deposits of $5,000,000 are offered by the principal London office of JPMorgan Chase Bank, N.A. in immediately available funds in the London interbank market at approximately 11:00 a.m. (London time) on such day; and if JPMorgan Chase Bank, N.A. is for any reason unable to determine the JPMorgan Daily/30 Day LIBOR Rate in the foregoing manner or has determined in good faith that the JPMorgan Daily/30 Day LIBOR Rate determined in such manner does not accurately reflect the cost of acquiring, funding or maintaining an Advance, the JPMorgan Daily/30 Day LIBOR Rate for such day shall be the greater of (a) the JPMorgan Prime Rate for such day and (b) the sum of 0.50% and the Federal Funds Rate for such day.

"***JPMorgan Prime Rate***" means a fluctuating rate per annum equal to the rate of interest in effect for such day as publicly announced from time to time by JPMorgan Chase Bank, N.A. as its "prime rate." The "prime rate" is a rate set by JPMorgan Chase Bank, N.A. based upon various factors including JPMorgan Chase Bank, N.A.'s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by JPMorgan Chase Bank, N.A. shall take effect at the opening of business on the day specified in the public announcement of such change.

*"**Lead Arrangers**"* means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC).

*"**Legal Final Maturity Date**"* means the date occurring on the 40th anniversary of the termination of a Revolving Period that is not capable of being reinstated under the terms of this Agreement.

*"**Lender Guarantor**"* means any Person which has provided in favor of the Administrative Agent an irrevocable guaranty or provided an irrevocable letter of credit, to secure the obligations of a Non-Rated Lender to fund a Capitalized Interest Advance.

*"**Lender Holding Account**"* has the meaning assigned to such term in Section 2.23(a).

*"**Lender Holding Deposit**"* has the meaning assigned to such term in Section 2.23(a).

*"**Lenders**"* means, collectively, the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders.

*"**Lenders Fee Letter**"* means the Second Amended and Restated Lenders Fee Letter, dated as of the A&R Closing Date, among the Trust and the Managing Agents from time to time party thereto.

*"**Liabilities**"* means the sum of the Trust's obligations with respect to (a) the Aggregate Note Balance, (b) all accrued and unpaid Financing Costs applicable thereto to the extent not included in the Aggregate Note Balance, (c) any accrued and unpaid fees, including Servicing Fees, Eligible Lender Trustee Fees and any other fees or payment obligations (other than borrower benefits to the extent the associated reduction in yield has been prefunded in the Borrower Benefit Account) payable by the Trust pursuant to the Transaction Documents, (d) any outstanding Servicer Advances, (e) amounts due and unpaid under the Revolving Credit Agreement, (f) all amounts payable by the Trust with respect to the Trust Student Loans to the Department or any Guarantor then due and owing, regardless of whether such amounts may be netted or deducted from payments to be received from the Department or such Guarantor (other than any such amount payable from or with respect to which the Trust will be reimbursed from the Floor Income Rebate Account) and (g) any other accrued and unpaid Obligations.

*"**LIBOR Advance**"* means an Advance funded with reference to the LIBOR Rate.

*"**LIBOR Base Rate**"* means:

(i) for any Tranche Period for any Alternate Lender or Conduit Lender:

(a) the rate per annum (carried out to the fifth decimal place) equal to the rate determined by the applicable Managing Agent to be the offered rate that appears on the page of the Reuters Screen that displays an average British Bankers Association Interest Settlement Rate (such page currently being LIBOR01) for deposits in United States dollars (for delivery on the first day of such period) with a term equivalent to such period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period;

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum (carried to the fifth decimal place) equal to the rate determined by the applicable Managing Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in United States dollars (for delivery on the first day of such period) with a term equivalent to such period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period; or

(c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the applicable Managing Agent as the rate of interest at which Dollar deposits (for delivery on the first day of such period) in same day funds in the approximate amount of the applicable investment to be funded by reference to the LIBOR Rate and with a term equivalent to such period would be offered by its London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period; and

(ii) for any day during an Interest Accrual Period for any LIBOR Lender:

(a) the rate per annum (carried out to the fifth decimal place) equal to the rate determined by the Administrative Agent to be the offered rate that appears on the page of the Reuters Screen on such day that displays an average British Bankers Association Interest Settlement Rate (such page currently being LIBOR01) for deposits in United States dollars (for delivery on a date two Business Days later) with a term equivalent to one month;

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum (carried to the fifth decimal place) equal to the rate determined by the Administrative Agent to be the offered rate on such day on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in United States dollars (for delivery on a date two Business Days later) with a term equivalent to one month; or

(c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the Administrative Agent on such day as the rate of interest at which Dollar deposits (for delivery on a date two Business days later than such day) in same day funds in the approximate amount of the applicable investment to be funded by reference to the LIBOR Rate and with a term equivalent to one month would be offered by its London Branch to major banks in the London interbank eurodollar market at their request.

*"**LIBOR Lender**"* means any Person identified as a LIBOR Lender on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

*"**LIBOR Rate**"* for any Tranche Period (when used with respect to any Alternate Lender) or for any day during an Interest Accrual Period (when used with respect to any LIBOR Lender), means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

*"**Liquidated Student Loan**"* means any defaulted Trust Student Loan liquidated by the Servicer (which shall not include any Trust Student Loan on which payments pursuant to the applicable Guarantee are received) or which the Servicer has, after using all reasonable efforts to realize upon such Trust Student Loan, determined to charge off in accordance with the applicable Servicing Policies.

*"**Liquidation Proceeds**"* means, with respect to any Liquidated Student Loan which became a Liquidated Student Loan during the current Settlement Period in accordance with the applicable Servicing Policies, the moneys collected in respect of the liquidation thereof from whatever source, other than Recoveries, net of the sum of any amounts expended by the Servicer in connection with such liquidation and any amounts required by law to be remitted to the Obligor on such Liquidated Student Loan.

*"**Liquidity Expiration Date**"* means January 11, 2013, or if such date is extended pursuant to Section 2.16(a), the date to which it is so extended.

*"**Liquidity Non-Renewing Facility Group**"* means a Facility Group that has determined not to extend the Liquidity Expiration Date in accordance with Section 2.16(a).

*"**Lockbox Bank**"* means a bank that maintains a lockbox into which a Subservicer, or the Obligors of the Trust Student Loans serviced by such Subservicer, deposit Collections.

*"**Lockbox Bank Fees**"* means fees, reasonable expenses and charges of a Lockbox Bank as may be agreed to in writing by the Administrator and the Lockbox Bank; provided, that the fees (excluding reasonable expenses and charges) of a Lockbox Bank shall not exceed in the aggregate $2,500 per annum.

*"**Managing Agent**"* means each of the agents identified as a Managing Agent on Exhibit A attached hereto as such Exhibit may be amended, restated or otherwise revised from time to time, acting on behalf of its related LIBOR Lenders and its related Conduit Lenders, Alternate Lenders and Program Support Providers under this Agreement, as applicable, and any of its successors or assigns (subject to Section 10.04).

*"**Market Value Percentage**"* has the meaning assigned to such term in the Valuation Agent Agreement.

*"**Master Depositor**"* means Churchill Funding LLC, a Delaware limited liability company.

*"**Master Depositor Interim Trust Agreement**"* means the interim trust agreement, dated as of February 29, 2008, between the Master Depositor and the Interim Eligible Lender Trustee.

*"**Master Servicer**"* means Sallie Mae, Inc., a Delaware corporation, and its successors and permitted assigns.

*"**Material Adverse Effect**"* means a material adverse effect on:

(a) with respect to the Trust, the status, existence, perfection, priority or enforceability of the Administrative Agent's interest in the Pledged Collateral or the ability of the Trust to perform its obligations under this Agreement or any other Transaction Document or the ability to collect on a material portion of the Pledged Collateral; or

(b) with respect to any other Person, the ability of the applicable Person to perform its obligations under this Agreement or any other Transaction Document.

*"**Material Subservicer**"* means, as of any date of determination, any Subservicer responsible for servicing more than 15% of the Trust Student Loans by aggregate Principal Balance.

*"**Maturity Non-Renewing Facility Group**"* means a Facility Group that has determined not to extend the Scheduled Maturity Date in accordance with Section 2.16(b).

*"**Maximum Advance Amount**"* means, for any Advance Date:

(a) with respect to a Purchase Price Advance, an amount equal to the lesser of (i) the Maximum Financing Amount minus the sum of (A) the Capitalized Interest Account Unfunded Balance and (B) the Aggregate Note Balance and (ii) the aggregate Collateral Value of the Eligible FFELP Loans being acquired;

(b) with respect to an Excess Collateral Advance, an amount equal to the Maximum Financing Amount minus the sum of (A) the Capitalized Interest Account Unfunded Balance and (B) the Aggregate Note Balance (after giving effect to any Purchase Price Advance to be made on such Advance Date); and

(c) with respect to a Capitalized Interest Advance, an amount equal to the lesser of (i) the aggregate Commitments of all Lenders minus the Aggregate Note Balance and (ii) the amount necessary to cause the amount on deposit in the Capitalized Interest Account to equal the Required Capitalized Interest Account Balance.

*"**Maximum Financing Amount**"* means at any time on or after (i) the A&R Closing Date and prior to January 11, 2013, $2,500,000,000.00, (ii) January 11, 2013 and prior to January 10, 2014, $2,166,666,666.66, and (iii) January 10, 2014, $1,833,333,333.34, as such amount may be adjusted from time to time pursuant to Sections 2.03 and 2.21.

*"**Minimum Asset Coverage Requirement**"* means an Asset Coverage Ratio of greater than or equal to 100%.

*"**MNPI**"* has the meaning assigned to such term in Section 10.02(b).

*"**Monthly Administrative Agent's Report**"* means the report to be delivered by the Administrative Agent pursuant to Section 2.05(a).

*"**Monthly Rebate Fee**"* means the monthly rebate fee payable to the Department of Education on the Trust Student Loans which are Consolidation Loans.

*"**Monthly Report**"* means a report, in substantially the form of Exhibit C hereto, prepared by the Administrator and furnished to the Administrative Agent.

*"**Moody's**"* means Moody's Investors Service, Inc. (or its successors in interest).

*"**Multiemployer Plan**"* means a *"*multiemployer plan*"* as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding six years contributed to by the Trust or any ERISA Affiliate.

*"**Net Adjusted Revenue**"* means, for any period, Adjusted Revenue for such period less Interest Expense and Operating Expenses for such period.

*"**New York UCC**"* means the New York Uniform Commercial Code as in effect from time to time.

*"**Non-Defaulting Lender**"* has the meaning assigned to such term in Section 2.01(d).

*"**Non-Rated Lender**"* means, as of any date of determination, any Alternate Lender, LIBOR Lender or Committed Conduit Lender which does not satisfy any of the following: (i) has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's, (ii) has a Lender Guarantor which has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's, or (iii) has a Qualified Program Support Provider.

*"**Non-Renewal Step-Up Rate**"* has the meaning assigned to such term in the Lenders Fee Letter.

*"**Non-U.S. Lender**"* has the meaning assigned to such term in Section 2.20(d).

*"**Non-Use* Fee***"* means, with respect to each Facility Group, a non-use fee, payable monthly by the Trust to the Managing Agent for such Facility Group as set forth in the Lenders Fee Letter.

*"**Note**"* means a Class A Note issued by the Trust hereunder to a Registered Owner.

*"**Note Account**"* has the meaning specified in Section 2.11.

*"**Note Purchase**"* means the purchase of Class A Notes under this Agreement.

*"**Note Purchasers**"* means the Lenders and, if applicable, their respective Program Support Providers, and their respective successors and assigns (subject to Section 10.04). Each Facility Group shall purchase its Class A Notes and otherwise act through its Managing Agent.

*"**Note Register**"* has the meaning assigned to such term in Section 3.05(a).

*"**Note Registrar**"* has the meaning assigned to such term in Section 3.05(a).

*"**Notice of Release**"* has the meaning assigned to such term in Section 2.18(b)(iii).

*"**Obligations**"* means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Trust to the Secured Creditors, arising under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby and shall include, without limitation, all liability for principal of

and Financing Costs on the Class A Notes, closing fees, unused line fees, audit fees, Administrative Agent Fees, Syndication Agent Fees, Co-Valuation Agents Fees, expense reimbursements, indemnifications, and other amounts due or to become due under the Transaction Documents, including, without limitation, interest, fees and other obligations that accrue after the commencement of an insolvency proceeding (in each case whether or not allowed as a claim in such insolvency proceeding).

*"**Obligor**"* means the borrower or co-borrower or any other Person obligated to make payments with respect to a Student Loan.

*"**Officer's Certificate**"* means a certificate signed and delivered by an Authorized Officer.

*"**Official Body**"* means any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

*"**Omnibus Reaffirmation and Amendment**"* means the Omnibus Reaffirmation and Amendment dated as of the A&R Closing Date, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee under the Eligible Lender Trustee Agreements, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding LLC, the Depositor, the Master Depositor, each Seller, Cavalier Funding LLC, Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

*"**Omnibus Waiver and Consent**"* means that certain Omnibus Waiver and Consent dated as of February 29, 2008 given by SLM Education Credit Finance Corporation and SLM Corporation.

*"**Ongoing Seller**"* means any of the Sellers other than Mustang Funding I, LLC, Mustang Funding II, LLC and Phoenix Fundings LLC.

*"**Operating Expenses**"* means, for any period, the aggregate amount which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as "total operating expenses."

*"**Opinion of Counsel**"* means an opinion in writing of outside legal counsel, who may be counsel or special counsel to the Trust, any Affiliate of the Trust, the Eligible Lender Trustee, the Administrator, the Administrative Agent, the Syndication Agent, any Managing Agent or any Lender.

*"**Original Closing Date**"* means January 15, 2010.

*"**Original Obligations**"* has the meaning assigned to such term in Section 1.06.

*"**Original Amendment and Reaffirmation**"* the Amended and Restated Omnibus Reaffirmation and Amendment dated as of January 14, 2011, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, the Depositor, the Master Depositor, each Seller (other than Cavalier Funding 1 LLC), Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

*"**Other Applicable Taxes**"* has the meaning assigned to such term in Section 2.13.

*"**Other Taxes**"* has the meaning assigned to such term in Section 2.20(a).

*"**Outstanding**"* means, when used with respect to Class A Notes, as of the date of determination, all Class A Notes theretofore authenticated and delivered under this Agreement except,

(a) Class A Notes theretofore cancelled by the Note Registrar or delivered to the Note Registrar for cancellation; and

(b) Class A Notes for whose payment or repayment money in the necessary amount and currency and in immediately available funds has been theretofore deposited with the Administrative Agent for the Registered Owners of such Class A Notes; and

(c) Class A Notes which have been exchanged for other Class A Notes, or in lieu of which other Class A Notes have been delivered, pursuant to this Agreement.

*"**Participant**"* has the meaning assigned to such term in Section 10.04(m).

*"**Patriot Act**"* has the meaning assigned to such term in Section 10.18.

*"**PBGC**"* means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

*"**Permitted Excess Collateral Release**"* means a release of Pledged Collateral to the holder of the Excess Distribution Certificate pursuant to Section 2.18(d); provided that so long as the Depositor or any Affiliate of the Depositor is the holder of the Excess Distribution Certificate, the Depositor or such Affiliate, as applicable, to the extent it transfers the Student Loans received in connection with such release, does so only in a manner providing for (i) a transfer of loans consistent with those set forth in the definition of Permitted Release under clauses (a), (b), (c), (d), (e), (f) or (h) (but excluding any specific requirements set forth in Section 2.18(b)(iv)(I)(A) or Section 2.18(c)) or (ii) a transfer to a special purpose entity which is not inconsistent with the factual assumptions set forth in the opinion letters referred to in Section 5.02(h).

*"**Permitted Lockbox**"* means a lockbox arrangement between a Subservicer and a Lockbox Bank approved by the Administrative Agent, with respect to which Collections from Obligors whose Student Loans are serviced by such Subservicer are sent to the related lockboxes and are forwarded by the applicable Lockbox Bank to the Collection Account within two Business Days after receipt of good funds.

*"**Permitted Release**"* means a release of Pledged Collateral in connection with (a) a Take Out Securitization, (b) a Whole Loan Sale, (c) a Fair Market Auction, (d) a Permitted SPE Transfer, (e) a Permitted Seller Buy-Back, (f) a Servicer Buy-Out, (g) a Permitted Excess Collateral Release or (h) any other transfer of Pledged Collateral with respect to which the Administrative Agent has received a Required Legal Opinion.

*"**Permitted Seller Buy-Back**"* means an arm's length transfer of Pledged Collateral by the Trust to the Depositor and subsequently by the Depositor to the applicable Seller, so long as the aggregate principal amount of all such Permitted Seller Buy-Backs since February 29, 2008, does not exceed ten percent of the lesser of (i) the highest Aggregate Note Balance outstanding at any time under this Agreement and (ii) the aggregate original principal amount of all Student Loans sold, directly or indirectly to the Trust by SLM Education Credit Finance Corporation, including any Student Loans deemed to have been sold by SLM Education Credit Finance Corporation, in its capacity as the assignee of the Student Loan Marketing Association.

*"**Permitted SPE Sale Agreement**"* means (i) the Sale Agreement Master Securitization Terms Number 1000, dated as of April 24, 2009, among the Depositor, as seller, VL Funding LLC, as purchaser, the Master Servicer, the Eligible Lender Trustee and The Bank of New York Mellon Trust Company, National Association, as Purchaser Eligible Lender Trustee and (ii) any other sale agreement among the Depositor, as seller, a Permitted SPE Transferee, as purchaser, the Master Servicer, the Eligible Lender Trustee and The Bank of New York Mellon Trust Company, National Association, as Purchaser Eligible Lender Trustee.

*"**Permitted SPE Transfer**"* means an arm's length transfer of Pledged Collateral by the Trust to the Depositor and subsequently by the Depositor to a Permitted SPE Transferee pursuant to a Permitted SPE Sale Agreement.

*"**Permitted SPE Transferee**"* means (i) a Related SPE Seller or (ii) a special purpose entity established by SLM Corporation or SLM Education Credit Finance Corporation, which is not a Seller (other than VL Funding LLC and VK Funding LLC), for which the Administrative Agent has received an Opinion of Counsel reasonably satisfactory to it as to the non-consolidation of such special purpose entity with SLM Corporation, Sallie Mae, Inc., the Sellers, the Master Depositor, the Depositor and the Related SPE Trusts under each other FFELP Loan Facility.

*"**Person**"* means an individual, partnership, corporation (including a statutory trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, government (or any agency or political subdivision thereof) or other entity.

*"**Platform**"* has the meaning assigned to such term in Section 10.02(b).

*"**Pledged Collateral**"* has the meaning specified in Section 2.10.

*"**PLUS Loan**"* means a student loan originated under the authority set forth in Section 428A or B (or a predecessor section thereto) of the Higher Education Act and shall include student loans designated as "PLUS Loans" or "Grad PLUS Loans," as defined under the Higher Education Act.

*"**Post-Legislation Consolidation Loan**"* means a Consolidation Loan originated on or after October 1, 2007.

*"**Potential Amortization Event**"* means an event which but for the lapse of time or the giving of notice, or both, would constitute an Amortization Event.

*"**Potential Termination Event**"* means an event which but for the lapse of time or the giving of notice, or both, would constitute a Termination Event.

*"**Power of Attorney**"* means that certain Power of Attorney of the Trust dated as of the Original Closing Date, appointing Bank of America, N.A., as Administrative Agent, as the Trust's attorney-in-fact.

*"**Primary Servicing Fee**"* for any Settlement Date has the meaning specified in Attachment A to the Servicing Agreement, and shall include any such fees from prior Settlement Dates that remain unpaid.

*"**Prime Rate**"* means, for any day, a fluctuating rate per annum equal to the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its *"*prime rate.*"* The "prime rate" is a rate set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

*"**Principal Balance**"* means, with respect to any Student Loan and any specified date, the outstanding principal amount of such Student Loan, plus accrued and unpaid interest thereon to be capitalized.

*"**Principal Distribution Amount**"* means, with respect to any Settlement Date, (i) during a Revolving Period so long as no Termination Event has occurred and is continuing, the excess, if any, of (a) the Aggregate Note Balance as of the end of the related Settlement Period over (b) the lesser of the (x) the Adjusted Pool Balance and (y) the Maximum Financing Amount minus the Capitalized Interest Account Unfunded Balance, as of the end of the related Settlement Period, and (ii) at any other time, the Aggregate Note Balance.

*"**Pro Rata Share**"* means (a) with respect to any particular Facility Group, a fraction (expressed as a percentage) the numerator of which is the aggregate Commitment of such Facility Group and the denominator of which is the Maximum Financing Amount; (b) with respect to any Lender within a Facility Group, the percentage of such Facility Group's Pro Rata Share allocated to such Lender by its Managing Agent; and (c) with respect to any repayment of Class A Notes with respect to any Lender, a fraction (expressed as a percentage) the numerator of which is the Aggregate Note Balance attributable to such Lender, and the denominator of which is the Aggregate Note Balance; provided, that for so long as any Lender is a Defaulting Lender, the Aggregate Note Balance attributable to such Lender shall be disregarded for purposes of determining such calculation and its Pro Rata Share under this clause (c) shall be deemed to be zero.

*"**Program Support Agreement**"* means, with respect to any Conduit Lender, any liquidity agreement or any other agreement entered into by any Program Support Provider providing for the issuance of one or more letters of credit for the account of such Conduit Lender (or any related commercial paper issuer that finances such Conduit Lender), the issuance of one or more surety bonds for which such Conduit Lender or such related issuer is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, the sale by the Conduit Lender or such related issuer to any Program Support Provider of any interest in a Class A Note (or portions thereof or participations therein) and/or the making of loans and/or other extensions of liquidity or credit to the Conduit Lender or such related issuer in connection with its commercial paper program, together with any letter of credit, surety bond or other instrument issued thereunder.

*"**Program Support Provider**"* means and includes any Person now or hereafter extending liquidity or credit or having a commitment to extend liquidity or credit to or for the account of, or to make purchases from, a Conduit Lender (or any related commercial paper issuer that finances such Conduit Lender) in support of commercial paper issued, directly or indirectly, by such Conduit Lender in order to fund Advances made by such Conduit Lender hereunder or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such Conduit Lender's or such related issuer's commercial paper program, but only to the extent that such letter of credit, surety bond, or other instrument supported either CP issued to make Advances and purchase the Class A Notes hereunder or was dedicated to that Program Support Provider's support of the Conduit Lender as a whole rather than one particular issuer (other than the Trust) within such Conduit Lender's commercial paper program.

*"**Program Support Termination Event**"* means the earliest to occur of the following: (a) any Program Support Provider related to a Conduit Lender has its rating lowered below "A-1" by S&P, "Prime-1" by Moody's or "F1" by Fitch (if rated by Fitch), unless a replacement Program Support Provider having ratings of at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch) is substituted within 30 days of such downgrade or alternative arrangements are then in place that are sufficient to continue to enable such Rating Agency to rate the affected CP at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch); (b) any Program Support Provider shall fail to honor any of its payment obligations under its Program Support Agreement unless alternative arrangements are then in place that are sufficient to continue to enable such Rating Agency to rate the affected CP at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch); (c) a Program Support Agreement shall cease for any reason to be in full force and effect or be declared null and void; or (d) the final maturity date of such Program Support Agreement (unless such final maturity date is extended pursuant to the Program Support Agreement).

*"**Proprietary Institution**"* means a for-profit vocational school.

*"**Proprietary Loan**"* means a loan made to or for the benefit of a student attending a Proprietary Institution; provided, however, that if a Student Loan that was initially a Proprietary Loan is consolidated, that Student Loan shall no longer be a Proprietary Loan.

*"**Public Lender**"* has the meaning assigned to such term in Section 10.02(b).

*"**Purchase Agreement**"* means each Purchase Agreement between a Seller (other than a Related SPE Seller), the Interim Eligible Lender Trustee, if applicable, Sallie Mae, Inc., as master servicer, and the Master Depositor, together with all purchase agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**Purchase Price Advance**"* means an Advance made to fund the purchase by the Trust of Eligible FFELP Loans.

*"**Qualified Institution**"* means the Administrative Agent or, with the written consent of the Administrative Agent and the Trust (or the Administrator on behalf of the Trust), any bank or trust company which has (a) a long-term unsecured debt rating of at least "A2" by Moody's and at least "A" by S&P and (b) a short-term rating of at least "Prime-1" by Moody's and at least "A-1" by S&P.

*"**Qualified Program Support Provider**"* means, with respect to a Committed Conduit Lender, any Program Support Provider to such Conduit Lender which has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's.

*"**Rating Agencies**"* means each of Moody's, S&P and Fitch.

*"**Rating Agency Condition**"* means, with respect to a particular amendment to or change in the Transaction Documents, that each Rating Agency rating the CP of any Conduit Lender shall, if required pursuant to such Conduit Lender's program documents or by the related Managing Agent, have provided a statement in writing that such amendment or change will not result in a withdrawal or reduction of the ratings of such CP.

"***Ratings Request***" has the meaning assigned to such term in Section 2.15(d).

*"**Records**"* means all documents, books, records, Student Loan Notes and other information (including without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) maintained with respect to Trust Student Loans or otherwise in respect of the Pledged Collateral.

*"**Recoveries**"* means moneys collected from whatever source with respect to any Liquidated Student Loan which was written off in prior Settlement Periods or during the current Settlement Period, net of the sum of any amounts expended by the Servicer with respect to such Student Loan for the account of any Obligor and any amounts required by law to be remitted to any Obligor.

*"**Register**"* means that register maintained by the Administrative Agent, pursuant to Section 10.04(j), on which it will record the Lenders' rights hereunder, and each assignment and acceptance and participation.

*"**Registered Owner**"* means the Person in whose name a Note is registered in the Note Register. The Managing Agents shall be the initial Registered Owners.

*"**Regulatory Change**"* means, relative to any Affected Party:

(a) after the A&R Closing Date, any change in or the adoption or implementation of, any new (or any new interpretation or administration of any existing):

(i) United States federal or state law or foreign law applicable to such Affected Party;

(ii) regulation, interpretation, directive, requirement, guideline or request (whether or not having the force of law) applicable to such Affected Party of (A) any court or Governmental Authority charged with the interpretation or administration of any law referred to in clause (a)(i) above or (B) any fiscal, monetary or other authority having jurisdiction over such Affected Party; or

(iii) generally accepted accounting principles or regulatory accounting principles applicable to such Affected Party and affecting the application to such Affected Party of any law, regulation, interpretation, directive, requirement, guideline or request referred to in clause (a)(i) or (a)(ii) above;

(b) any change after the A&R Closing Date in the application to such Affected Party (or any implementation by such Affected Party) of any existing law, regulation, interpretation, directive, requirement, guideline or request referred to in clause (a)(i), (a)(ii) or (a)(iii) above; or

(c) the compliance, whether commenced prior to or after the A&R Closing Date hereof, by any Affected Party with (w) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof (the "***Dodd-Frank Act***"), (x) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities ("***Basel III***"), (y) Article 122a of CRD or (z) any existing or future rules, regulations, guidance, interpretations or directives from the U.S. or foreign bank regulatory agencies relating to the Dodd-Frank Act, Basel III or Article 122a of CRD (whether or not having the force of law).

*"**Related LIBOR Rate**"* means, with respect to any CP Advance and any Yield Period, the LIBOR Base Rate that would be applicable under clause (ii) of the definition thereof to a LIBOR Advance with an Interest Accrual Period corresponding to the related Settlement Period; provided, that if any Conduit Lender calculates its CP Rate based on match-funding rather than pool funding, the Related LIBOR Rate for such Conduit Lender shall be calculated based on an interest rate equal to the weighted average of the LIBOR Base Rate under clause (ii) of the definition thereof as calculated on each date during which CP is issued to fund or maintain the CP Advances during the related Settlement Period and as reported to the Administrative Agent by the applicable Managing Agent under Section 2.27.

*"**Related Parties**"* means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

*"**Related SPE Sellers**"* means Town Hall Funding LLC and Town Center Funding LLC, each a Delaware limited liability company.

*"**Related SPE Trusts**"* means Town Hall Funding I and Town Center Funding I, each a Delaware statutory trust.

*"**Release Reconciliation Statement**"* has the meaning assigned to such term in Section 2.18.

*"**Released Collateral**"* means any Pledged Collateral released pursuant to Section 2.18.

*"**Reportable Event**"* means any of the events set forth in Section 4043(c) of ERISA.

*"**Reported Liabilities**"* means, as of any date, the Liabilities of the Trust (less amounts then outstanding under the Revolving Credit Agreement) reported to the Trust (or to the Administrator on behalf of the Trust) as set forth in the most recent Monthly Report and as adjusted for any Advances made since the date of such Monthly Report or with respect to which the Trust (or the Administrator on behalf of the Trust) has actual knowledge.

*"**Reporting Date**"* means the twenty-second (22nd) day of each calendar month, beginning February 22, 2010 or, if such day is not a Business Day, the immediately preceding Business Day.

*"**Requested Advance Amount**"* means the amount of the Advance that is requested by the Trust.

*"**Required Borrower Benefit Amount**"* means (i) any amount required to be deposited into the Borrower Benefit Account pursuant to Section 6.26(a)(ii) and (ii) any Borrower Benefit Amount.

*"**Required Capitalized Interest Account Balance**"* means (i) at any time that no Capitalized Interest Account Funding Event has occurred and is continuing, $0, (ii) after the occurrence and during the continuation of a Capitalized Interest Account Funding Event, the Capitalized Interest Account Specified Balance, and (iii) at any time a Maturity Non-Renewing Facility Group is required to make a Capitalized Interest Advance pursuant to Section 2.21(b), the amount of such Capitalized Interest Advance.

*"**Required Holding Deposit Amount**"* has the meaning assigned to such term in Section 2.23.

*"**Required Legal Opinion**"* means an opinion of Orrick, Herrington & Sutcliffe LLP, or such other outside counsel to the Trust reasonably acceptable to the Administrative Agent, with respect to the true sale of Trust Student Loans and non-consolidation issues that describes the facts of the proposed transaction and contains conclusions reasonably determined by the Administrative Agent to be in form and substance similar to the conclusions contained in the legal opinions previously delivered to and accepted by the Administrative Agent on the Original Closing Date.

*"**Required Managing Agents**"* means, at any time, not less than three Managing Agents representing Facility Groups then holding at least 66-2/3% of the Aggregate Note Balance; provided, that if there are no outstanding Advances, then "Required Managing Agents" means at such time not less than three Managing Agents representing Facility Groups then holding at least 66-2/3% of the Commitments; and provided further, that the Commitments and Advances held by a Distressed Lender's Facility Group shall not be included in determining whether Required Managing Agents have approved or not approved any amendments, waivers or other actions requiring the approval of the Required Managing Agents under this Agreement or any other Transaction Document.

*"**Required Ratings**"* has the meaning assigned to such term in Section 2.15(d).

*"**Reserve Account**"* means the special account created pursuant to Section 2.06(b).

*"**Reserve Account Specified Balance**"* means (a) on the Closing Date and for each Settlement Period, cash or Eligible Investments in an amount equal to one-quarter of one percent (0.25%) of the Student Loan Pool Balance as of the Closing Date, or as of the last day of that Settlement Period, as applicable, and (b) for each Advance Date, the sum of (i) the Reserve Account Specified Balance as of the last day of the most recent Settlement Period (or, if prior to the end of the first Settlement Period ending after the Closing Date, the Closing Date) and (ii) one-quarter of one percent (0.25%) of the Principal Balance of the Additional Student Loans purchased by the Trust since the last day of the most recent Settlement Period (including Additional Student Loans being purchased by the Trust with the Advance to be made on such Advance Date); provided, however, that the Reserve Account Specified Balance shall be not less than $500,000.

*"**Reset Date**"* means with respect to any LIBOR Advance made by an Alternate Lender or a Conduit Lender, the last Business Day of the related Tranche Period.

*"**Revolving Credit Agreement**"* means the subordinated revolving credit agreement, dated as of February 29, 2008, between the Trust and SLM Corporation to (i) fund the difference, if any, between the amount of each related Advance and the fair market value of the Eligible FFELP Loans purchased pursuant to the Sale Agreement on the related date of purchase and (ii) at the option of SLM Corporation, to cure any breach of the Minimum Asset Coverage Requirement caused by an adjustment of the Applicable Percentage, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

*"**Revolving Period**"* means (A) the period commencing on the Original Closing Date and terminating on the earliest to occur of (i) the Scheduled Maturity Date, (ii) the first day of an Amortization Period and (iii) the Termination Date, and (B) any other period beginning on the date of reinstatement of a Revolving Period pursuant to Section 7.01(i) or Section 7.01(j) and terminating on the earliest to occur thereafter of (i) the Scheduled Maturity Date, (ii) the first day of an Amortization Period and (iii) the Termination Date.

*"**S&P**"* means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

*"**Sale Agreement**"* means the Sale Agreement, dated as of February 29, 2008, among the Depositor, the Trust, the Interim Eligible Lender Trustee and the Eligible Lender Trustee, and under which the Depositor may from time to time transfer certain Eligible FFELP Loans to the Trust, together with all sale agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**Schedule of Trust Student Loans**"* means a listing of all Trust Student Loans delivered to and held by the Administrative Agent (which Schedule of Trust Student Loans may be in the form of microfiche, CD-ROM, electronic or magnetic data file or other medium acceptable to the Administrative Agent), as from time to time amended, supplemented, or modified, which Schedule of Trust Student Loans shall be the master list of all Trust Student Loans then comprising a part of the Pledged Collateral pursuant to this Agreement.

*"**Scheduled Maturity Date**"* means January 9, 2015, or if such date is extended pursuant to Section 2.16(b), the date to which it is so extended.

*"**Secured Creditors**"* means the Administrative Agent, the Syndication Agent, each Conduit Lender, LIBOR Lender, Alternate Lender, Managing Agent, Co-Valuation Agent and Program Support Provider, and any assignee or participant of any Lender or any Program Support Provider pursuant to the terms hereof.

*"**Securities Act**"* means the Securities Act of 1933, as amended.

*"**Securities Intermediary**"* means Bank of America, N.A. and its successors or assigns.

*"**Securitization Value Percentage**"* has the meaning assigned to such term in the Valuation Agent Agreement.

*"**Seller Interim Trust Agreements**"* means (i) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and VG Funding, LLC, and (ii) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and Phoenix Fundings LLC.

*"**Sellers**"* means one or more of SLM Education Credit Finance Corporation, VG Funding, LLC, VL Funding LLC, Mustang Funding I, LLC, Mustang Funding II, LLC, Phoenix Fundings LLC, VK Funding LLC, Cavalier Funding 1 LLC and the Related SPE Sellers, and such other subsidiaries of SLM Corporation as may be agreed upon by the Required Managing Agents (provided, however, that if a proposed seller is a special purpose subsidiary of SLM Corporation for which the Master Servicer is responsible for any repurchase obligations, only the consent of the Administrative Agent shall be required) and with respect to which the requirements of Section 4.04 have been satisfied.

*"**Servicer**"* means the Master Servicer or a Subservicer.

*"**Servicer Advances**"* means any Financing Costs advanced by the Master Servicer pursuant to Section 2.17.

*"**Servicer Buy-Out**"* means the right of the Master Servicer, as set forth in Section 3.05(h) of the Servicing Agreement, to purchase any Trust Student Loans (when added to the aggregate Principal Balance of all Trust Student Loans previously purchased pursuant to a Servicer Buy-Out) in an amount not to exceed 2%, in the aggregate since February 29, 2008, of the Aggregate Note Balance then Outstanding.

*"**Servicer Default**"* means a "Servicer Default" as defined in Section 5.01 of the Servicing Agreement.

*"**Servicing Agreement**"* means, individually or collectively, (a) the Amended and Restated Servicing Agreement, dated as of the Original Closing Date, among the Trust, the Master Servicer, the Eligible Lender Trustee, the Administrator and the Administrative Agent, (b) (i) the Subservicing Agreement dated as of the Original Closing Date, among Pennsylvania Higher Education Assistance Agency, as subservicer, the Master Servicer, the Trust and the Eligible Lender Trustee, (ii) the Federal FFEL Subservicing Agreement dated June 4, 2008, among ACS Education Services, Inc., as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, (iii) the Subservicing Agreement dated as of September 30, 2008, among Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, and (iv) the Subservicing Agreement dated as of July 22, 2011, among Great Lakes Educational Loan Services, Inc., as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, (c) any other servicing agreement among the Trust, the Master Servicer and any Subservicer under which the respective Subservicer agrees to administer and collect the Trust Student Loans but the Master Servicer remains responsible to the Trust for the performance of such duties, which is substantially similar to any of the subservicing agreements signed with Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, or Pennsylvania Higher Education Assistance Agency, or is otherwise consented to by the Administrative Agent, which consent is not to be unreasonably withheld or delayed, and (d) any other subservicing agreement among the Trust, the Master Servicer and a Subservicer, consented to by the Administrative Agent, under which such Subservicer agrees to administer and collect certain Trust Student Loans, but with respect to which the Master Servicer is not liable for such Trust Student Loans.

*"**Servicing Fees**"* means the Primary Servicing Fee, the Carryover Servicing Fee and any other fees payable by the Trust to the Master Servicer or the Subservicers in respect of servicing Trust Student Loans pursuant to the provisions of any Servicing Agreement.

*"**Servicing Policies**"* means the policies and procedures of the Master Servicer or any Subservicer, as applicable, with respect to the servicing of Student Loans.

*"**Settlement Date**"* means the 25th day of each calendar month, beginning February 25, 2010 or, if such day is not a Business Day, the following Business Day.

*"**Settlement Period**"* means (i) initially the period commencing on the Original Closing Date and ending on January 31, 2010, and (ii) thereafter, (a) during a Revolving Period or an Amortization Period, each monthly period ending on (and inclusive of) the last day of the

calendar month and (b) after the occurrence and during the continuation of a Termination Event, such period as determined by the Administrative Agent in its sole discretion (which may be a period as short as one Business Day).

*"**Side Letter**"* means the Second Amended and Restated Side Letter, dated as of the A&R Closing Date, among the Trust, the Administrator, the Administrative Agent, the Managing Agents, the Eligible Lender Trustee and certain other financial institutions party thereto.

*"**SLM Corporation**"* means SLM Corporation, a Delaware corporation, and its successors and assigns.

*"**SLM Guaranty**"* means the Guaranty dated as of March 20, 2008 made by SLM Corporation with respect to certain obligations of Sallie Mae, Inc. under the Purchase Agreements, the Conveyance Agreement and the Tri-Party Transfer Agreement.

*"**SLM* Indemnified Amounts**"* has the meaning assigned to such term in Section 8.02.

*"**SLS Loan**"* means a student loan originated under the authority set forth in Section 428A (or a predecessor section thereto) of the Higher Education Act and shall include student loans designated as "SLS Loans," as defined under the Higher Education Act.

*"**Solvent**"* means, at any time with respect to any Person, a condition under which:

(a) the fair value and present fair saleable value of such Person's total assets is, on the date of determination, greater than such Person's total liabilities (including contingent and unliquidated liabilities) at such time;

(b) the fair value and present fair saleable value of such Person's assets is greater than the amount that will be required to pay such Person's probable liability on its existing debts as they become absolute and matured ("debts," for this purpose, includes all legal liabilities, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent);

(c) such Person is, and shall continue to be, able to pay all of its liabilities as such liabilities mature; and

(d) such Person does not have unreasonably small capital with which to engage in its current and in its anticipated business.

*"**Special Allowance Payments**"* means special allowance payments on Student Loans authorized to be made by the Department of Education pursuant to Section 438 of the Higher Education Act, or similar allowances authorized from time to time by federal law or regulation.

*"**Stafford Loan**"* means a loan designated as such that is made under the Robert T. Stafford Student Loan Program in accordance with the Higher Education Act.

*"**Step-Down Date**"* means any of the dates on which the Maximum Financing Amount is reduced in accordance with the definition thereof.

*"**Step-Up Fees**"* means, with respect to any Facility Group's Class A Notes and any Yield Period, the sum of (1) the Non-Use Fee payable to such Facility Group for such Yield Period and (2) the applicable Excess Yield.

*"**Student Loan**"* means a FFELP Loan.

*"**Student Loan Notes**"* means the promissory note or notes of an Obligor and any amendment thereto evidencing such Obligor's obligation with regard to a Student Loan or the electronic records evidencing the same.

*"**Student Loan Pool Balance**"* means, (i) as of the Initial Cutoff Date, the aggregate Principal Balance of the Trust Student Loans as reported by the Administrator for such date; and (ii) as of any other date of determination, (x) the aggregate Principal Balance (as reported by the Administrator on the last Monthly Report delivered to the Administrative Agent) of the Trust Student Loans, calculated as of the end of the previous calendar month, plus (y) the aggregate Principal Balance of the Trust Student Loans acquired since the end of the previous calendar month as of their respective Cutoff Dates, minus (z) the aggregate Principal Balance of the Trust Student Loans disposed of by the Trust since the end of the previous calendar month as of their respective dates of disposition.

*"**Subsequent Cutoff Date**"* means, with respect to any Trust Student Loan, the *"*Purchase Date*"* for such Trust Student Loan as such term is defined in the Sale Agreement.

*"**Subservicer**"* means, on the A&R Closing Date, Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, Pennsylvania Higher Education Assistance Agency, Nelnet Inc., and, thereafter, in addition, any subservicer appointed by the Master Servicer pursuant to the Servicing Agreement of the Master Servicer.

*"**Syndication Agent**"* means JPMorgan Chase Bank, N.A.

*"**Syndication Agent Fees**"* means, the fees, reasonable expenses and charges, if any, of the Syndication Agent, payable pursuant to the Administrative Agent and Syndication Agent Fee Letter.

*"**Take Out Securitization**"* means a sale or transfer of any portion of the Trust Student Loans by the Trust (directly or indirectly) to a trust sponsored by an Affiliate of the Depositor as part of a publicly or privately traded, rated or unrated student loan securitization, pass-through, pay through, secured note or similar transaction.

*"**Termination Date**"* means the earliest to occur of (a) any date designated as the date for terminating the entire Maximum Financing Amount pursuant to Section 2.03, (b) the last day of an Amortization Period (other than an Amortization Period ending as a result of the reinstatement of a Revolving Period) and (c) the date of the declaration or automatic occurrence of the Termination Date pursuant to Article VII.

*"**Termination Event**"* has the meaning assigned to such term in Article VII.

*"**Tranche Period**"* with respect to LIBOR Advances made by an Alternate Lender or a Conduit Lender, means a period commencing on the date such LIBOR Advance is disbursed or on a Reset Date and ending on the date one day, one week or one month thereafter, as selected by the Trust on its Advance Request; provided, that (i) any Tranche Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Tranche Period shall end on the next preceding Business Day; (ii) any Tranche Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Tranche Period) shall end on the last Business Day of the calendar month at the end of such Tranche Period; and (iii) in no event shall any Tranche Period end after the then current Scheduled Maturity Date.

*"**Transaction Documents**"* means, collectively, this Agreement, the Trust Agreement, the Administration Agreement, each Servicing Agreement, each Purchase Agreement, the Conveyance Agreement, the Sale Agreement, the Tri-Party Transfer Agreement, each Permitted SPE Sale Agreement, all Guarantee Agreements, each Interim Trust Agreement, each Eligible Lender Trustee Agreement, the Valuation Agent Agreement, the Guaranty and Pledge Agreement, the Indemnity Agreement, the Revolving Credit Agreement, the Power of Attorney, the Fee Letters, the Side Letter, the Omnibus Waiver and Consent, the VK Omnibus Waiver and Consent and Guaranty, the Cavalier Omnibus Waiver and Consent and Guaranty, the SLM Guaranty, the Original Amendment and Reaffirmation, the Omnibus Reaffirmation and Amendment, and all other instruments, fee letters, documents and agreements executed in connection with any of the foregoing.

*"**Transaction Parties**"* means, collectively, the Trust, the Depositor, the Administrator, the Master Depositor, the Master Servicer, each Seller and SLM Corporation.

*"**Treasury Regulations**"* means any regulations promulgated by the Internal Revenue Service interpreting the provisions of the Code.

*"**Tri-Party Transfer Agreement**"* means the sale and purchase agreement, dated as of February 29, 2008, among the Depositor, the Related SPE Sellers, the Master Servicer and the related eligible lender trustees.

*"**Trust**"* means Bluemont Funding I, a Delaware statutory trust, and its successors and assigns.

*"**Trust Accounts**"* means the Administration Account, Collection Account, Capitalized Interest Account, Reserve Account, Borrower Benefit Account and Floor Income Rebate Account.

*"**Trust Agreement**"* means the Second Amended and Restated Trust Agreement, dated as of the Original Closing Date, among the Depositor, the Delaware Trustee and the Eligible Lender Trustee.

*"**Trust Indemnified Amounts**"* has the meaning assigned to such term in Section 8.01.

*"**Trust Materials**"* has the meaning assigned to such term in Section 10.02(b).

*"**Trust Student Loan**"* means any Student Loan held by the Trust.

*"**UCC**"* means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

*"**United States**"* means the United States of America.

*"**Used Fee Rate**"* means, with respect to any Lender, the used fee rate as set forth in the Lenders Fee Letter.

*"**Valuation Agent Agreement**"* means the Second Amended and Restated Valuation Agent Agreement, dated as of the A&R Closing Date, among the Trust, the Administrator, the Administrative Agent and the Co-Valuation Agents.

*"**Valuation Agent Fee Letter**"* means the Second Amended and Restated Valuation Agent Fee Letter, dated as of the A&R Closing Date, among the Trust and the Co-Valuation Agents, setting forth the Co-Valuation Agents Fees.

*"**Valuation Date**"* has the meaning assigned to such term in the Valuation Agent Agreement.

*"**Valuation Report**"* means a report furnished by the Administrative Agent pursuant to Section 2.25(a).

*"**Valuation Step-Up Event**"* means the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days while the Minimum Asset Coverage Requirement remains satisfied; provided, that a Valuation Step-Up Event will not occur if the Market Value Percentage and the Securitization Value Percentage are each equal to or greater than the Floor.

*"**Valuation Step-Up Rate**"* means, with respect to any Lender, the valuation step-up rate as set forth in the Lenders Fee Letter.

*"**VK Omnibus Waiver and Consent and Guaranty**"* means the Amended and Restated Omnibus Waiver and Consent and Guaranty relating to VK Funding LLC, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent.

*"**Weighted Average Remaining Term in School**"* means, as of any date of determination, (a) the sum, for all Eligible FFELP Loans that are in in-school status, of the products of (i) the Principal Balance of each such Eligible FFELP Loan, as of such date, and (ii) the number of months remaining in school shown on the Servicer's record, as of such date, for the student with respect to such Eligible FFELP Loan, divided by (b) the aggregate Principal Balance of all Eligible FFELP Loans that are in in-school status, as of such date.

*"**Whole Loan Sale**"* means a sale of all or a part of the Trust Student Loans to a third-party purchaser in exchange for not less than fair market value.

*"**Yield**"* means, for each Facility Group's Class A Notes and any Yield Period, (a) the aggregate sum for each day within such Yield Period of the applicable Yield Rate for such day multiplied by the outstanding principal amount of such Facility Group's Class A Note on such day, divided by 360, plus or minus (b) the Estimated Interest Adjustment if and as applicable minus (c) any Step-Up Fees described in clause (2) of the definition thereof.

*"**Yield Period**"* means, for a CP Advance or a Base Rate Advance, each Settlement Period and for a LIBOR Advance, each Interest Accrual Period.

*"**Yield Protection**"* means any Note Purchaser's reasonable increased costs for taxes, reserves, special deposits, insurance assessments, breakage costs, changes in regulatory capital requirements (or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, such Note Purchaser) and certain reasonable expenses imposed on such Note Purchaser.

*"**Yield Rate**"* means, with respect to any date of determination:

(a) other than during an Amortization Period, after the occurrence and during the continuation of a Valuation Step-Up Event or on and after the occurrence of a Termination Event:

(i) if a Conduit Lender funds (directly or indirectly) its portion of the Aggregate Note Balance with CP, the applicable CP Rate plus the applicable Used Fee Rate;

(ii) if an Alternate Lender or a Conduit Lender (if funding its investment other than with CP) funds its portion of the Aggregate Note Balance, the applicable LIBOR Rate (or if LIBOR Rate is not available, the applicable Base Rate) plus the Applicable Margin; or

(iii) if a LIBOR Lender funds its portion of the Aggregate Note Balance, the applicable LIBOR Rate (or if LIBOR Rate is not available, the applicable Base Rate) plus the Applicable Margin;

(b) during an Amortization Period, the applicable Amortization Period Rate, or if greater, at any time that the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate;

(c) after the occurrence and during the continuation of a Valuation Step-Up Event and so long as neither an Amortization Period nor a Termination Event exists, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate; or

(d) on and after the occurrence of a Termination Event, the Base Rate plus 2.50% per annum plus the applicable Non-Renewal Step-Up Rate, or if greater, at any time that the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate.

Section 1.02. Other Terms.

(a) All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York and not specifically defined herein, are used herein as defined in such Article 9. Any reference to an agreement herein shall be deemed to include a reference to such agreement as amended, supplemented or otherwise modified from time to time.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words *"*include,*"* *"*includes*"* and *"*including*"* shall be deemed to be followed by the phrase *"*without limitation.*"* The word *"*will*"* shall be construed to have the same meaning and effect as the word *"*shall.*"*

(c) Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Transaction Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words *"*herein,*"* *"*hereof*"* and *"*hereunder,*"* and words of similar import when used in any Transaction Document, shall be construed to refer to such Transaction Document in its entirety and not to any particular provision thereof, (iv) all references in any Transaction Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Transaction Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words *"*asset*"* and *"*property*"* shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties.

Section 1.03. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.04. Calculation of Yield Rate and Certain Fees. The Yield Rate on the Class A Notes and all fees payable to the Lenders, the Note Purchasers or the Registered Owners pursuant to this Agreement are calculated based on the actual number of days divided by 360. Interest shall accrue on the Class A Notes from and including the day on which the related Advance is made, and shall not accrue on the Class A Notes or any portion thereof, for the day on which the Class A Notes or such portion is paid. Each determination by the Administrative Agent (or, with respect to the calculation of any CP Rate, LIBOR Base Rate or LIBOR Rate, the applicable Managing Agent), of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 1.05. Time References. All time references in this Agreement shall refer to the time in New York, New York unless otherwise noted.

Section 1.06. Effectiveness of Initial Note Purchase Agreement; Amendment and Restatement. The parties hereto hereby agree that for all purposes (i) for the period commencing on the Original Closing Date through but excluding the A&R Closing Date, the provisions, terms and conditions of the Initial Note Purchase Agreement shall apply in all respects without giving effect to this Agreement, and (ii) from and including the A&R Closing Date, subject to the satisfaction of the conditions precedent set forth in Section 4.05, the provisions, terms and conditions of this Agreement (as it shall be amended, supplemented or modified from time to time) shall govern exclusively. This Agreement shall amend and restate in its entirety the Initial Note Purchase Agreement and shall have the effect of a substitution of terms of the Initial Note Purchase Agreement, but this Agreement will not have the effect of causing a novation, refinancing or other repayment of the obligations of the Transaction Parties under the Initial Note Purchase Agreement (hereinafter the "***Original Obligations***") or a termination or extinguishment of the liens securing such Original Obligations, which Original Obligations shall remain outstanding and repayable pursuant to the terms of this Agreement and which liens shall remain attached, enforceable and perfected securing such Original Obligations and all additional obligations arising under this Agreement. Each reference to the Initial Note Purchase Agreement in any of the Transaction Documents, or any other document, instrument or agreement delivered in connection therewith shall mean and be a reference to this Agreement.

Section 1.07. Consents.

(a) Each of the Secured Creditors party hereto agrees to the terms of, and authorizes the Administrative Agent to execute on its behalf, each of the A&R Transaction Documents to which such Secured Creditor is not itself a party.

(b) Each of the Secured Creditors party hereto consents to the Administrator's withdrawal of its request for Moody's to rate the Class A Notes on the A&R Closing Date. The parties hereto acknowledge that as a result of such withdrawal, immediately prior to giving effect to the amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement on the A&R Closing Date, no Rating Agency rated the Class A Notes at the request of the Administrator.

(c) Each of the Secured Creditors party hereto acknowledges that The Bank of New York Mellon Trust Company, National Association intends to resign in its capacity as Eligible Lender Trustee and Interim Eligible Lender Trustee and that the appointment of a replacement Eligible Lender Trustee and Interim Eligible Lender Trustee is subject to, among the other terms and conditions set forth in the Trust Agreement, the Interim Trust Agreements and the other Transaction Documents, the prior consent of the Administrative Agent. Each such Secured Creditor hereby authorizes the Administrative Agent to give or withhold such consent, and to require such documentation and other deliveries in connection with giving such consent, in each case, in the Administrative Agent's discretion.

(d) Each of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent and the Lenders within the Facility Group for which Alpine Securitization Corp. acted as Managing Agent under the Initial Note Purchase Agreement hereby acknowledge that, effective on the A&R Closing Date, immediately prior to giving effect to the amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement, (i) Alpine Securitization Corp. resigned in its capacity as Managing Agent for such Facility Group and Credit Suisse AG, New York Branch was appointed, and accepted such appointment, as Managing Agent for such Facility Group and (ii) Credit Suisse AG, New York Branch assigned all of its rights and obligations as an Alternate Lender to Credit Suisse AG, Cayman Islands Branch, and such parties confirm that they received notice of such resignation, appointment and assignment in accordance with the Initial Note Purchase Agreement.

(e) The Administrative Agent and each Managing Agent hereby agrees that the Trust may, with respect to all applicable Trust Student Loans, exercise, or permit the exercise of, the rights of the holder or beneficial owner of such Trust Student Loans under Section 438(b)(2)(I)(vii) of the Higher Education Act to waive its rights to have Special Allowance Payments computed using the formula in effect at the time such Trust Student Loans were first disbursed, such that Special Allowance Payments with respect to such Trust Student Loans shall instead be computed based upon the "1-month London Inter Bank Offered Rate" as described in Section 438(b)(2)(I)(vii)(II) of the Higher Education Act (such change with respect to the calculation of Special Allowance Payments is hereinafter referred to as the "***Special Allowance Payment Change***"). The Trust (or the Administrator on its behalf) shall deliver to the Administrative Agent and each Managing Agent prior or concurrent written notice of the delivery of the waiver to the Secretary of the Department, which notice shall include a written certification that, as of the date of the delivery of the waiver to the Secretary of the Department, the Special Allowance Payment Change is not reasonably expected to have a disparate impact on the Trust or its interests in such Trust Student Loans as compared to the impact on SLM Corporation and its Affiliates and their respective interests in all other student loans which are affected by the Special Allowance Payment Change.

ARTICLE II.

THE FACILITY

Section 2.01. Issuance and Purchase of Class A Notes; Making of Advances.

(a) (i) In consideration of the agreements of the Note Purchasers hereunder, and subject to the terms and conditions set forth in this Agreement, (y) the Trust agrees to sell, transfer and deliver to each Managing Agent, on behalf of its related Note Purchasers, and (z) each Managing Agent on behalf of its related Note Purchasers agrees to purchase from the Trust, on the Closing Date, a Class A Note, the outstanding principal amount of which shall not exceed the applicable Pro Rata Share of such Facility Group multiplied by the Maximum Financing Amount. Subject to the satisfaction of the conditions precedent set forth in Section 4.01, the purchase price payable on the Closing Date for the Class A Note for each Facility Group shall be equal to such Facility Group's Pro Rata Share of the Aggregate Note Balance as of the Closing

Date. The payment of such purchase price shall be subject to the same requirements applicable to an Advance under Section 2.01(b). Each Note shall be issued in the name of a Registered Owner.

(ii) In consideration of the agreements of the Note Purchasers hereunder, and subject to the effectiveness of this Agreement as set forth in Section 4.05, all parties hereto agree that on the A&R Closing Date: (A) the Trust shall issue a restated Class A Note to each Managing Agent in an amount equal to the Commitment of its related Facility Group if the face amount of the Class A Note previously issued to such Managing Agent is greater than or less than (but not equal to) the Commitment of its related Facility Group; and (B) each Facility Group which has received a restated Class A Note shall deliver its existing Class A Note for cancellation pursuant to Section 3.08 or deliver a lost note indemnity or a lost note affidavit indemnifying the Trust for non-delivery of its Notes. In addition to the foregoing, on the A&R Closing Date, the Aggregate Note Balance held by each Facility Group shall either be increased by a non-pro rata Advance or the Trust shall repay such Aggregate Note Balance on a non-pro rata basis, as applicable, to the extent necessary such that the Aggregate Note Balance of the Class A Note held by each Facility Group shall be equal to its Pro Rata Share of the Aggregate Note Balance for all outstanding Class A Notes and the outstanding principal balance of each Facility Group's Advances as of such date shall be as set forth on Schedule 2.01 hereto.

(iii) Each party hereto waives (x) any requirements under the Initial Note Purchase Agreement or under this Agreement that each Advance and repayment of Advances be ratable and (y) any conditions precedent to the making of Advances or repayments of Advances under the Initial Note Purchase Agreement or under this Agreement, in each case solely to the extent necessary to implement the Advances and repayments of Advances described in the second sentence of Section 2.01(a)(ii) above, *it being understood* that the Advances and repayments of Advances in the second sentence of Section 2.01(a)(ii) above are solely due to re-allocation of Commitments among the Facility Groups.

(b) On the terms and conditions hereinafter set forth, each Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to make Advances during a Revolving Period (or, with respect to Capitalized Interest Advances, at such times in accordance with Section 4.02(c)), and each other Conduit Lender may, in its sole discretion, make Advances to the Trust from time to time up to an aggregate principal amount outstanding at any one time not to exceed the Maximum Financing Amount in effect at the time of such Advance; provided, that: (i) the aggregate Advances made on any date, together with advances made under the other FFELP Loan Facilities on such date, must be in a principal amount equal to $50,000,000 or integral multiples of $500,000 in excess thereof (other than (x) Capitalized Interest Advances and (y) Excess Collateral Advances made on a Settlement Date the proceeds of which are used to pay amounts owing under clauses (ii) through (iv) of Section 2.05(b), in each case as to which such minimum is not applicable) and (ii) the Requested Advance Amount on any Advance Date shall not exceed the Maximum Advance Amount. Within the limits set forth in this Section and the other terms and conditions of this Agreement, during a Revolving Period, the Trust, acting through the Administrator, may request Advances, repay Advances and reborrow Advances

under this Section; provided, however, that after the end of the Revolving Period, Capitalized Interest Advances will continue to be made in accordance with Section 4.02(c). In addition, the Administrative Agent may also request Capitalized Interest Advances after the occurrence of a Capitalized Interest Account Funding Event. All Class A Notes issued hereunder shall be denominated in and be payable in United States dollars. Yield on each CP Advance, each Base Rate Advance and each LIBOR Advance shall be due and payable on each Settlement Date. The Aggregate Note Balance and all other Obligations hereunder, if not previously paid pursuant to Section 2.05(b) or otherwise, shall be due and payable on the Termination Date.

(c) Each Lender's obligations under this Section are several and the failure of any Lender to make available its Pro Rata Share of any Requested Advance Amount on an Advance Date shall not relieve any other Note Purchaser of its obligations hereunder or, except as provided in Section 2.01(d), obligate any other Note Purchaser to honor the obligations of any Defaulting Lenders. Advances shall be allocated among the Facility Groups in accordance with their respective Pro Rata Shares and shall be further allocated to each Lender within a Facility Group as designated by the applicable Managing Agent. Notwithstanding anything contained in this Agreement to the contrary, (i) no Conduit Lender shall fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed the Commitments of its related Alternate Lenders; (ii) no Alternate Lender, LIBOR Lender or Committed Conduit Lender shall be obligated to fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed its Commitment; and (iii) no Facility Group shall be obligated to fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed its total Commitment. The Commitment of each Lender as of the Closing Date is set forth on Exhibit A.

(d) If by 2:00 p.m. on an Advance Date, whether or not the Administrative Agent has advanced the applicable Requested Advance Amount, one or more Alternate Lenders, LIBOR Lenders or Committed Conduit Lenders fails to make its Pro Rata Share of any Advance required to be made by such Lender available to the Administrative Agent pursuant to this Agreement (the aggregate amount not so made available to the Administrative Agent being herein called the *"**Investment Deficit**"*), then the Administrative Agent shall, by no later than 5:00 p.m. on the applicable Advance Date instruct each Alternate Lender, LIBOR Lender and Committed Conduit Lender which is not a Defaulting Lender (each, a *"**Non-Defaulting Lender**"*) to pay, by no later than noon on the next Business Day in immediately available funds, to the account designated by the Administrative Agent, an amount equal to the lesser of (i) such Non-Defaulting Lender's proportionate share (based upon the relative Commitments of the Non-Defaulting Lenders) of the Investment Deficit and (ii) its unused Commitment. A Defaulting Lender shall forthwith, upon demand, pay to the Administrative Agent for the ratable benefit of the Non-Defaulting Lenders all amounts paid by each Non-Defaulting Lender on behalf of such Defaulting Lender.

Section 2.02. The Initial Advance and Subsequent Advances.

(a) [Reserved].

(b) Subject to the satisfaction of the conditions precedent set forth in this Agreement and in accordance with the terms and conditions of Section 2.01 and this Section, the Trust,

acting through the Administrator, may request an Advance hereunder by giving written notice substantially in the form of Exhibit D (each, an *"**Advance Request**"*) to the Administrative Agent not later than 11:00 a.m. on the second Business Day (or with respect to the initial Advance, not later than 11:00 a.m. on the Business Day) prior to the proposed Advance Date, which the Administrative Agent shall promptly forward to the Managing Agents not later than 1:00 p.m. on such date. Each such Advance Request shall specify:

(i) the Requested Advance Amount, which, together with the advances made under the other FFELP Loan Facilities on such date, shall be equal to or greater than $50,000,000 in the aggregate with respect to all Facility Groups, except as otherwise permitted under Section 2.01(b);

(ii) the proposed Advance Date;

(iii) if such Advance is a Purchase Price Advance, the aggregate Collateral Value of the Eligible FFELP Loans to be acquired; and

(iv) the Asset Coverage Ratio after giving effect to such Advance.

In addition, each Advance Request shall include a pro forma calculation and certification establishing (x) with respect to a Purchase Price Advance or an Excess Collateral Advance, that the Minimum Asset Coverage Requirement will be satisfied after giving effect to such Advance and (y) with respect to a Capitalized Interest Advance, the Maximum Advance Amount for such Capitalized Interest Advance and that the proceeds thereof will be deposited into the Capitalized Interest Account.

No later than 2:00 p.m. on the Advance Date, each Conduit Lender (other than a Committed Conduit Lender) may, in its sole discretion, and each Committed Conduit Lender and LIBOR Lender shall, upon satisfaction of the applicable conditions set forth in this Agreement, make available to the Trust in same day funds, its respective Pro Rata Share of the Requested Advance Amount by payment to the Administration Account; provided, that Capitalized Interest Advances made by a Maturity Non-Renewing Facility Group may be made on a non-pro rata basis as contemplated in Section 2.21(b). If a Conduit Lender (other than a Committed Conduit Lender) elects not to fund its respective Pro Rata Share of the Requested Advance Amount, such Conduit Lender's related Alternate Lenders shall, upon satisfaction of the applicable conditions set forth in this Agreement, make available to the Trust in same day funds, their respective Pro Rata Shares of the Requested Advance Amount by payment to the Administration Account and the related Managing Agent shall, no later than 2:00 p.m. on such Advance Date and on each Reset Date, notify the Administrator and the Administrative Agent of the actual Yield Rate applicable to such LIBOR Advance, and the related Tranche Period. Each Advance made by a Conduit Lender shall be a CP Advance unless the applicable Managing Agent otherwise provides notice as provided in the immediately succeeding sentence. To the extent any Conduit Lender is unable or declines to fund a requested Advance by issuing CP or if any Conduit Lender's Alternate Lenders fund any requested Advance in its place, the applicable Conduit Lender's Managing Agent shall promptly advise the Administrative Agent and the Administrator, on behalf of the Trust.

(c) So long as no Amortization Period or Termination Event exists or would result therefrom, the Administrator, on behalf of the Trust, may request that the Administrative Agent pay any amounts on deposit in the Administration Account as a prepayment on any principal of, and Financing Costs due or accrued on, the Class A Notes in whole or in part on any Business Day by giving written notice two Business Days prior to such date to the Administrative Agent and each Managing Agent indicating the amount of such prepayment and the Business Day on which such prepayment shall be made. The Trust shall pay the applicable Managing Agent for the account of the applicable Lenders in its Facility Group, on demand, such amount or amounts as shall compensate such Lenders for any loss (including loss of profit), cost or expense incurred by such Lenders and including any claims arising under any Program Support Agreement (as reasonably determined by the applicable Managing Agent) and hold such Lenders harmless from any such loss, cost or expenses, incurred by them as a result of payments with respect to the Class A Notes in connection with a prepayment under this Section 2.02(c), a request by the Trust pursuant to Section 2.21, a Permitted Release under Section 2.18 or otherwise, whether voluntary, mandatory, automatic by reason of acceleration or otherwise, such compensation to be (i) limited to an amount equal to any loss or expense suffered by the Lenders during the period from the date of receipt of such repayment to (but excluding) the maturity of the related CP (in the case of a CP Advance by a match-funded Conduit Lender), the maturity of sufficient pool-funded CP (in the case of a CP Advance by a pool-funded Conduit Lender) or the maturity of the related Tranche Period (in the case of a LIBOR Advance by an Alternate Lender or a Conduit Lender), (ii) net of the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions and (iii) inclusive of any loss or expense arising from the liquidation or re-employment of funds obtained by it to maintain such Advance or from fees payable to terminate the deposits from which such funds were obtained; provided, however, that the Trust shall not be obligated to pay such breakage amounts for a period in excess of 60 days under clause (i) above if aggregate discretionary prepayments by the Trust do not exceed 20% of the Aggregate Note Balance per month; provided further, that no such breakage amounts shall be payable by the Trust with respect to the regular distribution of Available Funds (other than proceeds of Permitted Releases) on any Settlement Date pursuant to the priority of payments set forth in Section 2.05(b). The determination by the applicable Managing Agent of the amount of any such loss or expense shall be set forth in a written notice to the Administrator (with a copy to the Administrative Agent), on behalf of the Trust, including a statement as to such loss or expense (including calculation thereof in reasonable detail), and shall be conclusive, absent manifest error.

(d) Each Advance Request shall be irrevocable and binding on the Trust, and the Trust shall indemnify each Lender against any loss or expense incurred by such Lender, either directly or indirectly (including, in the case of a Conduit Lender, through the applicable Program Support Agreement) as a result of any failure by the Trust to complete such Advance, including any loss or expense incurred by such Lender or such Lender's Managing Agent, either directly or indirectly (including, in the case of a Conduit Lender, pursuant to the applicable Program Support Agreement) by reason of the liquidation or reemployment of funds acquired by such Lender (or the applicable Program Support Provider(s)) (including funds obtained by issuing CP or promissory notes or obtaining deposits or loans from third parties) in order to fund such Advance. Any such amounts shall constitute Yield Protection hereunder.

(e) ***Prefunding of Advances.*** In order to allow the Lenders to raise funds at times and in amounts that are more advantageous to the Lenders than might otherwise be possible, the Trust may, after consultation with the Administrative Agent and in connection with a proposed purchase or series of purchases of Trust Student Loans, request that all or a portion of the related Purchase Price Advance be funded prior to the actual acquisition of the related Trust Student Loans. Each such prefunding shall constitute a separate Purchase Price Advance for purposes of Section 4.02(b)(xiv) and (xv) and shall otherwise be subject to all applicable conditions precedent, measured as of the date such loans are actually purchased, for Purchase Price Advances set forth in Article IV. The proceeds of any such prefunded advance shall be deposited into the Administration Account (or such subaccount thereof as the Administrative Agent may establish for purposes of convenience) and shall not be released to the Trust until the date of purchase of the related Trust Student Loans. So long as the conditions precedent to a new Advance would be satisfied as if the Lenders were making a new Advance, the Trust may draw against such prefunding amount on any Business Day in order to consummate the related purchase of Trust Student Loans on such date. Upon the occurrence of a Termination Event, the Administrative Agent may direct that any such amounts on deposit in the Administration Account or subaccount, as applicable, be transferred to the Collection Account to be distributed in accordance with Section 2.05 and used to reduce the Aggregate Note Balance.

Section 2.03. Reduction, Termination or Increase of the Maximum Financing Amount and Prepayment of the Class A Notes.

(a) The Trust, acting through the Administrator, may, upon at least five Business Days' written notice to the Administrative Agent, (i) terminate the entire facility or (ii) reduce in part the portion of the Maximum Financing Amount that exceeds the sum of the Capitalized Interest Account Unfunded Balance and the Aggregate Note Balance. Any partial reduction in the Maximum Financing Amount shall be in an amount equal to or greater than $100,000,000 or any integral multiple of $10,000,000 in excess thereof. If such reduction in the Maximum Financing Amount is not in connection with an Exiting Facility Group, such reduction shall be allocated among the Commitments of the Facility Groups in accordance with their Pro Rata Shares and shall be allocated among the Commitments of the Lenders within each Facility Group as designated by the applicable Managing Agent. If such reduction in the Maximum Financing Amount is in connection with an Exiting Facility Group, such reduction shall be allocated first to the Commitment of the Exiting Facility Group and then any balance remaining shall be allocated among the remaining Facility Groups as set forth in the preceding sentence. The Trust shall pay, in immediately available funds, all outstanding principal and Financing Costs on the Class A Notes owned by any Lender, together with any other Obligations owed to such Lender, upon the termination of its Commitment pursuant to this Section 2.03(a).

(b) During any Exiting Group Amortization Period, if there are not sufficient proceeds from Permitted Releases, the Administrative Agent may, in accordance with the procedures set forth in Section 7.03(b), sell or otherwise dispose of a portion of the Pledged Collateral in an amount sufficient to pay the Aggregate Note Balance and Financing Costs of the Outstanding Class A Notes owned by each Exiting Facility Group. Amounts received from any such sale or disposition of Pledged Collateral shall be deposited into the Administration Account and, provided no Amortization Event or Termination Event has occurred and is continuing and the Minimum Asset Coverage Requirement has been satisfied, such amounts shall be distributed

to the Exiting Facility Groups, on any Business Day which is not a Settlement Date in accordance with the priority of payments described in Section 2.05(b)(viii). Amounts received from the sale of Pledged Collateral in excess of the amount required to repay in full the Aggregate Note Balance and Financing Costs of the Outstanding Class A Notes owned by the Exiting Facility Groups (or which are prohibited by the proviso in the immediately preceding sentence from being paid exclusively to the Exiting Facility Groups) which are deposited in the Collection Account shall be treated as Available Funds; provided, that any Yield Protection associated with any such prepayment shall be paid to the Administrative Agent for the benefit of the applicable Lender on the next Settlement Date (to the extent of Available Funds) in accordance with the priority of payments described in Section 2.05(b). All reductions to principal owed to an Exiting Facility Group in connection with any such disposition, together with any reductions to principal received by such Exiting Facility Group pursuant to clauses (viii) and (xiii) of Section 2.05(b) shall constitute a permanent reduction in the Commitment of such Exiting Facility Group and the Lenders part of such Exiting Facility Group and their Pro Rata Shares shall be calculated accordingly.

(c) The Maximum Financing Amount shall not be increased except by amendment in accordance with Section 10.01 and any future assignments of Commitments will reduce the Commitments of the applicable Lenders in accordance with Section 10.04.

(d) On each Step-Down Date, the Maximum Financing Amount shall be reduced to the amount specified in the definition of "Maximum Financing Amount" for such Step-Down Date. Such reduction shall be allocated among the Commitments of the Facility Groups in accordance with their Pro Rata Shares and shall be allocated among the Commitments of the Lenders within each Facility Group as designated by the applicable Managing Agent; provided, however, that in no event shall the Commitment be reduced for (a) any Lender to an amount less than such Lender's Pro Rata Share of the sum of (1) the Aggregate Note Balance of the Class A Note held by such Lender's Facility Group and (2) the Capitalized Interest Account Unfunded Balance, and (b) any Facility Group to an amount less than the sum of (1) the Aggregate Note Balance of the Class A Note held by such Facility Group and (2) such Facility Group's Pro Rata Share of the Capitalized Interest Account Unfunded Balance. If the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance on any Step-Down Date exceeds the Maximum Financing Amount for such Step-Down Date, the Trust, acting through the Administrator, shall pay in immediately available funds a portion of the Aggregate Note Balance of the Outstanding Class A Notes owned by each Facility Group, to be applied ratably to each Facility Group in accordance with its Pro Rata Share and within each Facility Group as designated by the applicable Managing Agent, in an aggregate amount equal to or greater than such excess, together with any accrued and unpaid Financing Costs payable if the date of such payment is not a Settlement Date.

Section 2.04. The Accounts.

(a) ***Collection Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Collection Account. The Collection Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Collection Account shall be in the name of the Trust for the benefit of the

Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Collection Account. Any Collections received by the Trust, the Administrator, the Eligible Lender Trustee, the Sellers, the Depositor, the Servicers, or any agent thereof, as the case may be, are to be transmitted to the Collection Account as soon as practicable, but in any event, within two Business Days of receipt of good funds. The Trust shall direct the Eligible Lender Trustee, each Servicer, each Seller, the Depositor and each agent of any of the foregoing, in writing, to transmit any Collections it receives with respect to the Trust Student Loans directly to the Administrative Agent for deposit to the Collection Account within two Business Days of receipt of good funds. Funds on deposit in the Collection Account may be invested from time to time in Eligible Investments at the direction of the Administrator in accordance with Section 2.08. Upon the payment in full of all Obligations hereunder and the termination of this Agreement, the Administrative Agent agrees to send notice to the Master Servicer that this Agreement has terminated and that Collections no longer are to be forwarded to the Collection Account pursuant to this Agreement. All investment earnings on the funds on deposit in the Collection Account during any Settlement Period shall be applied as Available Funds for the applicable Settlement Period. The Administrative Agent shall apply funds on deposit in the Collection Account as described in Section 2.05. Each of the Trust and the Administrator agree, by executing this Agreement, to hold any Collections received in trust for the Administrative Agent and to comply with the remittance procedures set forth in this Section 2.04.

(b) ***Administration Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Administration Account. The Administration Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Administration Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. So long as no Amortization Period or Termination Event exists or would result therefrom, funds in the Administration Account shall be applied to the following (in the order such events occur for so long as funds are available in the Administration Account): (i) to make payments to any Exiting Facility Group pursuant to Section 2.03(b); (ii) to finance the purchase of Eligible FFELP Loans pursuant to Section 2.05(c); (iii) if necessary, to be deposited into the Collection Account on each Settlement Date to cover any shortfall in amounts on deposit in the Collection Account as Available Funds to pay amounts described in clauses (i) through (ix) of Section 2.05(b); (iv) to be released to the Trust to the extent permitted under Section 2.25(d); (v) to be withdrawn for deposit to the extent permitted under Section 4.03; and (vi) if so requested by the Administrator on behalf of the Trust, to be disbursed on any Business Day as a prepayment of principal of the Outstanding Class A Notes pursuant to Section 2.02(c). During an Amortization Period and on and after the Termination Date, funds in the Administration Account shall be released to the Administrative Agent for the account of the applicable Note Purchasers to reduce the Aggregate Note Balance of the Outstanding Class A Notes and to pay accrued Yield thereon. Funds on deposit in the Administration Account may be invested from time to time in Eligible Investments in accordance with Section 2.08 hereof. All investment earnings on the funds on deposit in the Administration Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for that Settlement Period. Except for the right of the Administrator to withdraw funds as expressly set forth in this

Agreement, neither the Trust nor the Administrator shall have any withdrawal rights from the Administration Account. Any funds remaining in the Administration Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

(c) ***Floor Income Rebate Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Floor Income Rebate Account. The Floor Income Rebate Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Floor Income Rebate Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Floor Income Rebate Account. On or before each Settlement Date, the Administrator will instruct the Administrative Agent to transfer from the Collection Account to the Floor Income Rebate Account the estimated monthly accrual of Floor Income Rebate Fees for the prior calendar month (the *"**Estimated Excess Accrual**"*). Funds on deposit in the Floor Income Rebate Account may be invested from time to time in Eligible Investments in accordance with Section 2.08 hereof. All investment earnings on the funds on deposit in the Floor Income Rebate Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for that Settlement Period. On the Settlement Date following each quarterly date as of which the Servicers notify the Trust of the aggregate amount of Floor Income Rebate Fees, if any, that is due and owing to the Department of Education for the preceding quarterly period, the Administrative Agent shall transfer from the Floor Income Rebate Account to the Collection Account the aggregate Estimated Excess Accrual for the related Settlement Periods to pay any Floor Income Rebate Fees due and owing to the Department of Education pursuant to Section 2.05(e) and apply any excess funds in accordance with Section 2.05(b). Any funds remaining in the Floor Income Rebate Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

(d) ***Borrower Benefit Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Borrower Benefit Account. The Borrower Benefit Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Borrower Benefit Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Borrower Benefit Account. In the event that new borrower benefits, which are not required under the Higher Education Act or other applicable laws, rules or regulations, are offered to Obligors, the result of which is to reduce the yield on the related Eligible FFELP Loans, the Borrower Benefit Account will be funded in accordance with Section 6.26 hereof. On or before each Settlement Date, the Administrator will instruct the Administrative Agent to transfer from the Borrower Benefit Account to the Collection Account all amounts on deposit in the Borrower Benefit Account which relate to the related Settlement Period and apply such funds in accordance with Section 2.05(b). Funds on deposit in the Borrower Benefit Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. All investment earnings on the funds on

deposit in the Borrower Benefit Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for the related Settlement Period. Funds on deposit in the Borrower Benefit Account shall also be transferred and released in accordance with Section 6.26(b). Any funds remaining in the Borrower Benefit Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

Section 2.05. Transfers from Collection Account.

(a) On or prior to each Reporting Date, the Trust shall cause the Administrator to prepare the Monthly Report and shall provide or cause to be provided to the Administrator all information necessary or appropriate to accurately prepare such Monthly Report, all calculations, unless otherwise specified, to be made as of the end of the related Settlement Period, and cause the Administrator to forward such Monthly Report to the Administrative Agent. The Administrative Agent shall promptly forward the Monthly Report to each Managing Agent. The Administrative Agent shall provide to the Trust and the Administrator the Monthly Administrative Agent's Report in the form attached as Exhibit E hereto no later than five Business Days prior to each Reporting Date.

(b) The Administrative Agent, on each Settlement Date, shall make the following deposits and distributions from Available Funds in the Collection Account in the amount and in the order of priority set forth below as directed by the Administrator on behalf of the Trust (or if the Administrator fails to provide such direction, as provided by the Administrative Agent) pursuant to the Monthly Report, on which the Administrative Agent may conclusively rely, on such Settlement Date (or as otherwise provided in Article VII), in the following priority:

(i) pay to the Master Servicer an amount equal to its unreimbursed Servicer Advances due and owing;

(ii) pay to the Lockbox Banks, the Eligible Lender Trustee and the Administrator, as appropriate and on a pro rata basis, an amount equal to the Lockbox Bank Fees, the Eligible Lender Trustee Fees and the Administrator Fees, which are due and owing as of the close of business on the last day of the immediately preceding calendar month; provided, however, that the reasonable out-of-pocket costs and expenses (which shall not include fees) of such Persons shall not exceed in the aggregate $100,000 per annum;

(iii) pay to the Master Servicer, for the benefit of the Master Servicer and any Subservicers, an amount equal to the Primary Servicing Fees which are due and owing as of the close of business on the last day of the immediately preceding Settlement Period;

(iv) on a *pro rata* basis, based on the amounts owed, (A) pay to the Administrative Agent, for the benefit of the holders of the Class A Notes (excluding Class A Notes held by any Defaulting Lenders), Yield on such Class A Notes (excluding, for the avoidance of doubt, any Step-Up Fees) for the previous Yield Period and (B) pay to the Administrative Agent and each Managing Agent as Registered Owner of its Class A

Note, as appropriate, an amount equal to all other Financing Costs related to such Class A Notes (other than amounts owed with respect to Step-Up Fees or with respect to Financing Costs of a type described in clause (ii), (iv), (v) or (vi) of the definition thereof);

(v) [reserved];

(vi) *first,* pay to the Capitalized Interest Account, any amount required to cause the amount on deposit in the Capitalized Interest Account to equal the Required Capitalized Interest Account Balance and *second,* to the Reserve Account, any amount required to cause the amount on deposit in the Reserve Account to equal the Reserve Account Specified Balance;

(vii) following the replacement of the Master Servicer, pay to the replacement Master Servicer the reasonable expenses and charges resulting from the transition in servicing, to the extent such costs have not been paid by the predecessor Master Servicer; provided, that amounts paid under this clause (vii) shall not exceed $300,000;

(viii) if an Exiting Facility Group Amortization Period has begun and is continuing, provided no Amortization Event or Termination Event has occurred and is continuing and the Minimum Asset Coverage Requirement is satisfied before and after giving effect to such payment, pay to the Administrative Agent for the benefit of each Exiting Facility Group its ratable share of the Principal Distribution Amount until each Class A Note of each Exiting Facility Group has been paid in full;

(ix) pay to the Administrative Agent for the benefit of the Note Purchasers, the Principal Distribution Amount (to the extent not distributed pursuant to clause (viii) above) in accordance with their Pro Rata Shares;

(x) *first,* pay to the replacement Master Servicer any amounts described in clause (vii) above which were not previously paid due to the limitation specified in the proviso to such clause (vii), and *second,* pay to the Administrative Agent, for the benefit of the Note Purchasers of Class A Notes (excluding Class A Notes held by Defaulting Lenders), on a pro rata basis if necessary, any Step-Up Fees and Yield Protection due and owing pursuant to this Agreement as of the close of business on the last day of the immediately preceding Settlement Period;

(xi) pay to the Lockbox Banks, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Co-Valuation Agents, the Conduit Lenders, the LIBOR Lenders, the Managing Agents, the Alternate Lenders, the Program Support Providers and any Affected Party, on a pro rata basis if necessary, any amounts due and owing and not previously paid pursuant to clause (ii) above and any Trust Indemnified Amounts due and owing pursuant to this Agreement or any other Transaction Document as of such Settlement Date;

(xii) pay to the Administrative Agent (i) for the benefit of the Defaulting Lenders any Yield, Step-Up Fees, principal or Yield Protection due and owing and not paid above and (ii) for the benefit of all the Note Purchasers, the Administrative Agent,

the Managing Agents and the Program Support Providers, an amount equal to any other Obligations (other than principal, Yield or Step-Up Fees of any Class A Notes) which are accrued and owing as of the close of business on the last day of the immediately preceding Settlement Period;

(xiii) pay to the Administrative Agent for the benefit of each Exiting Facility Group, to the extent not paid in clause (viii) or (ix) above, *pro rata*, an amount up to the Aggregate Note Balance of each Exiting Facility Group's Class A Note until each Class A Note of each Exiting Facility Group has been paid in full;

(xiv) pay to the Administrator, reimbursements of any out-of-pocket costs and expenses relating to the administration of the Trust or paid on behalf of the Trust, including fees paid to the Rating Agencies on behalf of the Trust, to the extent not previously paid;

(xv) *pro rata*, pay to SLM Corporation in repayment of any SLM Indemnified Amounts paid by it pursuant to Section 8.02(b) and pay to the Administrator in repayment of any amounts paid by it pursuant to Section 10.08;

(xvi) pay to the Master Servicer, for the benefit of the Master Servicer and any Subservicers, an amount equal to any other amounts due and payable to them including Carryover Servicing Fees, if any, which are accrued and unpaid as of the close of business on the last day of the immediately preceding Settlement Period;

(xvii) so long as no Amortization Period or Termination Event exists or would result therefrom, pay to the Administrative Agent for deposit into the Administration Account to fund new purchases of Eligible FFELP Loans;

(xviii) during a Revolving Period, solely to the extent requested by the Administrator as a prepayment of the Class A Notes in an amount up to the Aggregate Note Balance, pay to the Administrative Agent for the account of the applicable Note Purchasers in accordance with their Pro Rata Shares until the Aggregate Note Balance of the Class A Notes is paid in full;

(xix) pay to SLM Corporation in repayment of accrued interest on and the unpaid principal balance borrowed under the Revolving Credit Agreement;

(xx) if the Administrative Agent has received written notice that any amounts are owed to a former Facility Group under the Guaranty and Pledge Agreement, to pay to the Managing Agent for such former Facility Group any remaining funds up to the amounts then owed under the Guaranty and Pledge Agreement;

(xxi) pay to the applicable parties, for any contingent amounts due and owing under the Churchill Bluemont Note Purchase Agreement due to the application of the survival provisions of Section 10.05 of the Churchill Bluemont Note Purchase Agreement; and

(xxii) if so requested by the Administrator (and so long as (A) no Valuation Step-Up Event, Amortization Event or Termination Event has occurred and is continuing and no Potential Termination Event described in Section 7.02(f) or (g) has occurred and is continuing and (B) there is no unresolved dispute as described in Section 2.25(e) as to the Applicable Percentage to be applied with respect to such Settlement Period), to pay to the holder of the Excess Distribution Certificate, any Available Funds remaining after the payment in full of each of the foregoing items.

(c) Any funds deposited into the Administration Account for the purpose of purchasing or financing Eligible FFELP Loans or prepayment of the Class A Notes shall be disbursed pursuant to a written direction of the Administrator, on behalf of the Trust, or to the Administrative Agent, as applicable.

(d) In the event that there are insufficient Available Funds to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) due and payable on such date and if no Servicer Advance has been made and no funds withdrawn from the Reserve Account or the Capitalized Interest Account to pay such amounts, and an Excess Collateral Advance could be made in accordance with the terms hereof, then the Trust shall request an Excess Collateral Advance in the amount necessary to pay such amounts.

(e) On each Settlement Date, prior to making the deposits and distributions specified in Section 2.05(b), the Administrative Agent shall pay, from funds on deposit in the Collection Account, any accrued and unpaid amounts due and owing to the Department or any Guarantor, including, without limitation, any Floor Income Rebate Fees and Monthly Rebate Fees, as directed by the Administrator on behalf of the Trust (or if the Administrator fails to provide such direction, as provided by the Administrative Agent) pursuant to the Monthly Report, on which the Administrative Agent may conclusively rely.

Section 2.06. Capitalized Interest Account and Reserve Account.

(a) On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Capitalized Interest Account. The Capitalized Interest Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Capitalized Interest Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Capitalized Interest Account. If at any time a Capitalized Interest Account Funding Event occurs, the Trust shall request a Capitalized Interest Advance in an amount equal to the applicable Maximum Advance Amount for such Advance and deposit the proceeds thereof into the Capitalized Interest Account. In the event that a Capitalized Interest Account Funding Event occurs solely with respect to one or more Maturity Non-Renewing Facility Groups, such Advance shall be requested solely from such Maturity Non-Renewing Facility Groups. Thereafter, on each Settlement Date, the Administrator shall cause to be deposited into the Capitalized Interest Account from Available Funds pursuant to Section 2.05(b)(vi) such additional amounts as are necessary to cause the amount on deposit in the Capitalized Interest Account to be equal to the Required Capitalized Interest Account Balance calculated as of the last day of the related Settlement Period. Funds on deposit in the

Capitalized Interest Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. The Administrative Agent shall apply funds on deposit in the Capitalized Interest Account as described in Section 2.07(a).

(b) On or prior to the Closing Date, the Administrator shall establish and maintain, or cause to be established and maintained, the Reserve Account by depositing into the Reserve Account cash or Eligible Investments equal to the Reserve Account Specified Balance as of the date of the initial Advance hereunder. The Reserve Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Reserve Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Reserve Account. On each Advance Date, the Trust shall deposit into the Reserve Account from proceeds of each Advance the amount, if any, necessary to bring the balance in such account up to the Reserve Account Specified Balance. Thereafter, on each Settlement Date, the Administrator shall cause to be deposited into the Reserve Account from Available Funds pursuant to Section 2.05(b)(vi) such additional amounts as are necessary to cause the amount on deposit in the Reserve Account to be equal to the Reserve Account Specified Balance calculated as of the last day of the related Settlement Period. Funds on deposit in the Reserve Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. The Administrative Agent shall apply funds on deposit in the Reserve Account as described in Section 2.07(b).

Section 2.07. Transfers from the Capitalized Interest Account and Reserve Account.

(a) To the extent there are insufficient Available Funds in the Collection Account to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in accordance with the provisions of Section 2.05 on any Settlement Date (without giving effect to any amounts owing under clause (iv)(B) of Section 2.05(b) to any Defaulting Lender which has failed to fund its Pro Rata Share of any Capitalized Interest Advance), the Administrative Agent shall transfer to the Collection Account moneys held by the Administrative Agent in the Capitalized Interest Account, to the extent available for distribution on the specified day, to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) (other than amounts owing under clause (iv)(B) of Section 2.05(b) to any Defaulting Lender which has failed to fund its Pro Rata Share of any Capitalized Interest Advance) in the priority set forth in Section 2.05.

(b) To the extent there are insufficient Available Funds in the Collection Account to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in accordance with the provisions of Section 2.05 on any Settlement Date (after taking into account any amounts transferred to the Collection Account pursuant to Section 2.07(a)), the Administrative Agent shall transfer to the Collection Account moneys held by the Administrative Agent in the Reserve Account, to the extent available for distribution on the specified day, to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in the priority set forth in Section 2.05.

(c) To the extent, as of the end of any Settlement Period, there are funds on deposit in the Reserve Account in excess of the Reserve Account Specified Balance calculated as of the

end of such Settlement Period (giving effect to any purchase of Additional Student Loans between the end of such Settlement Period and the related Settlement Date) or there are funds on deposit in the Capitalized Interest Account in excess of the Required Capitalized Interest Account Balance calculated as of the end of such Settlement Period, then the Administrative Agent shall withdraw such excess funds from the relevant account and deposit it into the Collection Account to be used as Available Funds on the related Settlement Date. In addition, the Administrative Agent shall withdraw and apply funds from the Capitalized Interest Account as and when required in accordance with Section 2.21(b).

Section 2.08. Management of Trust Accounts.

(a) All funds held in the Trust Accounts, including investment earnings thereon, shall be invested at the direction of the Administrator in Eligible Investments having a maturity date not later than the next date on which any distributions are to be made from funds on deposit in such Trust Accounts; provided, however, that from and after the Termination Date, the Administrative Agent shall have the sole right to restrict the maturities of any investments held in the Trust Accounts and to direct the withdrawal of any such investments for the purposes of paying the amounts described in Section 2.05(b), including, without limitation, any unpaid principal and Financing Costs on the Class A Notes. All investment earnings (net of losses) on such Eligible Investments shall be credited to the applicable Trust Accounts. In the event that the Administrator shall have failed to give investment directions to the Administrative Agent by 11:00 a.m. on any Business Day on which there may be uninvested cash deposited in any Trust Account, the Administrative Agent shall have no obligation to invest such funds and shall not be liable for any lost potential investment earnings.

(b) Bank of America, N.A. (*"**Bank of America**"*), in its capacity as Securities Intermediary or depositary bank with respect to each Trust Account, hereby agrees with the Trust and the Administrative Agent that (i) each of the Trust Accounts is either a securities account or deposit account maintained at Bank of America; provided, however, that if, at any time, the rating assigned to Bank of America is downgraded below "A-1" by S&P, the Administrative Agent shall, in cooperation with the Administrator, promptly (but in no event longer that 60 days from the time of such downgrade), at no cost to the Trust, transfer each of the Trust Accounts to another financial institution which has either a long-term senior unsecured debt rating of "A+" or better or a short-term senior unsecured debt or certificate of deposit rating of "A-1" or better by S&P, (ii) each item of property (whether investment property, financial asset, security, cash or instrument) credited to any Trust Account shall be treated as a *"*financial asset*"* within the meaning of Section 8-102(a)(9) of the UCC to the extent any such Trust Account is a securities account, (iii) Bank of America shall treat the Administrative Agent as entitled to exercise the rights that comprise each financial asset credited to the Trust Accounts, (iv) Bank of America shall comply with entitlement orders originated by the Administrative Agent with respect to any of the foregoing accounts that is a securities account and shall comply with instructions directing the disposition of funds originated by the Administrative Agent with respect to any of the foregoing accounts that is a deposit account, in each case without the further consent of any other person or entity, (v) except as otherwise provided in subsection (a) of this Section, Bank of America shall not agree to comply with entitlement orders or instructions directing the disposition of funds originated by any person or entity other than the Administrative Agent, (vi) the Trust Accounts, and all property credited to such accounts shall not be subject to any lien,

security interest, right of set-off or encumbrance in favor of Bank of America in its capacity as Securities Intermediary or depositary bank or anyone claiming through Bank of America as Securities Intermediary or depositary bank (other than the Administrative Agent), and (vii) the agreement herein between Bank of America and the Administrative Agent shall be governed by the laws of the State of New York and the jurisdiction of Bank of America, in its capacity as Securities Intermediary or depositary bank with respect to each Trust Account, shall be the State of New York for purposes of the UCC. Each term used in this Section 2.08(b) and in Section 2.08(c) and defined in the New York UCC shall have the meaning set forth in the New York UCC.

(c) No Eligible Investment held in the Trust Accounts in the form of an instrument or certificated security as defined in the New York UCC in the possession of the Securities Intermediary (i) shall be subject to any other security interest or (ii) shall constitute proceeds of any property subject to such third party's security interest.

(d) The Trust agrees to report as its income for financial reporting and tax purposes (to the extent reportable) all investment earnings on amounts in the Trust Accounts.

(e) Any investment of any funds in the Trust Accounts shall be made under the following terms and conditions:

(i) any such investment of funds shall be made in Eligible Investments which will mature no later than the next Settlement Date (or such shorter periods as the Administrative Agent may direct); and

(ii) with respect to each of the investments credited to any of the Trust Accounts, the Administrative Agent for the benefit of the Secured Creditors shall have a first priority perfected security interest in such investment, perfected by control to the extent permitted under Article 9 of the UCC.

(f) The Administrative Agent shall not in any way be held liable by reason of any insufficiency in the Trust Accounts resulting from losses on investments made in accordance with the provisions of this Agreement (but the institution serving as Administrative Agent shall at all times remain liable for its own debt obligations, if any, constituting part of such investments).

(g) With respect to each of the Trust Accounts that is a "securities account" as defined in Section 8-501(a) of the UCC (each, a "***Securities Account***"), the Securities Intermediary hereby confirms and agrees that:

(i) all securities, financial assets or other property credited to the Securities Accounts shall be registered in the name of the Securities Intermediary by a clearing corporation or other securities intermediary and as to which the Securities Intermediary is entitled to exercise the rights that comprise any financial assets credited to such Securities Account, indorsed to the Securities Intermediary in blank or credited to another Securities Account maintained in the name of the Securities Intermediary, and in no case shall any financial asset credited to any Securities Account be registered in the name of the Trust, payable to the order of the Trust or specially indorsed to the Trust;

(ii) all securities and other property delivered to the Securities Intermediary pursuant to this Agreement shall be promptly credited to the appropriate Securities Account;

(iii) each Securities Account is an account to which financial assets are or may be credited;

(iv) except for the claims and interest of the Administrative Agent and of the Trust in the Securities Accounts and without independent investigation of any kind, the Securities Intermediary does not know of any claim to, or interest in, any Securities Account or in any "financial asset" (as defined in Section 8-102(a)(9) of the UCC) credited thereto; if any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Securities Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Administrative Agent and the Trust thereof upon receiving notice or other actual knowledge thereof.

(h) Each party hereto acknowledges that the Securities Intermediary constitutes a "securities intermediary" within the meaning of Section 8-102(a)(14) of the UCC with respect to each Securities Account and constitutes a "bank" within the meaning of Section 9-102(a)(8) of the New York UCC with respect to each Trust Account that is a "deposit account."

Section 2.09. [Reserved].

Section 2.10. Grant of a Security Interest. To secure the prompt and complete payment when due of the Obligations and the performance by the Trust of all of the covenants and obligations to be performed by it pursuant to this Agreement and each other Transaction Document, the Trust (and the Eligible Lender Trustee, in its capacity as titleholder to the Trust Student Loans) (i) on the Original Closing Date assigned (and hereby reaffirms such assignment) to the Administrative Agent, and Granted (and hereby reaffirms such Grant) to the Administrative Agent a security interest in, all of its right, title and interest in (but none of its obligations under), each of the Transaction Documents, including all rights and remedies thereunder (excluding any rights and remedies of the Trust under the Revolving Credit Agreement); and (ii) on the Original Closing Date further Granted (and hereby reaffirms such Grant) to the Administrative Agent on behalf of the Secured Creditors (and their respective successors and assigns), a security interest in all of the Trust's and the Eligible Lender Trustee's, on behalf of the Trust, right, title and interest in the following property, whether now owned or existing or hereafter arising or acquired and wheresoever located:

(a) all Trust Student Loans;

(b) all Collections from Trust Student Loans, including, without limitation, all Interest Subsidy Payments, Special Allowance Payments, borrower payments and reimbursements of principal and accrued interest on default claims received and to be received from any Guarantor;

(c) all Eligible Investments, funds and accrued earnings thereon held in the Trust Accounts;

(d) all Records relating to any of the foregoing items;

(e) all supporting obligations, liens securing any of the foregoing, money and claims and other rights under insurance policies relating to any of the foregoing;

(f) all accounts, general intangibles, payment intangibles, instruments, investment property, documents, chattel paper, goods, moneys, letters of credit, letter of credit rights, certificates of deposit, deposit accounts and all other property and interests in property of the Trust or the Eligible Lender Trustee, on behalf of the Trust, whether tangible or intangible; and

(g) all proceeds of any of the foregoing (collectively, along with the right and title to and interest of the Trust (and the Eligible Lender Trustee, in its capacity as titleholder to the Trust Student Loans) in the Transaction Documents pursuant to clause (i) above and all proceeds thereof, the *"**Pledged Collateral**"*).

The Trust and the Eligible Lender Trustee agree that the foregoing sentence is intended to grant in favor of the Administrative Agent, on behalf of the Secured Creditors, a first priority continuing lien and security interest in all of the Trust's (and the Eligible Lender Trustee's in its capacity as titleholder to the Trust Student Loans) personal property from and after the Original Closing Date. Each of the Trust and the Eligible Lender Trustee authorizes the Administrative Agent and its counsel to file UCC financing statements in form and substance satisfactory to the Eligible Lender Trustee, describing the collateral as all or any portion of the Pledged Collateral, including describing the collateral as all personal property of the Trust. In addition, at the request of the Administrative Agent, the Trust shall file or cause to be filed, and authorizes the Administrative Agent to file, UCC financing statement assignments assigning to the Administrative Agent any financing statement showing the Trust as secured party with respect to the Pledged Collateral. The Trust further confirms and agrees that the Administrative Agent shall have, following the occurrence or declaration of the Termination Date, the sole right to enforce the Trust's rights and remedies under the Transaction Documents with respect to the Pledged Collateral for the benefit of the Secured Creditors, but without any obligation on the part of the Administrative Agent or any other Secured Creditor or any of their respective Affiliates, to perform any of the obligations of the Trust under the Transaction Documents.

Section 2.11. Evidence of Debt.

Each Managing Agent shall maintain a Note Account (the *"**Note Account**"*) on its books in which shall be recorded (a) all Advances owed to each related Lender in its related Facility Group by the Trust pursuant to this Agreement, (b) the Aggregate Note Balance of the Class A Note held by or on behalf of its related Facility Group, (c) all payments of principal and Financing Costs made by the Trust on such Class A Note, and (d) all appropriate debits and credits with respect to its related Facility Group as provided in this Agreement including, without limitation, all fees, charges, expenses and interest. All entries in each Managing Agent's Note

Account shall be made in accordance with such Managing Agent's customary accounting practices as in effect from time to time. The entries in the Note Account shall be conclusive and binding for all purposes, absent manifest error. Any failure to so record or any errors in doing so shall not, however, limit or otherwise affect the obligation of the Trust to pay any amount owing with respect to the Class A Notes or any of the other Obligations.

Section 2.12. Payments by the Trust.

All payments to be made by the Trust shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by, or on behalf of, the Trust for the account of a Conduit Lender, a LIBOR Lender, an Alternate Lender or a Program Support Provider, as the case may be, shall be made to the Administrative Agent, for further credit to an account designated by such Conduit Lender, LIBOR Lender, Alternate Lender or Program Support Provider or its related Managing Agent, in United States dollars. Such payments (other than amounts already on deposit in the Collection Account) shall be made in immediately available funds to the Administrative Agent no later than 12:00 noon on the date specified herein and the Administrative Agent shall forward such amounts to such Conduit Lender, LIBOR Lender, Alternate Lender or Program Support Provider no later than 1:00 p.m. on the date specified herein. Payments shall be applied in the order of priority specified in Section 2.05(b). Any payment which is received later than 1:00 p.m. (other than payments from amounts already on deposit in the Collection Account) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue.

Section 2.13. Payment of Stamp Taxes, Etc. Subject to any limitations set forth in Section 2.20, the Trust agrees to pay any present or future stamp, mortgage, value-added, court or documentary taxes or any other excise or property taxes, charges or similar levies imposed by any federal, state or local governmental body, agency or instrumentality (hereinafter referred to as "***Other Applicable Taxes***") relating to this Agreement, any of the other Transaction Documents or any recordings or filings made pursuant hereto and thereto.

Section 2.14. Sharing of Payments, Etc. If, other than as expressly provided elsewhere herein, any Note Purchaser shall obtain on account of the Class A Notes owned by it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Pro Rata Share (or other share contemplated hereunder), such Note Purchaser shall immediately (a) notify the Administrative Agent of such fact and (b) purchase from the other Note Purchasers such participations made by them as shall be necessary to cause such purchasing Note Purchaser to share the excess payment pro rata (based on the Pro Rata Share of each Note Purchaser) with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Note Purchaser, such purchase shall to that extent be rescinded and each other Note Purchaser shall repay to the purchasing Note Purchaser the purchase price paid therefor, together with an amount equal to such paying Note Purchaser's ratable share (according to the proportion of (i) the amount of such paying Note Purchaser's required repayment to (ii) the total amount so recovered from the purchasing Note Purchaser) of any interest or other amount paid or payable by the purchasing Note Purchaser in respect of the total amount so recovered. The Trust agrees that any Note Purchaser so purchasing a participation from another Note Purchaser may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such

participation as fully as if such Note Purchaser was the direct creditor of the Trust in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify each Managing Agent following any such purchases or repayments.

Section 2.15. Yield Protection.

(a) If (i) any Regulatory Change (including a change to Regulation D under the Securities Act):

(A) shall impose, modify or deem applicable any reserve (including, without limitation, any reserve imposed by the Federal Reserve Board), special deposit, insurance assessment, or similar requirement against assets of any Affected Party, deposits or obligations with or for the account of any Affected Party or with or for the account of any Affiliate (or entity deemed by the Federal Reserve Board to be an affiliate) of an Affected Party, or credit extended to or participated in by any Affected Party;

(B) shall change the amount of capital maintained or required or requested or directed to be maintained by any Affected Party;

(C) shall impose any other condition, cost or expense affecting this Agreement or any portion of the Obligations owed or funded in whole or in part by any Affected Party, or its obligations or rights, if any, to pay any portion of its unused Commitment or to provide funding therefor (other than any condition or expense resulting from the gross negligence or willful misconduct of such Affected Party);

(D) shall change the rate for, or the manner in which the Federal Deposit Insurance Corporation (or any successor thereto) assesses deposit insurance premiums or similar charges; or

(E) subject any Affected Party to any tax of any kind whatsoever (except for Other Taxes or Other Applicable Taxes covered by Sections 2.13 and 2.20 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Affected Party) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto,

or (ii) an Accounting Based Consolidation Event shall at any time occur,

and the result of any of the foregoing is or would be:

(A) to increase the cost to or to impose a cost in any material amount on an Affected Party funding or making or maintaining any portion of the Obligations, or any purchases, reinvestments or loans or other extensions of credit under the Program Support Agreement or any Transaction Document or any commitment of such Affected Party with respect to the foregoing;

(B) to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, or under any Program Support Agreement or any Transaction Document with respect thereto;

(C) in the sole determination of such Affected Party, to reduce the rate of return on the capital of an Affected Party as a consequence of its obligations hereunder or under any Program Support Agreement or arising in connection herewith to a level below that which the Affected Party could otherwise have achieved; or

(D) to cause an internal capital charge or other imputed cost upon such Affected Party, which in the sole determination of such Affected Party is allocable to the Trust or the transactions contemplated in this Agreement;

then on or before the 30th day following the date of demand by such Affected Party (which demand shall be accompanied by a statement setting forth in reasonable detail the basis of such demand), the Trust shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost or charge or such reduction; provided, that such additional amount or amounts shall not be payable with respect to any period in excess of 90 days prior to the date of demand by the Affected Party unless (1) the effect of the Regulatory Change or Accounting Based Consolidation Event is retroactive by its terms to a period prior to the date of the Regulatory Change or Accounting Based Consolidation Event, as applicable, in which case any additional amount or amounts shall be payable for the retroactive period but only if the Affected Party provides its written demand not later than 90 days after such Regulatory Change or Accounting Based Consolidation Event; or (2) the Affected Party reasonably and in good faith did not believe the Regulatory Change or Accounting Based Consolidation Event resulted in such an additional or increased cost or charge or such a reduction during such prior period. Each Affected Party agrees that the Trust shall not be asked to pay amounts which the Affected Party's similarly situated customers are not being requested to pay.

(b) Each Affected Party will promptly notify the Administrator and the Administrative Agent of any event of which it has actual knowledge which will entitle such Affected Party to any compensation pursuant to this Section; provided, however, no failure or delay in giving such notification shall adversely affect the rights of any Affected Party to such compensation.

(c) In determining any amount provided for or referred to in this Section, an Affected Party may use any reasonable averaging or attribution methods that it (in its sole discretion exercised in good faith) shall deem applicable and which it applies on a consistent basis. Any Affected Party when making a claim under this Section shall submit to the Administrator and the Administrative Agent a statement as to such increased cost or reduced return (including calculation thereof in reasonable detail), which statement shall, in the absence of manifest error, be conclusive and binding upon the Trust and the Administrative Agent.

(d) If any Affected Party has or anticipates having any claim for compensation from the Trust pursuant to this Section 2.15, and such Affected Party believes that having the Facility

publicly rated by one or more credit rating agencies would reduce the amount of such compensation by an amount deemed by such Affected Party to be material, then such Affected Party or a Managing Agent on its behalf shall provide written notice to the Trust and the Administrator (a "Ratings Request") that such Affected Party intends to request a public rating of the Facility from one or more credit rating agencies selected by such Affected Party and reasonably acceptable to Trust, of at least "AA" or the equivalent (the "Required Ratings"). Unless the Trust has caused the assignment of all of such Affected Parties' rights and obligations under this Agreement pursuant to Section 2.21(a), each of the Trust and the Administrator agrees that it shall cooperate with such Affected Party's efforts to obtain the Required Ratings, including entering into reasonably requested amendments and other modifications to the Transaction Documents, and shall provide the applicable credit rating agencies (either directly or through distribution to the Administrative Agent or such Affected Party) any information reasonably requested by such credit rating agencies for purposes of providing and monitoring the Required Ratings. The relevant Affected Party shall pay the initial fees payable to the credit rating agencies for providing the ratings and the Trust shall pay all ongoing fees payable to the credit rating agencies for their continued monitoring of the ratings. Nothing in this Section 2.15(d) shall preclude any Affected Party from demanding compensation from Issuer pursuant to Section 2.15(a) hereof at any time and without regard to whether the Required Ratings shall have been obtained, or shall require any Affected Party to obtain any ratings on the Facility prior to demanding any such compensation from the Trust.

Section 2.16. Extension of Liquidity Expiration Date and Scheduled Maturity Date.

(a) ***Extension of Liquidity Expiration Date.*** Provided that no Amortization Period or Termination Event shall have occurred and be continuing, the Trust, acting through the Administrator, may, at any time during the period which is no greater than 90 days or less than 45 days immediately preceding the Liquidity Expiration Date (as such date may have been previously extended pursuant to this Section 2.16(a)), request that the then applicable Liquidity Expiration Date be extended for an additional period of 364 days; provided, however, that the Liquidity Expiration Date shall not be extended past the Scheduled Maturity Date. Any such request shall be in writing and delivered to each Managing Agent and the Administrative Agent. None of the Lenders, Managing Agents or Facility Groups shall have any obligation to extend the Liquidity Expiration Date at any time. Any such extension of the Liquidity Expiration Date with respect to a Lender shall be effective only upon the written agreement of the Trust, the Managing Agent for such Lender's Facility Group, such Lender and, if applicable, the related Conduit Lender. Each Managing Agent will (on behalf of its related Note Purchasers) respond to any such request by providing a response to the Trust and the Administrative Agent within the earlier of (i) 30 days of its receipt of such request and (ii) 30 days prior to the then-effective Liquidity Expiration Date; provided, however, that if any Facility Group determines that it will not extend the Liquidity Expiration Date prior to the response date set forth above, the related Managing Agent shall notify the Administrator as soon as practicable after such determination has been made. Any failure by a Managing Agent to respond by the later of the dates set forth in clause (i) and (ii) of the preceding sentence shall be deemed to be a rejection of the requested extension by such Managing Agent and the related Lenders in its Facility Group. If one or more Managing Agents does not extend the Liquidity Expiration Date and the Administrator fails to arrange for the assignment of the Commitment of any Liquidity Non-Renewing Facility Group pursuant to Section 2.21(e) within the time designated therein, the Liquidity Expiration Date

shall not be extended for all Facility Groups and the Non-Renewal Step-Up Rate shall increase as provided in the Lenders Fee Letter. For the avoidance of doubt, in the event that the Liquidity Expiration Date is not extended, each Facility Group, including any Liquidity Non-Renewing Facility Group, shall continue to make Advances in accordance with the terms of this Agreement in an amount not to exceed the amount of each Facility Group's unused Commitment until the earliest of the occurrence of an Amortization Event, a Termination Event or the Scheduled Maturity Date.

(b) ***Extension of Scheduled Maturity Date.*** Provided that no Amortization Event or Termination Event shall have occurred and be continuing, the Trust, acting through the Administrator, may, at any time during the period which is no greater than 90 days or less than 45 days immediately preceding the Scheduled Maturity Date (as such date may have been previously extended pursuant to this Section 2.16(b)), request that the then applicable Scheduled Maturity Date be extended for an additional period of up to 364 days. Any such request shall be in writing and delivered to each Managing Agent and the Administrative Agent. None of the Lenders, Managing Agents or Facility Groups shall have any obligation to extend the Scheduled Maturity Date at any time. Any such extension of the Scheduled Maturity Date with respect to a Lender shall be effective only upon the written agreement of the Trust, the Managing Agent for such Lender's Facility Group, such Lender and, if applicable, the related Conduit Lender. Each Managing Agent will (on behalf of its related Note Purchasers) respond to any such request by providing a response to the Trust and the Administrative Agent within the later of (i) 30 days of its receipt of such request and (ii) 30 days prior to the then-effective Scheduled Maturity Date; provided, however, that if any Facility Group determines that it will not renew its Commitment prior to the response date set forth above, the related Managing Agent shall notify the Administrator as soon as practicable after such determination has been made. Any failure by a Managing Agent to respond by the later of the dates set forth in clause (i) and (ii) of the preceding sentence shall be deemed to be a rejection of the requested extension by such Managing Agent and the related Lenders in its Facility Group. If one or more Managing Agents (but less than all) does not extend the Scheduled Maturity Date, the provisions of Section 2.21(b) shall apply with respect to its Facility Group and the Scheduled Maturity Date shall be extended with respect to the remaining Facility Groups. Notwithstanding the foregoing, in connection with each extension of the Scheduled Maturity Date as provided herein, the Trust shall provide an Opinion of Counsel to the effect that each Advance evidenced under the Class A Notes will constitute indebtedness for United States federal income tax purposes.

Section 2.17. Servicer Advances.

In the event that, on the Settlement Date relating to any Settlement Period, the amount on deposit in the Collection Account which is allocable to the payment of amounts described in Sections 2.05(b)(ii) through (iv) due and payable on such Settlement Date is not sufficient to pay such amounts, the Master Servicer may, if permitted pursuant to its Servicing Agreement, make an advance in an amount equal to such insufficiency to the extent it believes such Servicer Advance will be recoverable.

Section 2.18. Release and Transfer of Pledged Collateral.

(a) The Administrative Agent hereby agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the Depositor or the Servicer as a result of purchases or repurchases (including substitutions) of Trust Student Loans pursuant to the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, any Purchase Agreement or any Servicing Agreement; provided, however, that with respect to a repurchase of a Student Loan pursuant to the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement or a Purchase Agreement that is not a Permitted Release covered by clause (b) below, it shall be a condition to such release that the Administrative Agent shall have received cash into the Administration Account in an amount equal to the sum of (i) the product of the Applicable Percentage (determined as if each Student Loan were an Eligible FFELP Loan) multiplied by the Principal Balance of such Student Loan and (ii) any amount previously drawn under the Revolving Credit Agreement to purchase such Student Loan (as reduced by any payments of principal received on such Student Loan, proportionately, based on the portion of the purchase price of such Student Loan financed under the Revolving Credit Agreement) or, in the case of any substitution, the Trust shall have received new Eligible FFELP Loans with a Principal Balance equal to or greater than the Principal Balance of the Student Loans being released and the tests set forth in Section 2.18(b)(ii)(B) and (C) shall be satisfied; and provided further, that with respect to purchases of Student Loans by a Servicer required or expressly permitted as a result of the related Servicing Agreement that is not a Permitted Release covered by clause (b) below, the Administrative Agent has received cash into the Administration Account in an amount equal to that set forth in Section 3.05(a) of the Servicing Agreement or, in the case of any substitution, the Trust shall have received new Eligible FFELP Loans with a Principal Balance equal to or greater than the Principal Balance of the Student Loans being released and the tests set forth in Section 2.18(b)(ii)(B) and (C) shall be satisfied.

(b) In addition, the Administrative Agent hereby further agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the Depositor or an Affiliate thereof in connection with a Permitted Release. The release of the Administrative Agent's security interest in any Released Collateral pursuant to this Section 2.18(b) shall be subject to the following conditions precedent unless the Required Managing Agents (or following a Termination Event or Amortization Event or with respect to a failure to satisfy condition (ii)(B) below, all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender) have waived such condition (and by transferring the Pledged Collateral the Trust shall be deemed to have certified that all such conditions precedent are satisfied):

(i) such release shall be a Permitted Release,

(ii) before and after giving effect to such release and to any simultaneous acquisition of Trust Student Loans at such time,

(A) there shall not exist any Amortization Event, Servicer Default, Termination Event or Potential Termination Event;

(B) the Asset Coverage Ratio is greater than or equal to 100%; and

(C) the Weighted Average Remaining Term in School shall be less than 24 months,

(iii) three Business Days prior to any such release that is a Take Out Securitization, a Fair Market Auction, a Whole Loan Sale, a Permitted SPE Transfer, a Permitted Seller Buy-Back, a Permitted Excess Collateral Release or a Servicer Buy-Out, the Trust, acting through the Administrator, shall have delivered a notice describing the Trust Student Loans proposed to be released substantially in the form and substance of Exhibit F attached hereto (a *"**Notice of Release**"*) to the Administrative Agent, certifying that the foregoing conditions described in clause (ii) above shall have been satisfied in connection therewith, together with a pro forma report in the form attached hereto as Exhibit G, demonstrating compliance with the conditions described in clause (ii) above,

(iv) on or prior to such Permitted Release, the Trust shall have deposited (I) into the Administration Account cash in an amount equal to the sum of (A) the product of the Applicable Percentage (determined as if each Trust Student Loan proposed to be released were an Eligible FFELP Loan) multiplied by the Principal Balance of each Trust Student Loan proposed to be released and (B) any amount previously drawn under the Revolving Credit Agreement to purchase such Student Loan (as reduced by any payments of principal received on such Student Loan, proportionately, based on the portion of the purchase price of such Student Loan financed under the Revolving Credit Agreement) and (II) into the Collection Account cash in an amount equal to all Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date, and

(v) if such release involves Trust Student Loans with an aggregate Principal Balance of more than $500,000,000, the Trust, acting through the Administrator, shall have made the required deliveries under Section 2.25(f).

(c) Within five Business Days after each release of collateral hereunder in connection with a Take Out Securitization, the Trust, acting through the Administrator, shall deliver to the Administrative Agent a reconciliation statement (the *"**Release Reconciliation Statement**"*) which shall include an updated calculation, based on actual figures, in the form attached as Exhibit H, confirming that the Minimum Asset Coverage Requirement was satisfied before and after giving effect to the related release. If the Release Reconciliation Statement shows that the value of the released Trust Student Loans was greater than the value provided on the Notice of Release, then the Trust shall deposit such difference into the Administration Account.

(d) No more than once per calendar month during a Revolving Period, on any date between the delivery of the monthly Valuation Report during such month and the Settlement Date occurring during such month, so long as the Minimum Asset Coverage Requirement is satisfied and no Exiting Facility Group Amortization Period exists, the Trust shall be permitted to dividend, distribute or otherwise transfer Trust Student Loans to the holder of the Excess Distribution Certificate with an aggregate Principal Balance in an amount that would not cause a failure to satisfy the Minimum Asset Coverage Requirement; provided, however, that (i) if the aggregate Principal Balance of the Trust Student Loans to be transferred exceeds $500,000,000, then the Trust shall only be permitted to transfer such Trust Student Loans on or after the third (3rd) Business Day following the delivery of the information described in Section 2.25(f); and (ii)

the Trust shall have deposited into the Collection Account an amount equal to all Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date. The Administrative Agent hereby agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the holder of the Excess Distribution Certificate as a Permitted Release and the provisions of Section 2.18(b) (excluding clause (iv)(I)(A) thereof) shall apply to such release.

(e) The Administrative Agent hereby further agrees, and is hereby authorized, to release its lien on any remaining portion of the Pledged Collateral upon payment in full of the Aggregate Note Balance of all Class A Notes Outstanding and all other Obligations and termination of all Commitments of the Lenders hereunder.

Section 2.19. Effect of Release.

Upon the satisfaction of the conditions in Section 2.18, all right, title and interest of the Administrative Agent in, to and under such Released Collateral shall terminate and revert to the Trust, its successors and assigns, and the right, title and interest of the Administrative Agent in such Released Collateral shall thereupon cease, terminate and become void; and, upon the written request of the Trust, acting through its Administrator, its successors or assigns, and at the cost and expense of the Trust, the Administrative Agent, acting through the Administrator, shall deliver and, if necessary, execute such UCC-3 financing statements and releases prepared by and submitted to the Administrative Agent for authorization as are necessary or reasonably requested in writing by the Trust, acting through the Administrator, to terminate and remove of record any documents constituting public notice of the security interest in such Released Collateral granted hereunder being released.

Section 2.20. Taxes.

(a) All payments made by the Trust under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding any U.S. federal taxes (other than federal withholding taxes on interest), net income taxes and franchise taxes or branch profit taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent, any Managing Agent, any Lender or any Program Support Provider as a result of a present or former connection between the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any Managing Agent, such Lender or any Program Support Provider and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Transaction Document) (collectively, the *"**Excluded Taxes**"*). If any non-Excluded Taxes, levies, imposts, duties, charges, fees of any kind, deductions, withholdings or assessments (including, but not limited to any current or future stamp as documentary taxes or any other excise or property taxes, charges or similar levies, but excluding Excluded Taxes) (*"**Other Taxes**"*) are required to be withheld from any amounts payable to the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any

Managing Agent, any Lender or any Program Support Provider hereunder, the amounts so payable to the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider shall be increased to the extent necessary to yield to the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any Managing Agent, such Lender or any Program Support Provider (after payment of all Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Trust shall not be required to increase any such amounts payable to any Lender with respect to (i) any Other Taxes that are United States withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement, except to the extent that such Lender's assignor (if any) was entitled, at the time of the assignment, to receive additional amounts from the Trust with respect to such Other Taxes pursuant to this paragraph or (ii) Other Taxes to the extent the Administrative Agent, Managing Agent or Lender will receive a refund or realize the benefit of a credit or reduction in taxes or amount owed to any taxing jurisdiction. To be entitled to receive additional amounts for Other Taxes, the Administrative Agent, Managing Agent or Lender must certify to the Trust that, based upon advice from one of its inside or outside tax advisors, such Administrative Agent, Managing Agent or Lender does not reasonably expect to receive a refund or realize the benefit of a credit or reduction in taxes or amount owed to any taxing jurisdiction as a result of such Other Taxes.

(b) In addition, the Trust shall pay to the relevant Governmental Authority in accordance with applicable law all Other Taxes imposed upon the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider that arise from any payment made hereunder or from the execution, delivery, or registration of or otherwise similarly with respect to, this Agreement.

(c) Whenever any Other Taxes are payable by the Trust, the Administrative Agent or the applicable Managing Agent shall promptly notify the Trust in writing and as soon as practicable, but no later than 30 days thereafter, the Trust shall send to the Administrative Agent for its own account or for the account of the Syndication Agent, any Co-Valuation Agent, any Managing Agent, any Program Support Provider or relevant Lender, as the case may be, a certified copy of an original official receipt received by the Trust showing payment thereof. The Trust agrees to indemnify the Administrative Agent, any Managing Agent, any Program Support Provider and each Lender within 10 days after demand therefor from and against the full amount of the Other Taxes arising out of this Agreement (whether directly or indirectly) imposed upon or paid by the Administrative Agent, any Managing Agent, any Program Support Provider or such Lender and any liability (including penalties, interest, and expenses arising with respect thereto), regardless of whether such Other Taxes were correctly or legally asserted by the relevant Governmental Authority; provided, that such Lender shall have provided the Trust with evidence, setting forth in reasonable detail, of payment of such Other Taxes, and the certification required in clause (a) above.

(d) Each Lender (or transferee) that is not a "U.S. Person" as defined in section 7701(a)(30) of the Code (a "***Non-U.S. Lender***") shall deliver to the Trust and the Administrative Agent and its Managing Agent two copies of either U.S. Internal Revenue Service form W-8BEN or form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from the withholding of U.S. federal income tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," both a form W-8BEN and a certificate substantially in the

form of Exhibit I (a *"**2.20(d) Certificate**"*) or any subsequent versions thereof or successors thereto, in all cases properly completed and duly executed by such Non-U.S. Lender, claiming complete exemption from withholding of U.S. federal income tax on all payments by the Trust under this Agreement. Such forms shall be delivered by each Non-U.S. Lender at least five Business Days before the date of the initial payment to be made pursuant to this Agreement by the Trust to such Lender. In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Trust at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Trust (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision in this paragraph, a Non-U.S. Lender shall not be required to deliver any subsequent form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) For any period with respect to which a Lender has failed to provide the Trust, the Administrative Agent or its Managing Agent with the appropriate form, certificate or other document described in Section 2.20(d) (unless such failure is due to a change in treaty, law or regulation, or any interpretation or administration thereof by any Governmental Authority, occurring after the date on which a form, certificate or other document originally was required to be provided), such Lender shall not be entitled to indemnification of additional amounts under Section 2.20 with respect to Other Taxes by reason of such failure; provided, however, that should a Lender, which is otherwise exempt from or subject to a reduced rate of withholding tax, become subject to Other Taxes because of its failure to deliver a form required hereunder, the Trust shall take such steps as such Lender shall reasonably request to recover such Other Taxes.

(f) A Lender which is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Trust is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Trust (with a copy to the Administrative Agent), at the time or times prescribed by the applicable law or reasonably requested by the Trust, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate; provided, that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(g) In cases in which the Trust makes a payment under this Agreement to a U.S. Person with knowledge that such U.S. Person is acting as an agent for a foreign person, the Trust will not treat such payment as being made to a U.S. Person for purposes of Treas. Reg. § 1.1441-1(b)(2)(ii) (or a successor provision) without the express written consent of such U.S. Person.

(h) Each Lender hereby agrees that, upon the occurrence of any circumstances entitling such Lender to indemnification or additional amounts pursuant to this Section 2.20, such Lender shall use reasonable efforts to designate a different lending office if the making of such a change would avoid the need for, or materially reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be materially disadvantageous to such Lender.

(i) If a Lender receives a refund or realizes the benefit of a credit or reduction in respect of any Other Taxes as to which the Lender has been indemnified by the Trust, or with respect to which the Trust has paid an additional amount hereunder, the Lender shall, within 30 days after the date of such receipt or realization, pay over the amount of such refund or credit (to the extent so attributable, but only to the extent of indemnity payments made, or additional amounts paid, by the Trust under this Section with respect to the taxes or Other Taxes giving rise to such refund or credit) to the Trust, net of all out-of-pocket expenses of such Lender related to claiming such refund or credit, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit); provided, however, that (i) the Lender, acting in good faith, will be the sole judge of the amount of any such refund, credit or reduction and of the date on which such refund, credit or reduction is received, (ii) the Lender, acting in good faith, shall have absolute discretion as to the order and manner in which it employs or claims tax refunds, credits, reductions and allowances available to it and (iii) the Trust agrees to repay the Lender, upon written request from the Lender, as the case may be, the amount of such refund, credit or reduction received by the Trust, plus any penalties, interest or other charges imposed by the relevant Governmental Authority, in the event and to the extent, the Lender is required to repay such refund, credit or reduction to any relevant Governmental Authority.

(j) Notwithstanding any other provision of this Agreement, in the event that a Lender is party to a merger or consolidation pursuant to which such Lender no longer exists or is not the surviving entity (but excluding any change in the ownership of such Lender), any taxes payable under applicable law as a result of such change shall be considered Excluded Taxes to the extent such taxes are in excess of the taxes that would have been payable had such change not occurred.

(k) Within 30 days of the written request of the Trust therefor, the applicable Lender shall execute and deliver to the Trust such certificates, forms or other documents which can be furnished consistent with the facts and which are reasonably necessary to assist the Trust in applying for refunds of taxes remitted hereunder; provided, that nothing in this Section 2.20 shall be construed to require any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Trust or any other Person.

(l) The Trust and each Lender will treat the Class A Notes as debt for U.S. federal income tax purposes.

(m) If a payment made to a Note Purchaser under this Agreement would be subject to U.S. federal withholding tax imposed by FATCA if such Note Purchaser were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), the Managing Agent for such Note Purchaser shall deliver to the Trust and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Trust or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Trust or the Administrative Agent as may be necessary for the Trust and the Administrative Agent to comply with its obligations under FATCA, to determine that such Note Purchaser has or has not complied with such Note Purchaser's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment.

(n) The agreements in this Section shall survive the termination of this Agreement and the payment of all amounts payable hereunder.

Section 2.21. Replacement or Repayment of Facility Group.

(a) ***Departing Facility Group***. In the event that (i) the Trust is required to pay amounts under Section 2.15, 2.20 or 10.08 or Article VIII of this Agreement that are particular to an individual Lender, a Program Support Provider or its Managing Agent, (ii) the Administrator reasonably determines that, as a result of a Conduit Lender issuing CP outside the United States commercial paper market, the funding costs for such Conduit Lender are materially higher than for other Lenders, (iii) a Program Support Termination Event occurs with respect to a Program Support Provider, (iv) a Lender becomes a Distressed Lender or (v) any Affected Party or a Managing Agent on its behalf delivers a Ratings Request, then the Trust may require, at its sole expense and effort, upon notice to such Lender, Program Support Provider or other Affected Party or to the applicable Managing Agent, that the Managing Agent for such Lender, Program Support Provider or other Affected Party assign, without recourse, to one or more financial institutions designated by the Administrator, on behalf of the Trust, all of the rights and obligations hereunder of all, or with the consent of the related Managing Agent, the applicable, Lenders, Program Support Providers or other Affected Parties within such Facility Group in accordance with Section 10.04; provided, that in the case of any such assignment resulting from a claim for compensation or a Ratings Request under Section 2.15 or payments required to be made pursuant to Section 2.20, such assignment will result in a reduction in such compensation or payments thereafter or a Ratings Request no longer being outstanding, as the case may be; and provided, further that all amounts owing to any member of the Departing Facility Group shall have been paid in full immediately upon the effectiveness of such assignment.

A Managing Agent shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by the affected Lender, Program Support Provider, or Managing Agent or otherwise, the circumstances entitling the Trust to require such assignment and delegation cease to apply. Each member of the Departing Facility Group shall cooperate fully with the Trust in effecting any such assignment.

(b) ***Maturity Non-Renewing Facility Group*.** In the event that one or more Managing Agents (but less than all) gives notice that its Facility Group will not extend the Scheduled Maturity Date pursuant to Section 2.16(b), then the Trust, acting through the Administrator, may request that each such Managing Agent arrange for an assignment to one or more entities and financial institutions designated by the Administrator, acting on behalf of the Trust, of all of the rights and obligations hereunder of such Maturity Non-Renewing Facility Group in accordance with Section 10.04. If the Managing Agent does not comply with such request within ten Business Days of such request, then the Administrator, on behalf of the Trust, may arrange for an assignment to one or more existing Facility Groups or replacement Facility Groups of all of the rights and obligations hereunder of the Maturity Non-Renewing Facility Group in accordance with Section 10.04. Each member of the Maturity Non-Renewing Facility Group shall cooperate fully with the Administrator in effecting any such assignment. If the Administrator is unable to arrange such an assignment prior to the Scheduled Maturity Date, then the Commitment of the Maturity Non-Renewing Facility Group to make new Advances hereunder shall terminate on the relevant Scheduled Maturity Date; provided, that the Maturity

Non-Renewing Facility Group shall make a Capitalized Interest Advance in an amount equal to the lesser of (i) its Pro Rata Share of the Capitalized Interest Account Unfunded Balance and (ii) such Maturity Non-Renewing Facility Group's unused Commitment on the Business Day prior to its Scheduled Maturity Date, for deposit into the Capitalized Interest Account; provided further, that the Maturity Non-Renewing Facility Group will continue to make Advances in an amount not to exceed the amount of such Maturity Non-Renewing Facility Group's unused Commitment until its Scheduled Maturity Date. The Exiting Facility Group Amortization Period for the Maturity Non-Renewing Facility Group shall begin on its Scheduled Maturity Date. So long as the Exiting Facility Group Amortization Period for such Maturity Non-Renewing Facility Group has not terminated pursuant to clause (i) or (ii) of the definition thereof, at such time as all other Advances made by such Maturity Non-Renewing Facility Group have been paid in full, the aggregate amount of all Capitalized Interest Advances made by the Maturity Non-Renewing Facility Group shall be repaid to such Maturity Non-Renewing Facility Group to reduce its portion of the Aggregate Note Balance to zero.

(c) [Reserved].

(d) ***Termination of the Exiting Facility Group Amortization Period.*** The Exiting Facility Group Amortization Period with respect to any Exiting Facility Group shall terminate upon the occurrence of an Amortization Event or Termination Event. After the occurrence of either such event, the Exiting Facility Group shall be entitled to payment with respect to the Aggregate Note Balance pro rata with other Note Purchasers in accordance with Section 2.05(b) or Section 7.03, as applicable.

(e) ***Liquidity Non-Renewing Facility Group.*** In the event that one or more Managing Agents gives notice that its Facility Group will not extend the Liquidity Expiration Date pursuant to Section 2.16(a), then the Trust, acting through the Administrator, may request that each such Managing Agent arrange for an assignment to one or more entities and financial institutions designated by the Administrator, acting on behalf of the Trust, of all of the rights and obligations hereunder of such Liquidity Non-Renewing Facility Group in accordance with Section 10.04. If the Managing Agent does not comply with such request within ten Business Days of such request, then the Administrator, on behalf of the Trust, may arrange for an assignment to one or more existing Facility Groups or replacement Facility Groups of all of the rights and obligations hereunder of the Liquidity Non-Renewing Facility Group in accordance with Section 10.04. Each member of the Liquidity Non-Renewing Facility Group shall cooperate fully with the Administrator in effecting any such assignment. If the Administrator is unable to arrange such an assignment prior to the Liquidity Expiration Date, then the Liquidity Expiration Date shall not be extended with respect to all Facility Groups. For the avoidance of doubt, in the event that the Liquidity Expiration Date is not extended, each Facility Group, including any Liquidity Non-Renewing Facility Group, shall continue to make Advances in accordance with the terms of this Agreement in an amount not to exceed the amount of each Facility Group's unused Commitment until the earliest of the occurrence of an Amortization Event, a Termination Event or the Scheduled Maturity Date.

Section 2.22. Notice of Amendments to Program Support Agreements.

Each Managing Agent shall provide the Trust and the Administrator with written notice of any amendment to the Program Support Agreements executed in connection with this Agreement if such amendment is reasonably expected by such Managing Agent to result in any material increase in costs or expenses for the Trust or otherwise materially impact the Trust.

Section 2.23. Lender Holding Account.

(a) Each Non-Rated Lender must, at the time such Lender becomes a party hereto (or, if a Lender hereunder subsequently becomes a Non-Rated Lender, within ten Business Days of the time it becomes a Non-Rated Lender), and any other Lender may, in its sole discretion at any time, make an advance (such advance, the *"**Lender Holding Deposit**"*) to the Administrative Agent in an amount equal to its Pro Rata Share of the Capitalized Interest Account Unfunded Balance (such amount, the *"**Required Holding Deposit Amount**"*). Upon receipt of any such Lender Holding Deposit, the Administrative Agent shall deposit such funds into a trust account maintained at a Qualified Institution (each such account, a *"***Lender Holding Account***"*), in the name of such Holding Account Lender and referencing the name of the Trust. The Lender Holding Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the applicable Holding Account Lender and the Trust. The Lender Holding Account shall not be deemed to be a Trust Account for purposes of this Agreement, but shall be deemed to be property of the Holding Account Lender held for the benefit of the Trust as described herein, and neither the Administrator nor the Trust shall have any rights to withdraw funds from such Lender Holding Account or any interest in or rights to the earnings thereon. Thereafter, until the release and termination of such Lender Holding Account under clause (b) below, any Capitalized Interest Advance to be made by such Holding Account Lender shall be made by withdrawing funds from such Lender Holding Account. Each of the applicable Holding Account Lender and the Trust hereby grants to the Administrative Agent full power and authority, on behalf of the Trust and the applicable Holding Account Lender, to withdraw funds from the applicable Lender Holding Account in order to honor such Holding Account Lender's obligations to fund any Capitalized Interest Advance.

(b) Each Lender Holding Account with respect to any Holding Account Lender, once established, shall continue to be maintained until the earliest of (i) the assignment by such Lender of all of its rights pursuant to Section 10.04 hereof, (ii) such Lender receiving a short-term unsecured indebtedness rating of at least "A-1" by S&P and "Prime-1" by Moody's, (iii) such Lender obtaining a guarantee or letter of credit that causes it to cease to be a Holding Account Lender, (iv) the funding of a Capitalized Interest Advance through a withdrawal of funds from such Lender Holding Account that satisfies in full such Holding Account Lender's obligation to fund further Capitalized Interest Advances and (v) the payment in full of the Aggregate Note Balance and the termination of the Commitments hereunder. Upon any of the events described in clauses (i) through (v) of the immediately preceding sentence, the Administrative Agent, at the times and in the manner requested by the Holding Account Lender, shall sell, liquidate or otherwise transfer the investments on deposit in the applicable Lender Holding Account to such accounts as the Holding Account Lender may request, and release to the Holding Account Lender any remaining funds on deposit in such Lender Holding Account. If, due to a reduction in or partial assignment of Commitments of the Holding Account Lender, the amounts on deposit in its Lender Holding Account exceed the applicable Required Holding Deposit Amount, the Administrative Agent shall, at the request of such Holding Account Lender, release such excess to such Holding Account Lender.

(c) From and after the establishment of a Lender Holding Account until one of the events described in clauses (i) through (v) of the first sentence of Section 2.23(b), the Administrative Agent shall continue to maintain such Lender Holding Account and shall, at the direction of the applicable Holding Account Lender, from time to time invest and reinvest the funds on deposit in such Lender Holding Account in Eligible Investments having a maturity not greater than those permitted for funds in the Trust Accounts under Section 2.08(a). The funding of a Lender Holding Deposit shall not be considered an Advance or part of the Aggregate Note Balance for any purpose under this Agreement, including for purposes of calculating any Yield or Non-Use Fees owed to the Facility Groups hereunder or under the Lenders Fee Letter, as applicable. The Administrative Agent shall remit or cause to be remitted to the Managing Agent for each relevant Holding Account Lender, on each Settlement Date or on such other dates on which the Administrative Agent and such Managing Agent mutually agree, all realized investment earnings earned or received in connection with the investment of such funds on deposit in the Lender Holding Account of such Holding Account Lender so long as the release of such earnings would not cause the amount on deposit in the Lender Holding Account to be less than the Required Holding Deposit Amount. Notwithstanding anything contained herein to the contrary, neither the Administrative Agent nor the Trust shall have any liability for any loss arising from any investment or reinvestment made by it in accordance with, and pursuant to, the provisions hereof.

Section 2.24. Deliveries by Administrative Agent.

The Administrative Agent agrees that it will forward to the Managing Agents each of the following, promptly after receipt thereof: (a) the annual Administrator's statement delivered to the Administrative Agent pursuant to Section 3.02(a) of the Administration Agreement and (b) any notice of a change in the location of the records of a Servicer delivered to the Administrative Agent pursuant to Section 2.03 of the Servicing Agreement.

Section 2.25. Mark-to-Market Valuation.

(a) In accordance with the Valuation Agent Agreement, the Administrator shall provide to the Co-Valuation Agents and, upon request, to each Managing Agent, no later than (i) the fifth calendar day of each month, a collateral tape reflecting the portfolio of Trust Student Loans as of the end of the immediately preceding calendar month and (ii) if required under the Valuation Agent Agreement, the fifth calendar day after each Valuation Date, a collateral tape reflecting the portfolio of Trust Student Loans as of such Valuation Date (provided, that portfolio information from subservicers may not be available). Pursuant to the Valuation Agent Agreement, on or before the fifth Business Day after receipt of such collateral tape, each Co-Valuation Agent will deliver to the Administrative Agent two mark-to-market valuations of the Trust Student Loans based on such collateral tape. The Administrative Agent shall deliver to the Administrator, each Managing Agent and the Co-Valuation Agents on or before the Business Day following receipt of the mark-to-market valuations from the Co-Valuation Agents, a Valuation Report setting forth (i) the mark-to-market valuations submitted by the Co-Valuation Agents and (ii) the resulting Applicable Percentage determined in accordance with the Valuation Agent Agreement.

(b) If any Managing Agent disagrees at any time with the mark-to-market valuation stated in the Valuation Report by more than 0.25% (e.g., such Managing Agent believes that a different percentage, which is at least 0.25% less than the mark-to-market valuation set forth in such Valuation Report, should be used to reflect the market value of the Trust Student Loans), such Managing Agent shall submit a notice of such dispute in writing together with such Managing Agent's own good faith valuation to each Co-Valuation Agent, the Administrative Agent and the Administrator within two Business Days after receipt of the related Valuation Report. In such event, the Co-Valuation Agents shall be required to negotiate with such Managing Agent in good faith to determine an agreed upon mark-to-market valuation within three Business Days after receipt of such notice. If the Co-Valuation Agents do not reach an agreement with the Managing Agent within such three Business Day period, the mark-to-market valuation to be used for determining the new Applicable Percentage shall be the average of the mark-to-market valuations submitted by the Co-Valuation Agents and such Managing Agent.

(c) If the Administrator disagrees at any time with the mark-to-market valuation stated in the Valuation Report by more than 0.25% (e.g., the Administrator believes that a different percentage, which is at least 0.25% greater than the mark-to-market valuation set forth in such Valuation Report, should be used to reflect the market value of the Trust Student Loans), the Administrator shall submit a notice of such dispute in writing to the Administrative Agent and each Co-Valuation Agent within two Business Days after receipt of the related Valuation Report. The Co-Valuation Agents shall be required to negotiate with the Administrator in good faith to determine an agreed upon mark-to-market valuation within three Business Days after receipt of such notice. At the end of such period, each Co-Valuation Agent shall resubmit its good faith valuation (adjusted, to the extent applicable, following such negotiation) to the Administrative Agent and the mark-to-market valuation to be used for determining the new Applicable Percentage shall be the average of the mark-to-market valuations submitted by the Co-Valuation Agents.

(d) During the pendency of any dispute described in clause (b) or (c) above, the Applicable Percentage to be applied shall be the disputed Applicable Percentage set forth in the Valuation Report; provided, however, that to the extent the Administrator has disputed the Applicable Percentage, the Administrator, on behalf of the Trust, shall cause to be transferred into the Administration Account amounts, if any, required for the Asset Coverage Ratio to not be less than 100.00% based on the disputed Applicable Percentage, which amounts shall be maintained therein until such dispute is resolved, at which time the Administrator, on behalf of the Trust, may, if the dispute is resolved at a higher valuation, withdraw the portion of such payment that is no longer required to satisfy the condition that the Asset Coverage Ratio not be less than 100.00% and release such amount to the Trust. To the extent an Applicable Percentage changes due to a mark-to-market valuation or otherwise, all new Eligible FFELP Loans shall thereafter be sold to the Trust using such revised Applicable Percentages. With respect to all Eligible FFELP Loans then owned by the Trust, the Administrator, on behalf of the Trust, shall cure any deficiency resulting from the Asset Coverage Ratio being less than 100.00% due to a mark-to-market valuation, by causing cash or Eligible Investments to be contributed, or by causing Eligible FFELP Loans to be transferred, to the Trust by the fifth Business Day following

the date of adjustment of the Applicable Percentage and deliver an updated calculation of the Asset Coverage Ratio on such Business Day demonstrating that the Asset Coverage Ratio will not be less than 100.00% after giving effect to such cure.

(e) No amounts shall be paid to the holder of the Excess Distribution Certificate pursuant to Section 2.05(b)(xxii) until any dispute as to the Applicable Percentage is resolved and, if applicable, any additional amounts required to be deposited into the Administration Account to satisfy the Minimum Asset Coverage Requirement shall have been deposited therein.

(f) In connection with any Permitted Release under Section 2.18 involving a release of Trust Student Loans with an aggregate Principal Balance of more than $500,000,000, the Trust, acting through the Administrator, shall deliver to each Co-Valuation Agent either (i) summary statistics of the Pledged Collateral being released, together with a copy of a collateral tape describing the released assets, to the extent such a tape has been prepared and delivered to any third parties in connection with such release, or (ii) an updated collateral tape reflecting the portfolio of Trust Student Loans after giving effect to such release. The Trust, acting through the Administrator, shall also use commercially reasonable efforts to provide, with reasonable promptness, such other information as may be reasonably requested by any Managing Agent in connection with such release. Any Managing Agent may request that a mark-to-market valuation be conducted in connection with such release in accordance with and subject to the terms of the Valuation Agent Agreement.

(g) The parties agree that, for purposes of this Agreement and the Valuation Agent Agreement, delivery of any collateral tape shall be effective if (i) the same is posted through the Administrator's customary file transfer protocols as in effect on the Closing Date (as such protocols may be modified in a manner mutually acceptable to the Administrator and the Co-Valuation Agents), and (ii) notice of such posting is given to the applicable recipient in accordance with Section 10.02.

Section 2.26. Inability to Determine Rates.

If the Required Managing Agents determine, for any reason in connection with any request for a LIBOR Advance, that (a) dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Tranche Period of such LIBOR Advance, (b) adequate and reasonable means do not exist for determining the LIBOR Base Rate for any requested Tranche Period with respect to a proposed LIBOR Advance, or (c) the LIBOR Base Rate for any requested Tranche Period with respect to a proposed LIBOR Advance does not adequately and fairly reflect the cost to such Lenders of funding such Advance, the Administrative Agent will promptly so notify the Trust and each Lender. Thereafter, the obligation of the Lenders to make or maintain a LIBOR Advance shall be suspended until the Administrative Agent (upon the instruction of the Required Managing Agents) revokes such notice. Upon receipt of such notice, the Trust may revoke any pending request for a LIBOR Advance, or failing that, will be deemed to have converted such request into a request for Base Rate Advances in the amount specified therein.

Section 2.27. Calculation of Monthly Yield.

On or before the fifth calendar day after the last day of any Settlement Period, each Managing Agent shall notify the Administrator and the Administrative Agent of the Yield payable to its Facility Group on the succeeding Settlement Date together with, (i) if interest for any portion of any Class A Note for any portion of such Settlement Period is determined by reference to the CP Rate, the applicable CP Rate for such Settlement Period for the applicable Conduit Lender and if such CP Rate is calculated based on match-funding rather than pool funding, the Related LIBOR Rate applicable to such Conduit Lender; (ii) if interest for any portion of any Class A Note for any portion of such Settlement Period is determined by reference to the LIBOR Rate, such Managing Agent's calculation of the applicable LIBOR Rate for such Settlement Period (which rate may be based on such Managing Agent's good faith estimates of the LIBOR Rates to be in effect during the remainder of such Interest Accrual Period) and (iii) any Estimated Interest Adjustments owing in respect of the previous Settlement Date.

ARTICLE III.

THE CLASS A NOTES

Section 3.01. Form of Class A Notes Generally.

(a) The Class A Notes shall be in substantially the form set forth in Exhibit J with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Class A Notes, as evidenced by their execution of the Class A Notes.

(b) The Class A Notes shall be typewritten or printed.

(c) The Class A Notes shall be issuable only in registered form and with a maximum aggregate principal amount that, when aggregated with the maximum aggregate principal amounts of each other Outstanding Class A Note, will not be less than the Maximum Financing Amount. One Class A Note in the maximum aggregate principal amount equal to the Pro Rata Share of the Maximum Financing Amount of each Facility Group shall be registered in the name of the Managing Agent for such Facility Group.

(d) All Class A Notes shall be substantially identical except as to maximum denomination and except as may otherwise be provided in or pursuant to this Section.

Section 3.02. Securities Legend.

Each Note issued hereunder will contain the following legend:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR REGULATORY AUTHORITY OF ANY STATE. THIS NOTE HAS BEEN OFFERED AND SOLD PRIVATELY. THE REGISTERED OWNER HEREOF ACKNOWLEDGES THAT

THESE SECURITIES ARE "RESTRICTED SECURITIES" THAT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND AGREES FOR THE BENEFIT OF THE TRUST AND ITS AFFILIATES THAT THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) TO A PERSON WHOM THE TRANSFEROR REASONABLY BELIEVES IS AN INSTITUTIONAL ACCREDITED INVESTOR TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON REGULATION D, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION OR (II) TO A PERSON IN A TRANSACTION THAT IS REGISTERED UNDER THE SECURITIES ACT OR THAT IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE DEPOSITOR, THE ADMINISTRATOR, THE ADMINISTRATIVE AGENT AND THE ELIGIBLE LENDER TRUSTEE THAT: IT IS AN INSTITUTIONAL ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1)-(3) AND (7) OF REGULATION D UNDER THE SECURITIES ACT) OR AN ENTITY IN WHICH ALL THE EQUITY OWNERS COME WITHIN SUCH PARAGRAPHS; ITS ACQUISITION OF THIS NOTE IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS AND IT IS HOLDING THIS NOTE FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION.

Section 3.03. Priority.

Except as permitted by Section 2.05(b), Section 2.21 or Section 7.03(b), all Class A Notes issued under this Agreement shall be in all respects equally and ratably entitled to the benefits hereof and secured by the Pledged Collateral without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement. All payments of Financing Costs on the Class A Notes shall be made pro rata among all Outstanding Class A Notes based on the amount of Financing Costs owed on such Class A Notes, without preference or priority of any kind. Except as provided in Sections 2.05(b) and 2.21, payments of principal on the Class A Notes shall be made pro rata among all Outstanding Class A Notes, without preference or priority of any kind.

Section 3.04. Execution and Dating.

The Class A Notes shall be executed on behalf of the Trust by any of the Authorized Officers of the Eligible Lender Trustee. The signature of any of these officers on the Class A Notes may be manual or facsimile. Each Note shall be dated the date of its execution.

Section 3.05. Registration, Registration of Transfer and Exchange, Transfer Restrictions.

(a) The Trust shall cause to be kept a register (the *"**Note Register**"*) in which, subject to such reasonable regulations as it may prescribe, the Trust shall provide for the registration of

the Class A Notes and for transfers of the Class A Notes. The Administrative Agent, acting solely for this purpose as agent for the Trust, shall serve as *"**Note Registrar**"* for the purpose of registering the Class A Notes and transfers of the Class A Notes as herein provided.

(b) Upon surrender for registration of transfer of any Note at the address of the Trust referred to in Exhibit M, the Trust shall execute and deliver in the name of the designated transferee or transferees, one or more new Class A Notes of any authorized denominations and of a like tenor and aggregate principal amount.

(c) At the option of the Registered Owner, Class A Notes may be exchanged for other Class A Notes of the same series and of like tenor in a maximum principal amount consistent with Section 3.01(c), upon surrender of the Class A Notes to be exchanged at such office or agency. Whenever any Class A Notes are so surrendered for exchange, the Trust shall execute and deliver the Class A Notes, which the Registered Owner making the exchange is entitled to receive.

(d) All Class A Notes issued upon any registration of transfer or exchange of Class A Notes shall be the valid obligations of the Trust, evidencing the same debt, and entitled to the same benefits under this Agreement, as the Class A Notes surrendered upon such registration of transfer or exchange.

(e) Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Trust or the Administrative Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trust and the Note Registrar duly executed, by the Registered Owner thereof or his attorney duly authorized in writing with such signature guaranteed by a commercial bank or trust company, or by a member firm of a national securities exchange, and such other documents as the Administrative Agent may require. The Trust shall notify the Administrative Agent, as the Note Registrar, of each transfer or exchange of Class A Notes.

(f) No service charge shall be made for any registration of transfer or exchange of Class A Notes, but the Trust or the Administrative Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Class A Notes.

Section 3.06. Mutilated, Destroyed, Lost and Stolen Class A Notes.

(a) If any mutilated Class A Note is surrendered to the Administrative Agent, the Trust shall execute and deliver in exchange therefor a new Class A Note of the same series and of like tenor and maximum principal amount and bearing a number not contemporaneously outstanding. If there shall be delivered to the Trust (i) evidence to the Trust's satisfaction of the destruction, loss or theft of any Class A Note and (ii) such security or indemnity as may be required by them to hold the Trust and any of its agents, including the Administrative Agent and the Eligible Lender Trustee, harmless, then, in the absence of notice to the Trust that such Class A Note has been acquired by a bona fide purchaser, the Trust shall execute and deliver, in lieu of any such destroyed, lost or stolen Class A Note, a new Class A Note of the same series and of like tenor and principal amount and maximum principal amount and bearing a number not contemporaneously outstanding.

(b) In case any such mutilated, destroyed, lost or stolen Class A Note has become or is about to become due and payable, the Trust in its discretion may, instead of issuing a new Class A Note, pay such Class A Note.

(c) Upon the issuance of any new Class A Note under this Section, the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Note Registrar) connected therewith.

(d) Every new Class A Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Class A Note shall constitute an original additional contractual obligation of the Trust, whether or not the destroyed, lost or stolen Class A Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Class A Notes duly issued hereunder.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Class A Notes.

Section 3.07. Persons Deemed Owners.

Prior to due presentment of a Class A Note for registration of transfer, the Trust, the Administrative Agent and any agent of the Trust or the Administrative Agent may treat the Person in whose name such Class A Note is registered as the absolute owner of such Class A Note for the purpose of receiving payment of principal of and Financing Costs on such Class A Note and for all other purposes whatsoever, whether or not such Class A Note be overdue, and none of the Trust, the Administrative Agent or any agent of the Trust or the Administrative Agent shall be affected by notice to the contrary.

Section 3.08. Cancellation.

Subject to Section 3.05(b), all Class A Notes surrendered for payment, prepayment in whole, registration of transfer or exchange shall, if surrendered to any Person other than the Trust, be delivered to the Trust and shall be promptly cancelled by the Trust. The Trust may at any time cancel any Class A Notes previously delivered hereunder which the Trust may have acquired in any manner whatsoever, and may cancel any Class A Notes previously executed hereunder which the Trust has not issued and sold. No Class A Notes shall be executed and delivered in lieu of or in exchange for any Class A Notes cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Class A Notes held by the Trust shall be held or destroyed by the Trust in accordance with its standard retention or disposal policy as in effect at the time.

Section 3.09. CUSIP/DTC Listing.

Each of the Administrator, SLM Corporation and the Trust hereby covenants and agrees, at the request of any Lender, to take any actions reasonably requested by any such requesting Lender in order to obtain a CUSIP number for such Lender's Class A Notes or to list such Lender's Class A Notes on The Depository Trust Company (*"**DTC**"*); provided, however, that the Trust shall not be required to pay amounts under Section 2.15, 2.20 or 10.08 as a result of such action. The requesting Lender agrees to pay all costs and expenses (other than legal expenses) associated with obtaining any such CUSIP number or making such listing on DTC, and the Administrator agrees to pay all costs and expenses associated with any amendments to be made to this Agreement as determined to be reasonably necessary to accomplish the foregoing; provided further, that the parties hereto agree that no amendment fee in connection therewith will apply.

Section 3.10. Legal Final Maturity Date.

The Class A Notes shall be due and payable in full on the Legal Final Maturity Date.

ARTICLE IV.

CONDITIONS TO CLOSING DATE AND ADVANCES

Section 4.01. Conditions Precedent to Closing Date.

The parties hereto agree that the following conditions precedent to the purchase of the Class A Notes under the Initial Note Purchase Agreement on the Closing Date were represented by the Trust to have been satisfied on or prior to the Closing Date:

(a) the Administrative Agent shall have received on or before the Closing Date, the following documents and opinions, in form and substance satisfactory to the Administrative Agent and each Managing Agent:

(i) executed copies of the Transaction Documents and each Class A Note; provided, however, that the Servicing Agreement with Pennsylvania Higher Education Assistance Agency shall be approved as to form and legality and executed by all parties thereto on the Closing Date except for the Office of Attorney General of the Commonwealth of Pennsylvania, and shall be executed by the Office of Attorney General of the Commonwealth of Pennsylvania within 90 days after the Closing Date (or such later date that is consented to in writing by the Required Managing Agents); provided, further, that if such approval by the Office of Attorney General of the Commonwealth of Pennsylvania is not received within such 90 day (or longer) period, the Administrator shall take such further action as necessary to obtain such approval;

(ii) UCC-1 Financing Statements and UCC-3 amendments to Financing Statements;

(iii) Officer's Certificates of each of the Eligible Lender Trustee, the Administrator, the Master Servicer, SLM Corporation, the Sellers, the Master Depositor, and the Depositor certifying, in each case, the articles of incorporation or equivalent organization document, certificate of formation, by-laws or the equivalent, board resolutions, good standing certificates and the incumbency and specimen signature of

each officer authorized to execute the Transaction Documents to which it is a party (on which certificates the Administrative Agent, Managing Agents and Note Purchasers may conclusively rely until such time as the Administrative Agent and the Managing Agents shall receive from the applicable Person a revised certificate meeting the requirements of this clause);

(iv) Officer's Certificates of the Administrator and the Eligible Lender Trustee certifying that each of the Guarantee Agreements that have been provided to the Administrative Agent are true and correct copies thereof and remain in full force and effect;

(v) Opinions of counsel to the Trust, the Depositor, the Master Depositor, each Seller, the Administrator, the Master Servicer, SLM Corporation, and the Eligible Lender Trustee in form and substance acceptable to the Administrative Agent, with respect to, among other things: (A) the due organization, good standing and power and authority of each of the Transaction Parties; (B) the due authorization, execution and delivery of each of the Transaction Documents by the Transaction Parties party thereto; (C) the enforceability of each of the transaction documents against each of the Transaction Parties party thereto (in the case of the Servicing Agreement with Pennsylvania Higher Education Assistance Agency, upon the Office of Attorney General of the Commonwealth of Pennsylvania executing and delivering the same); (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the Transaction Documents have been made; (E) the absence of conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Transaction Parties of the Transaction Documents; (F) the exemption from registration of the Notes under the Securities Act; (G) the exemption of the Trust and the Depositor from registration under the Investment Company Act; (H) the validity and perfection of the security interests created under the Transaction Documents; (I) that each transfer of assets under the Purchase Agreements, the Conveyance Agreement and the Tri-Party Transfer Agreement constitutes a "true sale" in the event of the bankruptcy of the applicable Seller or, in the case of the Conveyance Agreement, the Master Depositor; (J) the priority of any security interests created under the Transaction Documents; (K) the non-consolidation of the assets and liabilities of the Depositor and the Trust with the Sellers, the Master Depositor, Sallie Mae, Inc. and SLM Corporation in the event of the bankruptcy of any such entity; and (L) the treatment of the Class A Notes as debt for federal income tax purposes and the classification of the Trust not as an association or otherwise taxable as a corporation for federal income tax purposes;

(vi) a schedule of all Trust Student Loans as of the Closing Date;

(vii) UCC search report results dated a date reasonably near the Closing Date listing all effective financing statements which name the Trust, any Seller, the Master Depositor, the Depositor or the Eligible Lender Trustee (under its present name or any previous names) in any jurisdictions where filings are to be made under clause (ii) above (or similar filings would have been made in the past five years);

(viii) financing statement terminations on Form UCC-3, if necessary, to release any liens;

(ix) evidence of establishment of the Trust Accounts;

(x) evidence of any required certification from S&P and Moody's with respect to pre-review Conduit Lenders;

(xi) such powers of attorney as the Administrative Agent or any Managing Agent shall reasonably request to enable the Administrative Agent to collect all amounts due under any and all of the Pledged Collateral;

(xii) a list of any pre-approved Lockbox Bank arrangements and copies of all related documentation;

(xiii) a letter from Moody's stating that the Class A Notes have received a long term definitive rating of "Aaa", subject to customary surveillance procedures; and

(xiv) a letter from S&P stating that the Class A Notes have received a long term definitive rating of "AAA", subject to customary surveillance procedures;

(b) all fees due and payable to the Lead Arrangers, the Co-Valuation Agents, the Lenders, the Managing Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee on the Closing Date shall have been paid;

(c) the Managing Agents shall have completed satisfactory due diligence on SLM Corporation and its Affiliates;

(d) the other FFELP Loan Facilities shall have closed contemporaneously;

(e) all outstanding obligations under the Churchill Note Purchase Agreements shall have been paid in full and the Churchill Note Purchase Agreements shall have terminated; and

(f) such other information, certificates, documents and actions as the Required Managing Agents and the Administrative Agent may reasonably request have been received or performed.

Section 4.02. Conditions Precedent to Advances.

(a) ***Conditions Precedent to All Advances.*** Each Advance (excluding any Capitalized Interest Advances) shall be subject to the further conditions precedent, unless waived by the Required Managing Agents (or, in the case of clauses (iv)(B)(1), (iv)(B)(2), (iv)(B)(4), (iv)(C), (iv)(D), (iv)(F), (v), (x) and (xi) below, waived by all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender), that on the date of such Advance (and the Trust, by accepting the proceeds of such Advance, shall be deemed to have certified that all such conditions unless waived are satisfied on the date of such Advance):

(i) with respect to any Purchase Price Advance, the Eligible FFELP Loans are being (A) purchased by the Master Depositor from an Ongoing Seller pursuant to a Purchase Agreement, (B) then purchased by the Depositor or a Related SPE Seller from the Master Depositor pursuant to the Conveyance Agreement, (C) then, if applicable, purchased by the Depositor from a Related SPE Seller pursuant to the Tri-Party Transfer Agreement and (D) subsequently purchased by the Trust from the Depositor pursuant to the Sale Agreement;

(ii) with respect to any Purchase Price Advance, on or prior to the Advance Date, the Trust shall cause to be delivered to the Administrative Agent copies of the relevant Purchase Agreement (except to the extent previously delivered), Conveyance Agreement (except to the extent previously delivered), Tri-Party Transfer Agreement (except to the extent previously delivered), Sale Agreement (except to the extent previously delivered), bills of sale and blanket endorsements, together with a Schedule of Trust Student Loans, and copies of all schedules, financing statements and other documents required to be delivered by the applicable Seller, the Master Depositor, the Related SPE Seller (if applicable) and the Depositor as a condition of purchase thereunder;

(iii) with respect to any Advance, on or prior to the Advance Date, the Trust shall cause to be delivered to the Administrative Agent an Advance Request at the time required in Section 2.02(b);

(iv) on the Advance Date, the following statements shall be true, and the Trust by accepting the amount of such Advance shall be deemed to have certified that:

(A) the representations and warranties contained in Article V are correct on and as of such day as though made on and as of such date, both before and after giving effect to such Advance (or, to the extent such representations and warranties speak as of a specific date, were true and correct on and as of such date);

(B) no event has occurred and is continuing, or would result from such Advance, which constitutes (1) a Termination Event, (2) a Servicer Default, (3) a Potential Termination Event, or (4) an Amortization Event;

(C) the Requested Advance Amount does not exceed the Maximum Advance Amount;

(D) there has occurred no event which could reasonably be determined to have a Material Adverse Effect with respect to the Trust;

(E) no law or regulation shall prohibit, and no order, judgment or decree of any Official Body shall prohibit or enjoin, the making of such Advances in accordance with the provisions hereof;

(F) the amount of money equal to any shortfall in the Reserve Account Specified Balance on such date shall be deposited into the Reserve Account on such date from the proceeds of such Advance; and

(G) all covenants and agreements contained in the Transaction Documents, including the delivery of all reports required to be delivered thereunder, shall have been complied with by the Trust, subject to any applicable grace periods or waivers granted;

(v) the Termination Date shall not have been declared;

(vi) with respect to any Purchase Price Advance, the related Servicer, as bailee for the Administrative Agent for the benefit of the Secured Creditors, shall be in possession of the original Student Loan Notes or certified copies thereof, to the extent more than one loan is evidenced by such Student Loan Note, representing the Student Loans being financed with the proceeds of such Advance;

(vii) with respect to any Purchase Price Advance, all conditions precedent to the Trust's acquisition of the Student Loans to be financed with the proceeds of such Advance (other than the payment of the purchase price therefor) shall have been satisfied;

(viii) no suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court or governmental agency, seeking to restrain or prohibit or to obtain damages or other relief in connection with any of the Transaction Documents or the consummation of the transactions contemplated hereby;

(ix) no statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the transactions contemplated by any of the Transaction Documents illegal or otherwise prevent the consummation thereof;

(x) after giving effect to such Advance, the Asset Coverage Ratio shall be greater than or equal to 100%;

(xi) [reserved];

(xii) the amount of such Advance, together with any amounts drawn under the Revolving Credit Agreement in connection with the purchase of the related Student Loans, shall, in the aggregate, be reasonably equal to the fair market value of such Student Loans;

(xiii) with respect to any Purchase Price Advance, after giving effect to the purchase by the Trust of the related additional Eligible FFELP Loans, the Weighted Average Remaining Term in School shall not be more than 24 months;

(xiv) except with respect to the initial Advance hereunder, the Requested Advance Amount for such Advance Date, together with the aggregate amount of all advances to be made under the other FFELP Loan Facilities on such Advance Date, shall not exceed $1,500,000,000;

(xv) except with respect to the initial Advance hereunder, the sum of (A) the Requested Advance Amount on such Advance Date, (B) the aggregate amount of all advances to be made under the other FFELP Loan Facilities on such Advance Date, (C) the amount of all Advances already made during such calendar week and (D) the aggregate amount of all advances already made under the other FFELP Loan Facilities during such calendar week, shall not exceed $5,000,000,000; and

(xvi) there were no Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date.

(b) ***Conditions Precedent to Capitalized Interest Advances.*** Each Capitalized Interest Advance shall be subject to the following conditions precedent, unless waived by each of the Managing Agents, that on the date of such Advance (and the Trust, by accepting the proceeds of such Advance, shall be deemed to have certified that all such conditions unless waived are satisfied on the date of such Advance):

(i) the Trust shall cause to be delivered to the Administrative Agent an Advance Request (and, if the Trust fails to deliver such Advance Request, the Administrative Agent shall prepare and deliver to the Managing Agents on the Trust's behalf) at the time required in Section 2.02(b); and

(ii) on the Advance Date, the following statements shall be true, and the Trust by accepting the amount of such Advance shall be deemed to have certified that:

(A) the Requested Advance Amount for the Capitalized Interest Advance does not, in the aggregate, exceed the Maximum Advance Amount;

(B) no law or regulation shall prohibit, and no order, judgment or decree of any Official Body shall prohibit or enjoin, the making of such Advances in accordance with the provisions hereof;

(C) no Event of Bankruptcy shall have occurred with respect to the Trust; and

(D) the Scheduled Maturity Date shall not have occurred.

Section 4.03. Condition Subsequent to Advances (other than the Initial Advance).

Within five Business Days after each Advance other than the initial Advance, the Trust shall cause to be delivered to the Administrative Agent a reconciliation statement (the *"**Advance Reconciliation Statement**"*) which shall include an updated calculation, based on actual figures, and certification in the form attached as Exhibit L confirming that the Minimum Asset Coverage Requirement was satisfied after giving effect to the related Advance. If the Advance Reconciliation Statement shows that the actual value of the Trust Student Loans was less than the value provided on the pro forma certification or that the Minimum Asset Coverage Requirement was not satisfied as of the Advance Date, then the Trust shall deposit into the Administration Account an amount for each Trust Student Loan equal to the product of (a) the Applicable Percentage for such Trust Student Loan multiplied by (b) such difference in value. If

the Advance Reconciliation Statement shows that the value of the Trust Student Loans was greater than the value provided on the pro forma certification, then the Administrative Agent shall release funds to the Depositor in an amount, for each Trust Student Loan, equal to the product of (x) the Applicable Percentage for such Trust Student Loan multiplied by (y) such difference in value from the following accounts in order and to the extent available: *first,* from the Administration Account and *second,* from the Collection Account. Before funds from the Collection Account may be used for this purpose, the Administrator must determine that the amounts on deposit in the Collection Account as of the date of payment (excluding any Special Allowance Payments or Interest Subsidy Payments received during the current Settlement Period) after any withdrawal for this purpose are sufficient to pay items (i) through (iv) in Section 2.05(b) of this Agreement due and payable on the next Settlement Date.

Section 4.04. Conditions Precedent to Addition of New Seller.

The addition of any new Seller to a Purchase Agreement shall be subject to the prior written consent of the Administrative Agent and the further conditions precedent that at least five Business Days prior to the first transfer of Eligible FFELP Loans from such Seller, the Trust or the Administrator shall have delivered copies of the following documents to the Administrative Agent and the Managing Agents in form acceptable to the Administrative Agent and the Required Managing Agents:

(i) Executed agreements adding the Seller (and, if applicable, the eligible lender trustee for such Seller) to a Purchase Agreement;

(ii) If applicable, an executed trust agreement with respect to the Seller and the Seller's "Eligible Lender Trustee" (as defined in such trust agreement), to the extent the Seller will be transferring Student Loans with respect to which legal title is held by such trustee;

(iii) UCC, tax lien, pending suit and judgment searches against the Seller in the appropriate jurisdictions;

(iv) A good standing certificate and organizational documents certified by the Secretary of State of such Seller's jurisdiction of organization, together with an officer's certificate with respect to such Seller's organizational documents and incumbency of officers in the form prepared for the initial Sellers;

(v) Evidence of filing of UCC financing statements reflecting the Seller and, to the extent applicable, its eligible lender trustee, in the form prepared for the initial Sellers in the appropriate jurisdiction; and

(vi) To the extent not already covered by a legal opinion of outside legal counsel given to the Administrative Agent, a legal opinion in form reasonably acceptable to the Administrative Agent with respect to true sale, non-consolidation, enforceability and security interest issues.

Section 4.05. Conditions Precedent to A&R Closing Date. The amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement on the A&R

Closing Date is subject to the conditions precedent, unless waived in writing by each of the Managing Agents (and the Trust and the Administrator, by executing this Agreement, shall be deemed to have certified that all such conditions precedent unless waived are satisfied on the A&R Closing Date), that:

(a) the Administrative Agent shall have received on or before the A&R Closing Date the following documents and opinions, in form and substance satisfactory to each Managing Agent:

(i) duly executed copies of the A&R Transaction Documents;

(ii) Officer's Certificates of the Eligible Lender Trustee, the Administrator, the Master Servicer, SLM Corporation, each Seller, the Master Depositor, and the Depositor certifying, in each case the articles of incorporation or equivalent organization document, certificate of formation, by-laws or the equivalent (to the extent any of the foregoing has been amended or otherwise modified since the Original Closing Date), board resolutions with respect to the A&R Transaction Documents (and reconfirming that the resolutions delivered pursuant to Section 4.01(a)(iii) of the Initial Note Purchase Agreement have not been modified or revoked and are otherwise in full force and effect), good standing certificates and the incumbency and specimen signature of each officer authorized to execute the A&R Transaction Documents (on which certificates the Administrative Agent, the Managing Agents and the Note Purchasers may conclusively rely until such time as the Administrative Agent and the Managing Agents shall receive from the applicable Person a revised certificate meeting the requirements of this clause);

(iii) a pro forma calculation and certification by the Administrator establishing that the Minimum Asset Coverage Requirement is satisfied as of January 13, 2012 after giving effect to the amendments to the definition of "Applicable Percentage" reflected in the Side Letter on the A&R Closing Date;

(iv) Officer's Certificates of the Administrator and (except in the case of subclause (B)) the Eligible Lender Trustee certifying a listing of each of the (A) Guarantee Agreements, (B) Servicing Agreements and (C) the Interim Trust Agreements relating to the Trust Student Loans as being true, correct and complete and that each such agreement remains in full force and effect, has not been amended or otherwise modified since the Original Closing Date and has been delivered to the Administrative Agent;

(v) Opinions of Counsel to the Trust, the Depositor, the Master Depositor, each Seller, the Administrator, the Master Servicer and SLM Corporation in form and substance acceptable to the Administrative Agent, with respect to: (A) the due organization, good standing and power and authority of each of the Transaction Parties; (B) the due authorization, execution and delivery of each of the A&R Transaction Documents by the Transaction Parties party thereto; (C) the enforceability of each of the A&R Transaction Documents against each of the Transaction Parties party thereto; (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the A&R Transaction Documents have been made or obtained; (E) the absence of

conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Transaction Parties of the A&R Transaction Documents; (F) the exemption from registration of the Class A Notes under the Securities Act; (G) the exemption of the Trust and the Depositor from registration under the Investment Company Act; and (H) the treatment of the Class A Notes as debt for federal income tax purposes and the classification of the Trust not as an association or otherwise taxable as a corporation for federal income tax purposes;

(vi) a schedule of all Trust Student Loans as of December 31, 2011; and

(vii) Opinion of Counsel to the Eligible Lender Trustee in form and substance acceptable to the Administrative Agent with respect to, among other things: (A) the due organization, good standing and power and authority of the Eligible Lender Trustee; (B) the due authorization, execution and delivery by the Eligible Lender Trustee of each of the A&R Transaction Documents to which it is a party; (C) the enforceability against the Eligible Lender Trustee of each of the A&R Transaction Documents to which it is a party; (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the A&R Transaction Documents by the Eligible Lender Trustee have been made; (E) the status of the Eligible Lender Trustee as an "Eligible Lender" under the FFELP Program; (F) the absence of conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Eligible Lender Trustee of the A&R Transaction Documents and (G) the absence of any pending or threatened proceedings that would have a material adverse effect on the obligations of the Eligible Lender Trustee under the A&R Transaction Documents;

(b) the Minimum Asset Coverage Requirement shall be satisfied;

(c) all fees due and payable to the Lead Arrangers, the Co-Valuation Agents, the Lenders, the Managing Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee on or prior to the A&R Closing Date shall have been paid;

(d) the Managing Agents shall have completed satisfactory due diligence on the status of SLM Corporation's current litigation and legal and regulatory compliance issues;

(e) after giving effect to any changes to the Aggregate Note Balance, the Capitalized Interest Account Specified Balance and the Maximum Financing Amount on the A&R Closing Date, the sum of (i) the Aggregate Note Balance and (ii) the Capitalized Interest Account Unfunded Balance shall not exceed the Maximum Financing Amount;

(f) the other FFELP Loan Facilities shall have closed contemporaneously;

(g) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing pursuant to the provisions of the Initial Note Purchase Agreement and after giving effect to the provisions of this Agreement, pursuant to this Agreement;

(h) the Administrator has withdrawn its request for Moody's to rate the Class A Notes; and

(i) such other information, certificates, documents and actions as the Required Managing Agents and the Administrative Agent may reasonably request have been received or performed.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

Section 5.01. General Representations and Warranties of the Trust. The Administrator (on behalf of the Trust) represents and warrants for the benefit of the Secured Creditors as follows on the Closing Date, on the A&R Closing Date, on the date of each Advance and on each Reporting Date that:

(a) The Trust is a statutory trust duly organized, validly existing and in good standing solely under the laws of the State of Delaware and is duly qualified to do business, and is in good standing, in every jurisdiction in which the nature of its business requires it to be so qualified.

(b) The execution, delivery and performance by the Trust of this Agreement and all Transaction Documents to be delivered by it in connection herewith or therewith, including the Trust's use of the proceeds of Advances,

(i) are within the Trust's organizational powers,

(ii) have been duly authorized by all necessary organizational action,

(iii) do not contravene (A) the Trust's organizational documents; (B) any law, rule or regulation applicable to the Trust; (C) any contractual restriction binding on or affecting the Trust or its property; or (D) any order, writ, judgment, award, injunction or decree binding on or affecting the Trust or its property,

(iv) do not result in a breach of or constitute a default under any indenture, agreement, lease or other instrument to which the Trust is a party,

(v) do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties (other than in favor of the Administrative Agent, for the benefit of the Secured Creditors, with respect to the Pledged Collateral), and

(vi) no transaction contemplated hereby or by the other Transaction Documents to which it is a party requires compliance with any bulk sales act or similar law.

(c) This Agreement and the other Transaction Documents to which it is named as a party have each been duly executed and delivered by the Eligible Lender Trustee, on behalf of the Trust. The Class A Notes have been duly and validly authorized and, when executed and paid for in accordance with the terms of this Agreement, will be duly and validly issued and Outstanding, and will be entitled to the benefits of this Agreement.

(d) No permit, authorization, consent, license or approval or other action by, and no notice to or filing with, any Official Body is required for the due execution, delivery and performance by the Trust of this Agreement or any other Transaction Document to which it is a party, except for the filing of UCC financing statements which shall have been filed on or prior to the date of the initial Advance and except as may be required under non-U.S. law in connection with any future transfer of the Class A Notes.

(e) This Agreement and each other Transaction Document to which the Trust is a party constitute the legal, valid and binding obligations of the Trust, enforceable against the Trust in accordance with their respective terms, subject to (i) applicable bankruptcy, insolvency, moratorium, or other similar laws affecting the rights of creditors and (ii) general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

(f) No Amortization Event, Termination Event, Servicer Default, or, to the best of the Trust's knowledge, Potential Termination Event has occurred and is continuing.

(g) No Monthly Report, Valuation Report (but only to the extent that information contained therein is supplied by the Administrator on behalf of the Trust or by the Trust), information, exhibit, financial statement, document, book, record or report furnished or to be furnished by or on behalf of the Trust to the Affected Parties in connection with this Agreement is or will be incorrect in any material respect as of the date it is or shall be dated.

(h) The Class A Notes will be characterized as debt for federal income tax purposes. The Trust has or has caused to be (i) timely filed all tax returns (federal, state and local) required to be filed, (ii) paid or made adequate provision for the payment of all taxes, assessments and other governmental charges and (iii) accounted for the sale and pledge of the Trust Student Loans in its books consistent with GAAP.

(i) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Trust, overtly threatened in writing against or affecting the Trust (x) asserting the invalidity of this Agreement or any other Transaction Document, (y) seeking to prevent the consummation of any of the transactions contemplated by this Agreement and the other Transaction Documents, or (z) wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect on the Trust or which affects, or purports to affect, the validity or enforceability against the Trust of any Transaction Document.

(j) The Trust is not required to register as an *"*investment company*"* or a company controlled by an *"*investment company*"* under the Investment Company Act.

(k) The Trust is Solvent on the Closing Date and at the time of (and immediately after) each Advance and each purchase of Eligible FFELP Loans made by the Trust. The Trust has given reasonably equivalent value to the Depositor in consideration for the transfer to it of the Trust Student Loans from the Depositor and each such transfer shall not have been made for or on account of an antecedent debt owed by the Depositor to it. No Event of Bankruptcy has occurred with respect to the Trust.

(l) The principal place of business and chief executive office of the Trust and the office where the Trust keeps any Records in its possession are located at the addresses of the Trust referred to in Section 10.02 or such other location as the Trust shall have given notice of to the Administrative Agent pursuant to this Agreement.

(m) The Trust has no trade names, fictitious names, assumed names or "doing business as" names or other names under which it has done or is doing business.

(n) All representations and warranties of the Trust set forth in the Transaction Documents to which it is a party are true and correct in all material respects as of the date made the Trust is hereby deemed to have made each such representation and warranty, as of the date made, to, and for the benefit of, the Secured Creditors as if the same were set forth in full herein.

(o) The Trust is not in violation of, or default under, any material law, rule, regulation, order, writ, judgment, award, injunction or decree binding upon it or affecting the Trust or its property or any indenture, agreement, lease or instrument.

(p) The Trust has incurred no Debt and has no other obligation or liability (except for any contingent liabilities arising out of events which occurred prior to the Closing Date and which survive the termination of the Churchill Bluemont Note Purchase Agreement), other than normal trade payables and the Liabilities. The Trust is not aware of any liabilities, contingent or otherwise, that are outstanding under the Churchill Bluemont Note Purchase Agreement as of the Closing Date (other than those liabilities which have been satisfied in full on the Closing Date).

(q) The sale of the Class A Notes to the initial Note Purchasers pursuant to this Agreement will not require the registration of the Class A Notes under the Securities Act.

(r) (i) No Reportable Event has occurred during the six year period prior to the date on which this representation is made or deemed made with respect to any Benefit Plan; (ii) no steps have been taken by any Person to terminate any Benefit Plan subject to Title IV of ERISA; (iii) no contribution failure or other event has occurred with respect to any Benefit Plan which is sufficient to give rise to a lien on the assets of the Trust or any ERISA Affiliate in favor of the PBGC, during such six-year period; (iv) each Benefit Plan has been administered in all material respects in compliance with its terms and the applicable provisions of ERISA and the Code; (v) neither the Trust nor any ERISA Affiliate maintains or contributes to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA which provides benefits to employees after termination of employment and which is unfunded by a material amount, except as specifically required by the continuation requirements of Part 6 of Title I of ERISA; (vi) the present value of all accrued benefits under each Benefit Plan subject to Title IV of ERISA (based on those assumptions used to fund such Benefit Plans) did not, as of the last valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Benefit Plan allocable to such accrued benefits; (vii) neither the Trust nor any ERISA Affiliate has had a complete or partial withdrawal from any Multiemployer Plan and neither the Trust nor any ERISA Affiliate would become subject to any liability under ERISA if the Trust or

any such ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made; and (viii) no such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA or in reorganization within the meaning of Section 4241 of ERISA; provided, that this subsection (r) shall not apply to events which could not reasonably be expected to have a Material Adverse Effect on the Trust or on SLM Corporation.

(s) No proceeds of any Advances will be used by the Trust for any purpose that violates applicable law, including Regulation U of the Federal Reserve Board. The Trust does not own any "margin stock" within the meaning of Regulation T, U and X of the Federal Reserve Board.

(t) Each Student Loan to be financed with the proceeds of any Advance constitutes an Eligible FFELP Loan as of the date of such Advance and is purchased, or was previously purchased by the Trust, from the Depositor pursuant to the Sale Agreement. Each Trust Student Loan represented as an Eligible FFELP Loan in a Monthly Report, in fact satisfied as of the last day of the related Settlement Period the definition of "Eligible FFELP Loan". Each Trust Student Loan represented to be an Eligible FFELP Loan on any other date or included in the calculation of Asset Coverage Ratio on any other date in fact satisfied as of such date the definition of "Eligible FFELP Loan".

(u) Since the date of its formation, no event has occurred which has had a Material Adverse Effect on the Trust.

(v) The information provided to the Administrative Agent and the Managing Agents with respect to the Trust Student Loans is accurate in all material respects.

(w) Each payment of interest on and principal of the Class A Notes will have been (i) in payment of a debt incurred in the ordinary course of business or financial affairs on the part of the Trust and (ii) made in the ordinary course of business or financial affairs of the Trust.

(x) At all times from and after February 29, 2008, the Administrator has caused and will cause the Trust to comply with the factual assumptions set forth in the opinion letters issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors relating to the issues of substantive consolidation and true sale and with the covenants set forth in Section 6.01(b) and 6.01(c).

Section 5.02. Representations and Warranties of the Trust Regarding the Administrative Agent's Security Interest. The Administrator (on behalf of the Trust) hereby represents and warrants for the benefit of the Secured Creditors as follows on the Closing Date, on the A&R Closing Date, on the date of each Advance and on each Reporting Date that:

(a) This Agreement creates a valid and continuing security interest (as defined in the New York UCC) in the Pledged Collateral in favor of the Administrative Agent, which security interest is both perfected and prior to all other liens, charges, security interests, mortgages or other encumbrances, and is enforceable as such as against creditors of and purchasers from the Trust.

(b) The Trust, by and through the Eligible Lender Trustee as its Eligible Lender, owns and has good and marketable title to the Trust Student Loans and other Pledged Collateral free and clear of any Adverse Claim.

(c) The Trust has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Pledged Collateral granted to the Administrative Agent hereunder.

(d) All executed originals (or certified copies thereof to the extent more than one loan is evidenced by such Student Loan Note) of each Student Loan Note that constitute or evidence the Trust Student Loans have been delivered to the applicable Servicer, as bailee for the Administrative Agent for the benefit of the Secured Creditors.

(e) Other than the security interest granted to the Administrative Agent pursuant to this Agreement, the Trust has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Pledged Collateral. The Trust has not authorized the filing of and is not aware of any financing statements against the Trust that include a description of collateral covering the Pledged Collateral other than any financing statement relating to the security interest granted to the Administrative Agent hereunder or any financing statement that has been terminated. There are no judgments or tax lien filings against the Trust.

(f) The Trust is a "registered organization" (as defined in §9-102(a)(70) of the UCC) organized exclusively under the laws of the State of Delaware and, for purposes of Article 9 of the UCC, the Trust is located in the State of Delaware.

(g) The Trust's exact legal name is the name set forth for it on the signature page hereto.

Section 5.03. Particular Representations and Warranties of the Trust.

The Administrator (on behalf of the Trust) further represents and warrants to each of the parties hereto on the Closing Date, on the A&R Closing Date, on the date of each Advance, on each Reporting Date and on each other date specified below that, with respect to each of the Trust Student Loans included in the Pledged Collateral:

(a) Such Trust Student Loans constitute "accounts," "promissory notes" or "payment intangibles" within the meaning of the applicable UCC and are within the coverage of Sections 432(m)(1)(E) and 439(d)(3) of the Higher Education Act;

(b) Such Trust Student Loans are Eligible FFELP Loans as of the date they become Pledged Collateral and as of any other date upon which they are declared by the Trust or the Administrator to be Eligible FFELP Loans and the description of such Eligible FFELP Loans set forth in the Transaction Documents or the Schedule of Trust Student Loans and in any other documents or written information provided to any of the parties hereunder (other than documents or information stated to be preliminary which have subsequently been replaced by definitive documents or information), as applicable, is true and correct in all material respects;

(c) The Trust is authorized to pledge such Trust Student Loans and the other Pledged Collateral; and the sale, assignment and transfer of such Trust Student Loans has been made pursuant to and consistent with the laws and regulations under which the Trust operates, and will not violate any decree, judgment or order of any court or agency, or conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which the Trust is a party or by which the Trust or its property is bound, or constitute a default (or an event which could constitute a default with the passage of time or notice or both) thereunder;

(d) No consents or approvals are required for the consummation of the pledge of the Pledged Collateral hereunder to the Administrative Agent for the benefit of the Secured Creditors;

(e) Any payments on such Trust Student Loans received by the Trust which have been allocated to the reduction of principal and interest on such Trust Student Loans have been allocated on a simple interest basis;

(f) Due diligence and reasonable care have been exercised in making, administering, servicing and collecting the Trust Student Loans and, with respect to any Trust Student Loan for which repayment terms have been established, all disclosures of information required to be made pursuant to the Higher Education Act have been made;

(g) Except for Trust Student Loans executed electronically or Trust Student Loans evidenced by a master promissory note, there is only one original executed copy of the Student Loan Note evidencing each such Trust Student Loan. For such Trust Student Loans that were executed electronically, the Master Servicer has possession of the electronic records evidencing the Student Loan Note. Each applicable Servicer has in its possession a copy of the endorsement and each Loan Transmittal Summary Form identifying the Student Loan Notes that constitute or evidence the Trust Student Loans. The Student Loan Notes that constitute or evidence the Trust Student Loans do not have any marks or notations indicating that they are currently pledged, assigned or otherwise conveyed to any Person other than the Administrative Agent. All financing statements filed or to be filed against the Eligible Lender Trustee and the Trust in favor of the Administrative Agent in connection herewith describing the Pledged Collateral contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Secured Party"; and

(h) The applicable parties shall have performed, satisfied and complied with the conditions set forth in Section 3 of the Purchase Agreement, the Conveyance Agreement (or the Tri-Party Transfer Agreement, as applicable) and the Sale Agreement as of the date of the related bill of sale.

Section 5.04. Repurchase of Student Loans; Reimbursement.

The Trust shall cause the obligations of each of the Depositor, the Master Depositor, the Master Servicer and the Sellers (or any guarantor on its respective behalf) to purchase, repurchase, make reimbursement or substitute Trust Student Loans to be enforced to the extent such obligations are set forth in the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, the applicable Purchase Agreement and the Servicing Agreement. The Trust shall cause any

such repurchase amount or reimbursement to be remitted to the Collection Account. Any substitute Trust Student Loan obtained by the Trust from the Master Depositor, the Depositor, any Servicer or Seller shall constitute Pledged Collateral hereunder.

Section 5.05. Administrator Actions Attributable to the Trust.

Any action required to be taken by the Trust hereunder may be taken by the Administrator on behalf of the Trust, to the extent permitted under the Administration Agreement. The Trust shall be fully responsible for each of the representations, warranties, certifications and other statements made herein, in any other Transaction Document, any Advance Request, any Notice of Release or any other communication hereunder or thereunder by the Administrator on its behalf as if such representations, warranties, certifications or statements had been made directly by the Trust. In addition, the Trust shall be fully responsible for all actions of the Administrator taken on its behalf under this Agreement or any other Transaction Document as if such actions had been taken directly by the Trust. Nothing in this Section shall limit the responsibility of the Administrator, or relieve the Administrator from any liability for exceeding its authority under the Administration Agreement.

ARTICLE VI.

COVENANTS OF THE TRUST

From and after the Closing Date until all of the Obligations hereunder and under the other Transaction Documents have been satisfied in full:

Section 6.01. Preservation of Separate Existence.

(a) **Nature of Business.** The Trust will engage in no business other than (i) purchases, sales and financings of Trust Student Loans, (ii) the other transactions permitted or contemplated by this Agreement and the other Transaction Documents, and (iii) any other transactions permitted or contemplated by its organizational documents as they exist on the Closing Date, or as amended as such amendments may be permitted pursuant to the terms of this Agreement. The Trust will incur no other Debt except as expressly contemplated by the Transaction Documents.

(b) **Maintenance of Separate Existence.** The Trust will do all things necessary to maintain its existence as a Delaware statutory trust separate and apart from all Affiliates of the Trust, including complying with the provisions described in Section 9j(iv) of the Limited Liability Company Agreement of the Depositor.

(c) **Transactions with Affiliates.** The Trust will not enter into, or be a party to, any transaction with any of its respective Affiliates, except (i) the transactions permitted or contemplated by this Agreement (including the sale and purchase of Eligible FFELP Loans to or from Affiliates) or the other Transaction Documents; and (ii) other transactions (including, without limitation, the lease of office space or computer equipment or software by the Trust to or from an Affiliate) (A) in the ordinary course of business, (B) pursuant to the reasonable requirements of the Trust's business, (C) upon fair and reasonable terms that are no less favorable to the Trust than could be obtained in a comparable arm's-length transaction with a

Person not an Affiliate of the Trust, and (D) not inconsistent with the factual assumptions set forth in (1) the opinion letter issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors, (2) the opinion letter issued as of April 16, 2010 by Bingham McCutchen LLP to the Secured Creditors, or (3) the opinion letter issued as of January 14, 2011 by Bingham McCutchen LLP to the Secured Creditors, each relating to the issues of substantive consolidation.

Section 6.02. Notice of Termination Event, Potential Termination Event or Amortization Event.

As soon as possible and in any event within three Business Days after the occurrence of each Termination Event, each Potential Termination Event, each Amortization Event and each Potential Amortization Event (or, to the extent the Trust does not have knowledge of a Termination Event, Potential Termination Event, Amortization Event or Potential Amortization Event, promptly upon obtaining such knowledge), the Trust will provide (or shall cause the Administrator to provide) to the Administrative Agent a statement setting forth details of such Termination Event, Potential Termination Event, Amortization Event or Potential Amortization Event and the action which the Trust has taken or proposes to take with respect thereto. The Administrative Agent shall promptly forward such notice to the Managing Agents.

Section 6.03. Notice of Material Adverse Change.

As soon as possible and in any event within three Business Days after becoming aware of an event which could reasonably be expected to have a Material Adverse Effect on the Trust, the Trust will provide to the Administrative Agent written notice thereof. The Administrative Agent shall promptly forward such notice to the Managing Agents.

Section 6.04. Compliance with Laws; Preservation of Corporate Existence; Code of Conduct.

(a) The Trust will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its legal existence, and will preserve and maintain its rights, franchises, qualifications and privileges in all material respects.

(b) Sallie Mae, Inc. agrees to comply in all material respects with the Student Loan Code of Conduct that it entered into with the New York Attorney General on April 11, 2007 and agrees to comply in all material respects with any other similar codes of conduct that it may expressly agree to after the Closing Date.

Section 6.05. Enforcement of Obligations.

(a) ***Enforcement of Trust Student Loans.*** The Trust shall cause to be diligently enforced and taken all steps, actions and proceedings reasonably necessary for the enforcement of all terms, covenants and conditions of all Trust Student Loans and agreements in connection therewith (except as otherwise permitted pursuant to the Transaction Documents), including the prompt payment of all principal and interest payments and all other amounts due the Trust or the Eligible Lender Trustee, as applicable thereunder.

(b) ***Enforcement of Servicing Agreements and Administration Agreement.*** The Trust shall cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Servicing Agreements and the Administration Agreement, including all Interest Subsidy Payments, Special Allowance Payments and all defaulted payments Guaranteed by any Guarantor and/or by the Department of Education which relate to any Trust Student Loans. Except as otherwise permitted under any Transaction Document, the Trust shall not permit the release of the obligations of any Servicer under any Servicing Agreement or of the Administrator under the Administration Agreement and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Trust, the Eligible Lender Trustee and the Secured Creditors under or with respect to each Servicing Agreement and the Administration Agreement. The Trust shall not consent or agree to or permit any amendment or modification of any Servicing Agreement or of the Administration Agreement, except (i) as required by the Higher Education Act; (ii) solely for the purpose of extending the term thereof; or (iii) in any other manner, if such modification, amendment or supplement is made pursuant to the terms of that agreement. Upon the occurrence of a Servicer Default and during the continuation thereof, the Trust shall replace the Servicer subject to such Servicer Default if instructed to do so by the Administrative Agent. Upon the occurrence of an Administrator Default and during the continuation thereof, the Trust shall replace the Administrator if instructed to do so by the Administrative Agent.

(c) ***Enforcement of Purchase Agreements, Conveyance Agreement, Tri-Party Transfer Agreement and Sale Agreement.*** The Trust shall cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of each Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement and the Sale Agreement. Except as otherwise permitted under any Transaction Document, the Trust shall not permit the release of the obligations of any Seller under any Purchase Agreement, of the Master Depositor under the Conveyance Agreement, of any Related SPE Seller under the Tri-Party Transfer Agreement or of the Depositor under the Sale Agreement (or in each case any guarantor of the obligations thereof) and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Trust, the Depositor, the Master Depositor, the Eligible Lender Trustee and the Secured Creditors under or with respect to each Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement and the Sale Agreement. Except as otherwise permitted under any Transaction Document, the Trust shall not consent or agree to or permit any amendment or modification of any Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement or the Sale Agreement which will in any manner materially adversely affect the rights or security of the Administrative Agent, the Eligible Lender Trustee or the Secured Creditors. To the extent such action is required under the terms of the Sale Agreement, upon a determination that a Trust Student Loan sold pursuant to a Purchase Agreement was not an Eligible FFELP Loan at the time it was represented to be as such, the Trust shall require the Depositor to repurchase such Trust Student Loan from the Trust pursuant to the Sale Agreement.

(d) ***Enforcement and Amendment of Guarantee Agreements.*** So long as any Class A Notes are Outstanding and each Trust Student Loan is guaranteed by a Guarantee, the Administrator on behalf of the Trust shall (i) from and after the date on which the Eligible Lender Trustee on its behalf shall have entered into any Guarantee Agreement covering Trust

Student Loans, cause the Eligible Lender Trustee to maintain such Guarantee Agreement and diligently enforce the Eligible Lender Trustee's rights thereunder; (ii) cause the Eligible Lender Trustee to enter into such other similar or supplemental agreements as shall be required to maintain benefits for all Trust Student Loans covered thereby; and (iii) not voluntarily consent to or permit any rescission of or consent to any amendment to or otherwise take any action under or in connection with any such Guarantee Agreement or any similar or supplemental agreement in any manner which would materially and adversely affect the ability of the Trust to perform its obligations under this Agreement or cause a Material Adverse Effect with respect to the Trust without the prior written consent of the Administrative Agent.

Section 6.06. Maintenance of Books and Records.

The Administrator on behalf of the Trust shall maintain and implement or cause to be maintained and implemented administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Pledged Collateral in the event of the destruction of the originals thereof), and keep and maintain, or cause to be kept and maintained, all documents, books, records and other information reasonably necessary or advisable for the collection of all the Pledged Collateral.

Section 6.07. Fulfillment of Obligations.

The Trust shall fulfill its obligations pursuant to the Transaction Documents. The Trust shall cause each of its Affiliates to fulfill its respective obligations pursuant to the Transaction Documents.

Section 6.08. Notice of Material Litigation.

As soon as possible and in any event within three Business Days of the Trust's actual knowledge thereof, the Trust shall cause the Administrative Agent to be provided with written notice of (a) any litigation, investigation or proceeding which may exist at any time which could be reasonably likely to have a Material Adverse Effect on the Trust; and (b) to the extent reasonably requested by the Administrative Agent in connection with the delivery of each Monthly Report, a monthly update of material adverse developments in previously disclosed litigation, including in each case, if known to the Trust, including any of the same against a Servicer.

Section 6.09. Notice of Relocation.

The Administrator on behalf of the Trust shall cause the Administrative Agent to be provided notice of any change in the location of the Trust's principal offices or any change in the location of the Trust's books and records within thirty days before any such change.

Section 6.10. Rescission or Modification of Trust Student Loans and Transaction Documents.

(a) Except as expressly permitted in the Servicing Agreement, the Trust shall not permit the release of the obligations of any Obligor under any Trust Student Loan and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected

the rights and privileges of the Trust and the Secured Creditors under or with respect to each Trust Student Loan and each agreement in connection therewith. The Trust shall not consent or agree to or permit any modification, extension or renegotiation in any way of any Trust Student Loan or agreement in connection therewith unless such modification, extension or renegotiation is (i) required under the Higher Education Act or other applicable laws, rules and regulations and the applicable Guarantee Agreement, (ii) provided for in the applicable underwriting guidelines or Servicing Policies, if such modification, extension or renegotiation does not materially adversely affect the value or collectability thereof or (iii) expressly provided for or permitted in the Transaction Documents. Nothing in this Agreement shall be construed to prevent the Trust, the Eligible Lender Trustee or the Administrative Agent, as applicable, from offering any Obligor any borrower benefit to the extent permissible by this Agreement or the Servicing Agreement or settling a default or curing a delinquency on any Trust Student Loan on such terms as shall be permitted by law and shall be consistent with the applicable underwriting guidelines or Servicing Policies.

(b) Unless otherwise specified pursuant to clause (a) above or in any Transaction Document, without the written consent of the Required Managing Agents (and the written consent of the Administrative Agent or the Syndication Agent to the extent any of the following would require the Administrative Agent or the Syndication Agent to take any action or amend, modify or waive the duties or responsibilities of the Administrative Agent or the Syndication Agent hereunder), the Trust will not (nor will it permit any of its agents to):

(i) cancel, terminate, extend, amend, modify or waive (or consent to or approve any of the foregoing) any provision of any Transaction Document (other than any cancellation or termination of a Guarantee Agreement that does not apply at such time to any Trust Student Loans or any extension, amendment, modification or waiver of a Guarantee Agreement that would not have a Material Adverse Effect on the Trust); or

(ii) take or consent to any other action that may impair the rights of any Secured Creditor to any Pledged Collateral or modify, in a manner adverse to any Secured Creditor, the right of such Secured Creditor to demand or receive payment under any of the Transaction Documents (other than any action with regard to a Guarantee Agreement that does not apply at such time to any Trust Student Loans or any extension, amendment, modification or waiver of a Guarantee Agreement that would not have a Material Adverse Effect on the Trust).

Section 6.11. Liens.

(a) ***Transaction Documents.*** The Trust (i) will cause to be taken all action necessary to perfect, protect, keep in full force and effect and more fully evidence the ownership interest of the Trust (or of the Eligible Lender Trustee, acting on behalf of the Trust) and the first priority perfected security interest of the Administrative Agent in favor of the Secured Creditors in the Trust Student Loans, Collections with respect thereto and in the other Pledged Collateral and the Transaction Documents including, without limitation, (A) filing and maintaining effective financing statements (Form UCC-1) in all necessary or appropriate filing offices; (B) filing continuation statements, amendments or assignments with respect thereto in such filing offices; (C) filing amendments, releases and terminations with respect to filed financing statements, as

necessary; and (D) executing or causing to be executed such other instruments or notices as may be necessary or appropriate; and (ii) will cause to be taken all additional actions to perfect, protect, keep in full force and effect and fully evidence the first priority security interest of the Administrative Agent, for the benefit of the Secured Creditors, in the Trust Student Loans and other Pledged Collateral related thereto reasonably requested by the Administrative Agent.

(b) ***UCC Matters; Protection and Perfection of Pledged Collateral; Delivery of Documents.*** Unless the Trust has complied with Section 6.09, the Trust will keep its principal place of business and chief executive office, and the office where it keeps any Records in its possession, at the address of the Trust referred to in Exhibit M. The Trust will not make any change to its name unless prior to the effective date of any such name change or use, the Trust delivers to the Administrative Agent such financing statements necessary, or as the Administrative Agent may request, to reflect such name change, together with such other documents and instruments as the Administrative Agent may request in connection therewith. The Trust will not change its jurisdiction of formation or its corporate structure.

The Trust agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action necessary, or that the Administrative Agent may reasonably request, in order to maintain the Administrative Agent's first priority perfected security interest in the Pledged Collateral for the benefit of the Secured Creditors, or to enable the Administrative Agent or the Secured Creditors to exercise or enforce any of their respective rights hereunder (provided, however, that the foregoing sentence shall not be deemed to require the Trust or the Master Servicer to relocate or deliver any Student Loan Notes to or at the direction of the Administrative Agent prior to the Termination Date). Without limiting the generality of the foregoing, the Trust will: (i) authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate (or as the Administrative Agent may request); and (ii) mark their master data processing records evidencing such Pledged Collateral with a legend or numeric code acceptable to the Administrative Agent, evidencing that the Administrative Agent, for the benefit of the Secured Creditors, has acquired an interest therein as provided in this Agreement. The Trust hereby authorizes the Administrative Agent, or any Secured Creditor on behalf of the Trust, to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Pledged Collateral now existing or hereafter arising without the signature of the Trust where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Pledged Collateral, or any part thereof, shall be sufficient as a financing statement. If the Trust fails to perform any of its agreements or obligations under this Section, the Administrative Agent or any Secured Creditor may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the expenses of the Administrative Agent or such Secured Creditor incurred in connection therewith shall be payable by the Trust upon the Administrative Agent's or such Secured Creditor's demand therefor.

For purposes of enabling the Administrative Agent or any such Secured Creditor to exercise their respective rights described in the preceding sentence and elsewhere in this Agreement, the Trust and the Eligible Lender Trustee hereby authorize, and irrevocably grant a Power of Attorney, exercisable only after the occurrence and during the continuation of a Termination Event, to the Administrative Agent and its respective successors and assigns to take

any and all steps in the Trust's and the Eligible Lender Trustee's name and on behalf of the Trust and/or the Eligible Lender Trustee necessary or desirable, in the determination of the Administrative Agent, as the case may be, to collect all amounts due under any and all Trust Student Loans and other Pledged Collateral, including, without limitation, (i) endorsing the promissory notes to the Administrative Agent or its designee, such that the Administrative Agent or such designee becomes the holder of the promissory notes and has the rights and powers of a holder under applicable law, (ii) endorsing the Trust's and/or the Eligible Lender Trustee's name on checks and other instruments representing Collections and (iii) enforcing such Trust Student Loans and other Pledged Collateral.

Section 6.12. Sales of Assets; Consolidation/Merger.

(a) ***Sales, Liens, Etc.*** Except as otherwise provided herein or in any other Transaction Document, the Trust will not (nor will it permit the Eligible Lender Trustee to) sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any Pledged Collateral.

(b) ***Merger, Etc.*** The Trust will not merge or consolidate with any other entity. The Trust will not convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired), or acquire all or substantially all of the assets or capital stock or other ownership interest of any Person, other than with respect to asset acquisitions or dispositions permitted under the Transaction Documents. The Trust shall not form or create any subsidiary without the consent of each Managing Agent.

Section 6.13. Change in Business.

The Trust will not make any change in the character of its business, which change could reasonably be expected to impair the collectability of any Pledged Collateral or otherwise materially adversely affect the interests or remedies of the Administrative Agent or the Note Purchasers under this Agreement or any other Transaction Document.

Section 6.14. Residual Interest.

The Trust will not issue any Excess Distribution Certificates (other than replacement Excess Distribution Certificates) to any Person other than the Depositor; provided, however, that, except as otherwise provided in this Section 6.14, the Excess Distribution Certificate may be transferred to and owned by an Affiliate of the Depositor and the Depositor or such Affiliate may pledge the Excess Distribution Certificate to the Administrative Agent for the benefit of the Secured Creditors to secure the obligations under the Transaction Documents; provided further, however, that if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then (x) at all times after the relevant acquisition date, the Excess Distribution Certificate shall be owned by the Depositor free and clear of any Lien or other interest (other than the Lien in favor of the Administrative Agent) and (y) at no time after the relevant acquisition date shall the Excess Distribution Certificate be subject to any CRD Prohibited Hedge.

Section 6.15. General Reporting Requirements.

The Trust shall provide to the Administrative Agent (and, as applicable, will cause the Master Servicer to provide) the following:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Trust, the Depositor and the Master Servicer, an annual statement of compliance with the Transaction Documents and applicable law together with an agreed upon procedures letter delivered by an independent public accountant with respect to the Transaction Documents, all in form acceptable to the Administrative Agent;

(b) as soon as available and in any event within 90 days after the end of each fiscal year of SLM Corporation, a copy of the balance sheet of SLM Corporation and its consolidated subsidiaries and the related statements of income, stockholders' equity and cash flows for such year, each prepared in accordance with GAAP consistently applied and duly certified by nationally recognized independent certified public accountants selected by SLM Corporation, together with a certificate of an officer certifying that such financial statements fairly present in all material respects the financial condition of SLM Corporation and its consolidated subsidiaries;

(c) as soon as available and in any event within 60 days after the end of each fiscal quarter of SLM Corporation, a copy of an unaudited balance sheet of SLM Corporation and its consolidated subsidiaries and the related statements of income, stockholders' equity and cash flows for such fiscal quarter, each prepared in accordance with GAAP consistently applied, together with a certificate of an officer certifying that such financial statements fairly present in all material respects the financial condition of SLM Corporation and its consolidated subsidiaries;

(d) promptly following the Administrative Agent's or any Managing Agent's request therefor, copies of all financial statements, settlement statements, portfolio and other material reports, notices, disclosures, certificates and other written material delivered or made available to the Trust by any Person pursuant to the terms of any Transaction Document;

(e) promptly following the Administrative Agent's or any Managing Agent's request therefor, such other information respecting the Trust Student Loans and the other Pledged Collateral or the conditions or operations, financial or otherwise, of the Trust as the Administrative Agent or any Managing Agent may from time to time reasonably request;

(f) with respect to each Guarantor, promptly after receipt thereof as made available to the Trust after request therefor, copies of any audited financial statements of such Guarantor certified by an independent certified public accounting firm;

(g) with respect to each Servicer and promptly after receipt thereof after a good faith effort to obtain such material is made by the Trust, (i) copies of any annual audited financial statements of such Servicer other than the Master Servicer for so long as the Master Servicer is a consolidated subsidiary of SLM Corporation, to the extent available, certified by an independent certified public accounting firm, (ii) on an annual basis within 30 days after receipt thereof, copies of SAS 70 or SSAE 16 reports, as applicable, for such Servicer, or, if not available, the annual compliance audit for each Servicer required by Section 428(b)(1)(U) of the Higher

Education Act and (iii) to the extent not included in the financial information provided pursuant to clauses (i) and (ii) above and to the extent available, such Servicer's net dollar loss for the year due to servicing errors;

(h) promptly following the Administrative Agent's or any Managing Agent's request therefor, a Schedule of Trust Student Loans;

(i) promptly and in any event within 45 days after the filing or receiving thereof, copies of all reports and notices with respect to (A) any "Reportable Event," relating to a Benefit Plan (B) the institution of proceedings or the taking of any other action regarding the termination of, withdrawal from, reorganization within the meaning of Section 4241 of ERISA or insolvency within the meaning of Section 4245 of ERISA, any Benefit Plan subject to Title IV of ERISA which the Trust or any of its ERISA Affiliates files under ERISA with the Internal Revenue Service, the PBGC or the U.S. Department of Labor or which the Trust or any of its ERISA Affiliates receives from the PBGC, (C) a failure to make any required contribution to a Benefit Plan or (D) the creation of any lien against the assets of the Trust or an ERISA Affiliate in favor of the PBGC or a Benefit Plan under ERISA;

(j) promptly after the occurrence thereof, written notice of changes in the Higher Education Act or any other law of the United States that could reasonably have a probability of having a Material Adverse Effect on the Trust or could materially and adversely affect (i) the ability of a Servicer to perform its obligations under its Servicing Agreement, (ii) the ability of a Subservicer to perform its obligations under its Servicing Agreement, or (iii) the collectability or enforceability of a material amount of the Trust Student Loans, or any Guarantee Agreement or Federal Reimbursement Contract with respect to a material amount of Trust Student Loans;

(k) promptly, notice of any change in the accountants of the Trust or SLM Corporation;

(l) promptly, after the occurrence thereof or if sooner upon any executive officer of the Administrator having direct or primary responsibility for ABS trust administration obtaining knowledge of any pending change, notice of any change in the accounting policy of the Trust or SLM Corporation to the extent such change could reasonably be seen to have a material and adverse impact on the transactions contemplated herein;

(m) promptly, copies of any written notices received by SLM Corporation or any of its Affiliates from the Department or any other Governmental Authority regarding any material non-compliance by SLM Corporation or any of its Affiliates with any government sponsored facility for the financing of FFELP Loans;

(n) any information made available to the Eligible Lender Trustee pursuant to Section 11.05(b) of the Trust Agreement to the extent such information was not previously delivered to the Administrative Agent; and

(o) such other information, documents, tapes, data, records or reports respecting the Pledged Collateral, the Trust, the Depositor, the Master Depositor, any Seller, any Related SPE Seller, any Related SPE Trust, the Administrator, the Master Servicer or SLM Corporation which is in its possession or under its control, as the Administrative Agent may from time to time reasonably request, or that any Affected Party may reasonably require in order to comply with their respective obligations under Article 122a(4) and (5) of CRD.

Section 6.16. Inspections.

The Administrative Agent and the Managing Agents may, upon reasonable notice and from time to time during regular business hours, once per calendar year (or, after the occurrence and during the continuation of an Amortization Event or a Termination Event, as frequently as requested by the Administrative Agent on behalf of any Managing Agent) (i) examine and make copies of and take abstracts from all books, records and documents (including computer tapes and disks) relating to the Pledged Collateral and (ii) visit the offices and properties of the Trust (or the Master Servicer or Subservicer, as applicable) for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Pledged Collateral or the Trust's (or the Master Servicer's or Subservicer's) performance hereunder and under the other Transaction Documents with any of the officers, directors, employees or independent public accountants of the Trust (to the extent available), the Master Servicer or Subservicer having knowledge of such matters. Any reasonable expenses related to such inspections shall be reimbursable directly by the Master Servicer. In addition, from time to time during the year, the Administrative Agent and the Managing Agents may, at their own expense, conduct any other inspections as they may deem necessary or appropriate, provided such inspections occur upon reasonable notice and during regular business hours.

Section 6.17. ERISA.

The Trust will not adopt, maintain, contribute to or incur by any of its own actions or assume any legal obligation with respect to any Benefit Plan or Multiemployer Plan.

Section 6.18. Servicers.

Except as permitted by any Servicing Agreement, the Trust will not permit any Person other than the Master Servicer or a Subservicer to collect, service or administer the Trust Student Loans.

Section 6.19. Acquisition, Financing, Collection and Assignment of Student Loans.

The Trust shall acquire or finance only Eligible FFELP Loans with proceeds of the Advances and shall cause to be collected all principal and interest payments on all the Trust Student Loans and all sums to which the Trust or Administrative Agent is entitled pursuant to the Sale Agreement, and all Interest Subsidy Payments, Special Allowance Payments and all defaulted payments Guaranteed by any Guarantor which relate to such Trust Student Loans as more fully set forth in the Servicing Agreement. The Trust shall assign or direct the assignment of such Trust Student Loans for payment of guarantee benefits as required by applicable law and regulations. The Trust shall comply in all material respects with any Guarantor's rules and regulations which apply to such Trust Student Loans. From and after the Closing Date, the Trust shall purchase only Student Loans from the Depositor pursuant to the Sale Agreement that have been sold by (i) an Ongoing Seller to the Master Depositor pursuant to a Purchase Agreement and by the Master Depositor to the Depositor pursuant to the Conveyance Agreement or (ii) a Related SPE Seller to the Depositor pursuant to the Tri-Party Transfer Agreement.

Section 6.20. Administration and Collection of Trust Student Loans.

All Trust Student Loans shall be administered and collected either by the Trust or by the Master Servicer or a Subservicer on behalf of the Trust in accordance in all material respects with the Servicing Agreements.

Section 6.21. Obligations of the Trust With Respect to Pledged Collateral.

The Trust will (a) at its expense, regardless of any exercise by any Secured Creditor of its rights hereunder, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Transaction Documents included in the Pledged Collateral to the same extent as if the Pledged Collateral had not been pledged hereunder; and (b) pay when due any taxes, including without limitation, sales and excise taxes, payable in connection with the Pledged Collateral. In no event shall any Secured Creditor have any obligation or liability with respect to any Trust Student Loans or other instrument document or agreement included in the Pledged Collateral, nor shall any of them be obligated to perform any of the obligations of the Trust or any of its Affiliates thereunder. The Trust will timely and fully comply in all respects with each Transaction Document to which it is a party.

Section 6.22. Asset Coverage Requirement.

The Trust shall at all times, to the best of its actual knowledge, cause the Asset Coverage Ratio to not be less than 100.00%.

Section 6.23. Amendment of Organizational Documents.

The Trust shall cause the Administrative Agent to be notified in writing of any proposed amendments to the Trust's organizational documents. No such amendment shall become effective unless and until the Required Managing Agents have consented in writing thereto, which consent shall not be unreasonably withheld or delayed.

Section 6.24. Amendment of Underwriting Guidelines or Servicing Policies.

Promptly after the occurrence thereof, the Trust shall cause the Administrative Agent to be notified of any material changes to the underwriting guidelines or Servicing Policies. The Trust shall not permit or implement any change in the underwriting guidelines or Servicing Policies applicable to any Trust Student Loan which would materially and adversely affect the collectability of any Trust Student Loan, the performance of the portfolio of Trust Student Loans or the Administrative Agent's security interest in such Trust Student Loans without the prior written consent of the Required Managing Agents, and unless such changes are made with respect to all FFELP Loans serviced by the Servicer for its own portfolio and for securitization trusts sponsored by SLM Corporation.

Section 6.25. No Payments on Excess Distribution Certificate.

Except as expressly permitted by Section 2.05(b) or Section 2.18(d) of this Agreement, the Trust shall not make any payments or distributions with respect to the Excess Distribution Certificate without the prior written consent of the Required Managing Agents.

Section 6.26. Borrower Benefit Programs.

(a) The Trust shall cause the Servicer to maintain any rate reduction programs or other borrower benefit programs in effect at the time the Trust purchased such Trust Student Loan. The Trust shall not permit any Servicer to apply any additional rate reduction programs with respect to the Trust Student Loans unless (i) such borrower benefit program is required under the Higher Education Act, (ii) the Master Servicer, the Depositor or the applicable Seller has deposited funds into the Borrower Benefit Account in an amount sufficient to offset any effective yield reductions in accordance with Section 3.12 of the Servicing Agreement or (iii) the Administrative Agent has consented to the Trust's participation in that borrower benefit program or other rate reduction program.

(b) With respect to each Advance Date for a Purchase Price Advance, if any Eligible FFELP Loans (excluding any Eligible FFELP Loans that were owned by the Trust or any Related SPE Trusts on the Closing Date) to be sold to the Trust on such Advance Date are subject to a Borrower Benefit Program, the Master Servicer, the Depositor or the applicable Seller shall deposit any Borrower Benefit Amount relating to such Eligible FFELP Loans into the Borrower Benefit Account. On each Settlement Date, based on information provided by the Servicer, the Administrative Agent shall withdraw funds on deposit in the Borrower Benefit Account in excess of the expected net present value of the aggregate maximum amount of borrower benefits (including Borrower Benefit Amounts) that could be payable on all related Trust Student Loans for which Required Borrower Benefit Amounts were previously deposited and shall deposit such excess amount into the Collection Account and treat such excess amount as Available Funds for such Settlement Date. In addition, on each date that the advance rates under clause (a) of the definition of "Applicable Percentage" are amended, the Administrative Agent shall withdraw all funds on deposit in the Borrower Benefit Account on such date and shall deposit such amount into the Collection Account for application as Available Funds on the next Settlement Date.

ARTICLE VII.

AMORTIZATION EVENTS AND TERMINATION EVENTS

Section 7.01. Amortization Events.

Each of the following events (each, an *"**Amortization Event**"*) shall be an Amortization Event under this Agreement:

(a) the Aggregate Note Balance and all other Obligations due under the Transaction Documents are not repaid in full on the Scheduled Maturity Date (as such date may be extended from time to time); or

(b) any settlement or one or more judgments or orders for the payment of money or adverse rulings shall be rendered against any Seller, the Depositor, the Master Depositor, any Related SPE Seller, the Administrator or the Master Servicer in excess of $50,000,000 on an individual basis or on an aggregate basis that relates to the student loan origination or servicing practices of such Person and such settlement, judgment or ruling shall remain unsatisfied or unstayed for a period in excess of 30 days; or

(c) the filing of any judgment or adverse ruling against any Seller, the Depositor, the Master Depositor, the Master Servicer, the Administrator, any Related SPE Seller or SLM Corporation that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on such Person and such judgment or ruling shall remain unsatisfied or unstayed for a period in excess of 30 days; or

(d) any material adverse development in any federal or state litigation, investigation or proceeding against the Trust, the Depositor, the Administrator, any Seller, the Master Servicer, the Master Depositor, any Related SPE Seller, or SLM Corporation shall occur that could reasonably be expected to have a Material Adverse Effect on such Person or on the Pledged Collateral which continues for 30 days after the earlier to occur of knowledge thereof or written notice thereof shall have been received by the Trust; or

(e) the filing of any actions or proceedings against the Trust, the Depositor, the Administrator, any Seller, the Master Servicer, any Related SPE Seller, the Master Depositor or SLM Corporation that involves the Transaction Documents or any material portion of the Pledged Collateral as to which the Administrative Agent reasonably believes there is likely to result a materially adverse determination which remains unsettled, unsatisfied or unstayed for a period in excess of 30 days; or

(f) (i) the Internal Revenue Service shall file notice of a lien involving a sum in excess of $50,000,000 pursuant to Section 6323 of the Code with regard to any assets of the Trust and such lien shall not have been released within two Business Days, (ii) any Person shall institute steps to terminate any Benefit Plan if the assets of such Benefit Plan are insufficient to satisfy all of its benefit liabilities in excess of $50,000,000 (as determined under Title IV of ERISA), or a contribution failure in excess of $50,000,000 occurs with respect to any Benefit Plan, which is sufficient to give rise to a lien under Section 302(f) or 303(k), as applicable, of ERISA or where the PBGC shall, or shall indicate its intention to, file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Trust and in each case such lien shall not have been released within two Business Days, or (iii) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving a Benefit Plan; or any Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, a Benefit Plan subject to Title IV of ERISA, which Reportable Event is likely to result in termination of such Benefit Plan; or the Trust or any ERISA Affiliate is likely to incur any liability in connection with the withdrawal from, or the insolvency within the meaning of Section 4245 of ERISA or reorganization within the meaning of Section 4241 of ERISA of, a Multiemployer Plan; provided, that an event described in this subsection (f) shall not be an Amortization Event unless such event could reasonably be expected to have a Material Adverse Effect on the Trust or on SLM Corporation; or

(g) any material provision of this Agreement or any other Transaction Document (other than a Guarantee Agreement that does not apply at such time to any Trust Student Loans) to which the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the

Master Servicer is a party shall cease to be in full force and effect for a period of 30 days subject to any other applicable cure period under this Agreement or any other Transaction Documents; or

(h) any amendment to the Higher Education Act or any other federal law becomes effective that materially adversely affects the interests of the Administrative Agent or the Note Purchasers in the Pledged Collateral; or

(i) the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance shall exceed the Maximum Financing Amount; provided, that an Amortization Period caused solely by this clause (i) shall terminate and the Revolving Period shall be reinstated if the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance no longer exceeds the Maximum Financing Amount; or

(j) the Asset Coverage Ratio shall be less than 100.00% and such deficiency shall not have been cured within five Business Days following the earlier to occur of actual knowledge or receipt of such notice by the Administrator (it being understood that, without limitation, the Administrator's receipt of a Valuation Report shall constitute notice for purposes hereof); provided, that an Amortization Period caused solely by this clause (j) shall terminate and the Revolving Period shall be reinstated if the Asset Coverage Ratio subsequently ceases to be less than 100.00%; or

(k) the Consolidated Tangible Net Worth of SLM Corporation shall be less than $1,380,000,000; or

(l) at the last day of any fiscal quarter of SLM Corporation, both (i) the Interest Coverage Ratio shall be less than 1.15:1.00 and (ii) the Net Adjusted Revenue shall be less than $400,000,000, in each case for the period of four consecutive fiscal quarters then ended.

Section 7.02. Termination Events.

Each of the following events (each, a *"**Termination Event**"*) shall be a Termination Event under this Agreement:

(a) (i) the Trust shall fail to pay the Aggregate Note Balance or any other Obligations in full on the last day of the Amortization Period (other than an Amortization Period ending as a result of the reinstatement of the Revolving Period), (ii) the Trust shall fail to make any payment under Sections 2.05(b)(i) through 2.05(b)(iv) within five Business Days of the due date thereof, or (iii) the Trust, the Depositor, the Master Servicer, the Master Depositor, any Material Subservicer, SLM Corporation or the Eligible Lender Trustee shall fail to make any other payment, transfer or deposit (unless waived by the payee or in the case of a failure to make a payment by a Material Subservicer, such failure was cured by the Master Servicer within the permissible grace period) on the date first required of such party under the Transaction Documents and such failure shall remain uncured following the expiration of any applicable payment or grace period provided for in the Transaction Documents (including the Amortization Period, if applicable); provided, however, that failure by the Trust to make a required payment on a Settlement Date under Sections 2.05(b)(vi) through (xxi) solely due to insufficient Available

Funds on such Settlement Date shall not by itself constitute a Termination Event (other than with respect to all amounts due and owing on the Termination Date or as expressly specified below); or

(b) any material representation, warranty, certification or statement made or deemed to be made by the Trust, the Administrator, the Eligible Lender Trustee, any Seller, the Depositor, the Master Depositor, the Master Servicer or any Material Subservicer (to the extent such entity remains a Subservicer after the 30-day cure period noted below) under or in connection with this Agreement or any other Transaction Document, or other information, report or document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made, deemed made or delivered (except for representations and warranties concerning Eligible FFELP Loans with respect to which the applicable Seller, the Depositor, the Master Depositor or the Servicer has repurchased the related Student Loans) and shall remain unremedied (if such default can be remedied) for the greater of (i) 30 days or (ii) the time period expressly provided for the cure of such representation or warranty in the related Transaction Document, in each case after written notice thereof shall have been received by the Trust; or

(c) the Trust, the Administrator, the Eligible Lender Trustee, any Seller, the Depositor, the Master Depositor, the Master Servicer, any Material Subservicer or SLM Corporation shall materially default in the performance or observance of any term, covenant or undertaking to be performed or observed herein (except for the obligation to cure a mark-to-market valuation deficiency described in the last sentence of Section 2.25(d), which shall instead first result in an Amortization Event as provided in Section 7.01(j)), or in any other Transaction Document on its part and any such failure shall remain unremedied (if such default can be remedied) for 30 days after the earlier to occur of actual knowledge by an Authorized Officer of the Trust, the Administrator or the Master Servicer and written notice thereof shall have been received by the Trust (or, if the obligation in question arises under another Transaction Document, within the cure period, if any, provided in such Transaction Document); provided, however, such 30-day cure period shall not apply to defaults under Section 6.01, 6.11, 6.12, or 6.25; or

(d) a Servicer Default shall have occurred with respect to the Master Servicer or the Servicing Agreement of the Master Servicer shall not be in full force and effect for any reason and the Master Servicer shall not have been replaced within 30 days after notification from the Administrative Agent; or

(e) an Event of Bankruptcy shall have occurred with respect to the Trust, the Eligible Lender Trustee, the Depositor, the Master Depositor, any Seller, the Administrator, the Master Servicer, SLM Corporation or any Material Subservicer (to the extent such entity remains a Subservicer after the 30-day period provided in the definition of an Event of Bankruptcy); or

(f) [reserved]; or

(g) the Trust shall fail to deposit, (i) for two consecutive Settlement Periods, into the Reserve Account, such additional amounts, if any, as are necessary to cause the amount on deposit in the Reserve Account to be at least equal to the Reserve Account Specified Balance,

(ii) into the Borrower Benefit Account, any amount required to be deposited therein under the Transaction Documents on or prior to the first Settlement Date for such deposit as described in the Transaction Documents or (iii) into the Floor Income Rebate Account, amounts required to be deposited therein when and as such amounts are required to be deposited pursuant to the Transaction Documents; or

(h) the filing of any judgment or adverse ruling against the Trust that could reasonably be expected to have a Material Adverse Effect on the Trust and such judgment or ruling shall continue unsatisfied or unstayed for a period in excess of 30 days; or

(i) the Administrative Agent, for the benefit of the Secured Creditors, shall, for any reason, cease to have a valid and perfected first priority security interest in the Pledged Collateral, or the Trust shall, for any reason, cease to have a valid and perfected first priority ownership interest in any of the Pledged Collateral, in each case for a period of two Business Days following the date the Administrator acquired such knowledge or its receipt of such notice; or

(j) a Change of Control has occurred with respect to the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer; or

(k) the Depositor shall fail to maintain its status as a limited purpose bankruptcy remote limited liability company or the Trust shall fail to maintain its status as a single purpose bankruptcy remote Delaware statutory trust; or

(l) the Excess Spread Test is not satisfied; or

(m) the Trust shall be required to register as an *"*investment company*"* or a company controlled by an *"*investment company*"* under the Investment Company Act; or

(n) any Seller, the Depositor, the Master Depositor, the Master Servicer, any Material Subservicer (to the extent such Material Subservicer has not been removed as a Subservicer prior to the expiration of any related cure period), the Administrator or any Affiliate thereof (other than the Trust) shall default with respect to any outstanding financing arrangement (other than in connection with this Agreement and the Transaction Documents) representing indebtedness in excess of $50,000,000 and either (i) such indebtedness is incurred with respect to any other financing comprising part of the FFELP Loan Facilities or (ii) the result of such default is to cause the acceleration of such indebtedness; or

(o) the Asset Coverage Ratio (calculated without giving effect to clauses (b) and (c) of the definition of "Applicable Percentage") shall be less than 100% and such deficiency shall not have been cured within one Business Day; or

(p) [reserved]

(q) [reserved]

(r) the Trust shall fail to pay to any Exiting Facility Group its Pro Rata Share of the Aggregate Note Balance within 90 days of the commencement of the Exiting Facility Group Amortization Period with respect to such Exiting Facility Group; or

(s) [reserved]; or

(t) any failure by the Trust to pay amounts required to be paid under Section 2.15, 8.01 or 10.08 on or before the 30th day following the date of demand for payment thereof; or

(u) (1) SLM Education Credit Finance Corporation shall fail to comply with clause (u) of Section 10.01(a) in connection with the amendment, alteration, change or deletion of the definition of "Independent Manager" or any of the "Special Purpose Provisions" (each as defined in the related organizational document), or (2) any Person shall be appointed as an "Independent Manager" (as defined in the related organizational document) of the Depositor other than in strict compliance with the requirements therefor set forth in the Depositor's Amended and Restated Limited Liability Company Operating Agreement, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

Section 7.03. Remedies.

(a) ***Amortization Event.*** After the occurrence of an Amortization Event and during the continuation of the Amortization Period, the Yield Rate shall be increased as provided in clause (b) of the definition thereof and any increase in amounts owed shall be payable as Step-Up Fees subject to the priority of payments set forth in Section 2.05(b). In addition, following the occurrence of an Amortization Event and during the continuation of the Amortization Period, no further Advances (other than Capitalized Interest Advances) shall be made. During the Amortization Period, the Administrative Agent or any party acting on its behalf shall not have the right to seize or sell the Pledged Collateral. Upon the expiration of the Amortization Period (other than by reason of the reinstatement of the Revolving Period), the Administrative Agent may, by notice to the Trust, declare that the Termination Date has occurred and may sell the Pledged Collateral to the extent required in order to repay in full all outstanding Advances and all other amounts due and owing under this Agreement and the other Transaction Documents in accordance with the procedures set forth in subsection (b) below.

(b) ***Termination Event.*** After the occurrence of a Termination Event, the Yield Rate shall be increased as set forth in clause (d) of the definition thereof and any increase in amounts owed shall be payable as Step-Up Fees subject to the priority of payments set forth in Section 2.05(b). In addition, after the occurrence of a Termination Event, the Administrative Agent may, and shall, at the direction of the Required Managing Agents, by notice to the Trust, declare that a Termination Date shall have occurred (except that, in the case of any event described in Section 7.02(e) above, the Termination Date shall be deemed to have occurred automatically). Upon the declaration of the Termination Date or the automatic occurrence thereof, no further Advances will be made and all of the Obligations due and owing to the Affected Party shall become immediately due and payable. Upon any such declaration or automatic occurrence, the Administrative Agent (for the benefit of the Secured Creditors) shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided to a secured party under the UCC of the applicable jurisdiction and

other applicable laws, which rights shall be cumulative. The rights and remedies of a secured party which may be exercised by the Administrative Agent pursuant to this Article shall include, without limitation, the right, without notice except as specified below, to solicit and accept bids for and sell the Pledged Collateral or any part thereof in one or more parcels at a public or private sale, at any exchange, broker's board or at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable, including selling Trust Student Loans on a servicing released basis; provided, that the Administrative Agent may not, without the prior written consent of the Required Managing Agents, sell the entire corpus of the Trust Student Loans unless the net proceeds of such sale will be sufficient to pay in full all interest and principal owing on the Class A Notes. Any sale or transfer by the Administrative Agent of Trust Student Loans shall only be made to an Eligible Lender. The Trust agrees that, to the extent notice of sale shall be required by law, ten Business Days' notice to the Trust and the Administrator of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and that it shall be commercially reasonable for the Administrative Agent to sell the Pledged Collateral to an Eligible Lender on an *"*as is*"* basis, without representation or warranty of any kind. The proceeds of any such sale shall be deposited into the Collection Account and shall be distributed pursuant to Section 2.05(b). The Administrative Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given and may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

Section 7.04. Setoff.

Each of the Secured Creditors and the Administrative Agent on behalf of all the Secured Creditors is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date due to the occurrence of a Termination Event or during the continuation of a Potential Termination Event to set off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Secured Creditor or all the Secured Creditors, as applicable, to, or for the account of, the Trust against the amount of the Outstanding Class A Notes and other Obligations owing by the Trust to such Secured Creditor or to the Administrative Agent on behalf of such Secured Creditor (even if contingent or unmatured).

ARTICLE VIII.

INDEMNIFICATION

Section 8.01. Indemnification by the Trust.

(a) Without limiting any other rights which the Affected Parties or any of their respective Affiliates may have hereunder or under applicable law, the Trust hereby agrees to indemnify the Affected Parties and each of their respective members, investors, officers, directors, employees, agents, advisors, attorneys-in-fact and Affiliates (each, an *"**Indemnified Party**"*) from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (except as may be expressly

limited by Section 10.08) awarded against or incurred by any of the Indemnified Parties arising out of or as a result of the purchase of any Class A Notes, the funding of Advances, this Agreement, the other Transaction Documents or the Pledged Collateral; excluding, however (i) any indemnified amounts to the extent determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification and (ii) any recourse for Defaulted Student Loans or Delinquent Student Loans or losses attributable to changes in the market value of the Trust Student Loans because of changes in market interest rates or in rate of prepayment (the foregoing, being collectively referred to as *"**Trust Indemnified Amounts**"*).

(b) Any amounts subject to the indemnification provisions of this Section 8.01 shall be paid by the Trust, to the extent not already paid by the Seller, the Depositor or the Servicer under any other Transaction Documents, to the related Indemnified Party on or before the 30th day following the date of demand therefor accompanied by reasonable supporting documentation with respect to such amounts.

Section 8.02. Indemnification and Limited Guaranty by SLM Corporation.

(a) Without limiting any other rights that any such Person may have hereunder or under applicable law (including, without limitation, the right to recover damages for breach of contract), SLM Corporation hereby agrees to indemnify each Indemnified Party, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements awarded against or incurred by any of them arising out of or relating to (i) the Transaction Documents, the transactions contemplated under the Transaction Documents or the Trust Student Loans, or (ii) use of proceeds hereunder, including indemnified amounts arising out of or relating to any Regulatory Change that results in any Other Tax, all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of the purchases hereunder, or any security interest in the Trust Student Loans or any item of the Trust Student Loans; excluding, however, (A) indemnified amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of such Indemnified Party, (B) any amounts payable as indemnification by the Trust for which the Indemnified Party has a claim against the Depositor, the Master Depositor, a Seller or the Master Servicer under the indemnification provisions in the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, any Purchase Agreement or the Servicing Agreement, unless such claim has not been paid within the applicable timeframe provided therein, (C) recourse for Defaulted Student Loans or Delinquent Student Loans or losses attributable to changes in the market value of the Trust Student Loans because of changes in market interest rates or in rate of prepayment, or (D) indemnified amounts to the extent that such indemnified amounts, together with any amounts paid by SLM Corporation pursuant to Section 8.02(c), exceed in the aggregate the least of (1) 5% of the highest Aggregate Note Balance at any time during the immediately preceding 12-month period, (2) $133,333,334, and (3) 10% of the then applicable Maximum Financing Amount (the foregoing being collectively referred to as *"**SLM Indemnified Amounts**"*).

(b) Any Trust Indemnified Amounts which are also SLM Indemnified Amounts and are not paid by the Trust on or before the 30th day following the date of demand pursuant to

Section 8.01, shall be paid by SLM Corporation to the related Indemnified Party within five Business Days following demand therefor accompanied by reasonable supporting documentation with respect to such amounts.

(c) SLM Corporation further agrees that, to the extent there are insufficient Available Funds in the Collection Account on any Settlement Date to pay any Non-Use Fee due and owing on such Settlement Date in accordance with Section 2.05(b), SLM Corporation shall pay to the Managing Agent for each Facility Group on such Settlement Date the portion of such Facility Group's Non-Use Fee that would otherwise not be paid; provided, however, that SLM Corporation shall not be obligated to pay any amounts under this Section 8.02(c) to the extent that the aggregate amounts paid under Section 8.02(a) and this Section 8.02(c) exceed the least of (1) 5% of the highest Aggregate Note Balance at any time during the immediately preceding 12-month period, (2) $133,333,334, and (3) 10% of the then applicable Maximum Financing Amount. Any failure by SLM Corporation to pay its obligations under this Section 8.02(c) (other than by reason of the proviso in the immediately preceding sentence) that remains uncured for five (5) Business Days after SLM Corporation receives notice from the Administrative Agent or any Managing Agent of any such obligation being due and payable shall constitute a Termination Event under Section 7.02(a) of this Agreement. SLM Corporation hereby subordinates (to the rights of the Secured Creditors to receive payment of the Obligations in full in immediately available funds) and releases any and all rights and claims it may now or hereafter have or acquire against the Trust in connection with this Section 8.02(c) that would constitute it a "creditor" of the Trust for purposes of the Bankruptcy Code, including all rights of subrogation against the Trust and its property and all rights of indemnification, contribution and reimbursement from the Trust and its property, all of which are hereby waived.

ARTICLE IX.

ADMINISTRATIVE AGENT, SYNDICATION AGENT AND MANAGING AGENTS

Section 9.01. Authorization and Action of Administrative Agent and Syndication Agent.

(a) The Conduit Lenders, the LIBOR Lenders, the Managing Agents and the Alternate Lenders, as of the Closing Date, accept the appointment of and authorize the Administrative Agent and the Syndication Agent to take such action as agent on their behalf and to exercise such powers as are delegated to the Administrative Agent and the Syndication Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Each of the Administrative Agent and the Syndication Agent reserves the right, in its sole discretion, to take any actions and exercise any rights or remedies under this Agreement and any related agreements and documents. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent and the Syndication Agent shall not have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall the Administrative Agent or the Syndication Agent have or be deemed to have any fiduciary relationship with any Lender or Managing Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent and the Syndication Agent. Without limiting the generality of the foregoing sentence, the use of the

terms "Administrative Agent" and "Syndication Agent" in this Agreement with reference to the Administrative Agent and the Syndication Agent, respectively, are not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such terms are used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Each of the Administrative Agent and the Syndication Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each of the Administrative Agent and the Syndication Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care. The Administrative Agent agrees to give the Managing Agents notice of each notice and determination and a copy of each certificate and report (if such notice, report, determination, or certificate is not given by the applicable Person to such Managing Agent) given to it by the Trust, the Administrator, any Seller, the Master Depositor, the Depositor, any Servicer, any Co-Valuation Agent or the Eligible Lender Trustee pursuant to the terms of the Transaction Documents within five Business Days of receipt thereof. Except for actions which each of the Administrative Agent and the Syndication Agent is expressly required to take pursuant to this Agreement, neither the Administrative Agent nor the Syndication Agent shall be required to take any action which exposes the Administrative Agent or the Syndication Agent to personal liability or which is contrary to applicable law unless the Administrative Agent or the Syndication Agent shall receive further assurances to its satisfaction from the Managing Agents that it will be indemnified against any and all liability and expense which may be incurred in taking or continuing to take such action.

Section 9.02. Authorization and Action of Managing Agents.

(a) Each Lender hereby accepts the appointment of and authorize its related Managing Agent to take such action as agent on its behalf and to exercise such powers as are delegated to such Managing Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Each Managing Agent reserves the right, in its sole discretion, to take any actions and exercise any rights or remedies under this Agreement and any related agreements and documents. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, no Managing Agent shall have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall any Managing Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against any Managing Agent. Without limiting the generality of the foregoing sentence, the use of the term "Managing Agent" in this Agreement with reference to any Managing Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Each Managing Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be

entitled to advice of counsel concerning all matters pertaining to such duties. No Managing Agent shall be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care. Each Managing Agent agrees to give to its related Lenders prompt notice of each notice and determination and a copy of each certificate and report (if such notice, report, determination, or certificate is not given by the applicable Person to such Lender) given to it by the Administrative Agent, the Syndication Agent, the Trust, the Administrator, any Seller, the Depositor, any Servicer, any Co-Valuation Agent or the Eligible Lender Trustee pursuant to the terms of this Agreement. Except for actions which each Managing Agent is expressly required to take pursuant to this Agreement, such Managing Agent shall not be required to take any action which exposes such Managing Agent to personal liability or which is contrary to applicable law unless such Managing Agent shall receive further assurances to its satisfaction from its related Lenders that it will be indemnified against any and all liability and expense which may be incurred in taking or continuing to take such action.

Section 9.03. Agency Termination.

The appointment and authority of the Administrative Agent, the Syndication Agent and the Managing Agents hereunder shall terminate upon the payment by the Trust of all Obligations hereunder unless sooner terminated pursuant to Sections 9.07 and 9.08, as applicable.

Section 9.04. Administrative Agent's, Syndication Agent's and Managing Agent's Reliance, Etc.

None of the Administrative Agent, the Syndication Agent, any Managing Agent or any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it as Administrative Agent, the Syndication Agent, or Managing Agent, as applicable, under or in connection with this Agreement or any related agreement or document, except for its own gross negligence or willful misconduct. Without limiting the foregoing, each of the Administrative Agent, the Syndication Agent and each Managing Agent:

(a) may consult with legal counsel (including counsel for the Trust or any Affiliate of the Trust), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(b) makes no warranty or representation to any Lender, any Managing Agent or any Program Support Provider and shall not be responsible to any Lender, any Managing Agent or any Program Support Provider for any statements, warranties or representations made by the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Seller, the Depositor, any Servicer, any Guarantor or any Co-Valuation Agent in connection with this Agreement or any other Transaction Document;

(c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Transaction Document on the part of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Seller, the Depositor, any Guarantor or any Co-Valuation Agent or to inspect the property (including the books and records) of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Seller, the Depositor, any Guarantor or any Co-Valuation Agent;

(d) shall not be responsible to any Lender, any Managing Agent, or any Program Support Provider, as the case may be, for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any Transaction Document or any other instrument or document furnished pursuant hereto; and

(e) shall incur no liability under or in respect of this Agreement by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile or other electronic means) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

Section 9.05. Administrative Agent, Syndication Agent, Managing Agents and Affiliates.

The Administrative Agent, the Syndication Agent, the Managing Agents and their Affiliates may generally engage in any kind of business with the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Guarantor, any Seller, the Depositor, any of their respective Affiliates and any Person who may do business with or own securities of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Guarantor, any Seller, the Depositor, or any of their respective Affiliates, all as if such entities were not the Administrative Agent, the Syndication Agent or a Managing Agent and without any duty to account therefor to any Lender, any Managing Agent or any Program Support Provider.

Section 9.06. Decision to Purchase Class A Notes and Make Advances.

The Lenders acknowledge that each has, independently and without reliance upon the Administrative Agent or any Managing Agent, and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and to make Advances hereunder. The Lenders also acknowledge that each will, independently and without reliance upon the Administrative Agent, any Managing Agent or any of their Affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement or any related agreement, instrument or other document. Furthermore, each of the Lenders and Managing Agents acknowledges and agrees that although it may have received modeling and other structural information (including cash flow analysis) from the Administrative Agent or a Managing Agent, neither the Administrative Agent nor any Managing Agent assumes any responsibility for the accuracy or completeness of such information and such information is not intended to be relied upon as a prediction of performance or for any other reason.

Section 9.07. Successor Administrative Agent or Syndication Agent.

(a) The Administrative Agent or the Syndication Agent may resign at any time by giving five days' written notice thereof to the Syndication Agent or the Administrative Agent, as applicable, each Conduit Lender, each Managing Agent, each LIBOR Lender, each Alternate Lender, the Trust, the Administrator and the Eligible Lender Trustee. Upon any such resignation, the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate

Lenders shall have the right to appoint a successor Administrative Agent or Syndication Agent approved by the Administrator (which approval will not be unreasonably withheld or delayed and will not be required after the occurrence and during the continuation of a Termination Event). If no successor Administrative Agent or Syndication Agent shall have been so appointed and shall have accepted such appointment within sixty days after the retiring Administrative Agent's or Syndication Agent's giving of notice of resignation, then the retiring Administrative Agent or Syndication Agent may, on behalf of the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate Lenders, appoint a successor Administrative Agent or Syndication Agent. If the successor Administrative Agent or Syndication Agent is not an Affiliate of the resigning Administrative Agent or Syndication Agent, a LIBOR Lender or an Alternate Lender, such successor Administrative Agent or Syndication Agent shall be subject to the Administrator's prior written approval (which approval will not be unreasonably withheld or delayed). Upon the acceptance of any appointment as Administrative Agent or Syndication Agent hereunder by a successor Administrative Agent or Syndication Agent, such successor Administrative Agent or Syndication Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent or Syndication Agent, and the retiring Administrative Agent or Syndication Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's or Syndication Agent's resignation hereunder as Administrative Agent or Syndication Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Administrative Agent or Syndication Agent under this Agreement.

(b) The *"*Administrative Agent*"* and *"*Syndication Agent*"* shall include any successors to the Administrative Agent or Syndication Agent as a result of a merger, consolidation, combination, conversion, reorganization or any other transaction (or series of related transactions) in which shares of the Administrative Agent's or the Syndication Agent's capital stock are sold or exchanged for or converted or otherwise changed into other stock or securities, cash and/or any other property, or the sale, lease, assignment, transfer or other conveyance of a majority of the assets of the Administrative Agent or the Syndication Agent in any transaction (or series of related transactions). Notwithstanding anything to the contrary in this Agreement, no consent of the Lenders, the Managing Agents or the Trust shall be required in connection with the succession of the Administrative Agent or the Syndication Agent as a result of any of the foregoing transactions.

Section 9.08. Successor Managing Agents.

Any Managing Agent may resign at any time by giving five days' written notice thereof to its related Lenders, the Trust, the Administrator, the Administrative Agent and the Eligible Lender Trustee. Upon any such resignation, the applicable Lenders shall have the right to appoint a successor Managing Agent approved by the Administrator (which approval will not be unreasonably withheld or delayed and will not be required (x) after the occurrence and during the continuation of a Termination Event or (y) if the successor is a Lender (including a Conduit Assignee) or a Program Support Provider within the resigning Managing Agent's Facility Group). If no successor Managing Agent shall have been so appointed and shall have accepted such appointment, within sixty days after the retiring Managing Agent's giving of notice of resignation, then the retiring Managing Agent may, on behalf of its related Lenders, appoint a

successor Managing Agent. If the successor Managing Agent is not an Affiliate of the resigning Managing Agent or a Lender (including a Conduit Assignee) or a Program Support Provider within the resigning Managing Agent's Facility Group, such successor Managing Agent shall be subject to the Administrator's prior written approval (which approval will not be unreasonably withheld or delayed and will not be required after the occurrence and during the continuation of a Termination Event). Upon the acceptance of any appointment as a Managing Agent hereunder by a successor Managing Agent, such successor Managing Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Managing Agent, a new Class A Note will be issued in the name of the successor Managing Agent as Registered Owner in exchange for the retiring Managing Agent's Class A Note pursuant to Section 3.05(c) and the retiring Managing Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Managing Agent's resignation hereunder as a Managing Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was a Managing Agent under this Agreement.

Section 9.09. Reimbursement.

Each Managing Agent, Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to reimburse and indemnify the Administrative Agent, the Syndication Agent and its officers, directors, employees, representatives, counsel and agents (to the extent the Administrative Agent or the Syndication Agent is not paid or reimbursed by the Trust, the Administrator, SLM Corporation, the Master Servicer, the Sellers or the Depositor), ratably according to the amounts owed to each such Person hereunder, from and against such Lender's ratable share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent or the Syndication Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by the Administrative Agent or the Syndication Agent under this Agreement or any Transaction Document; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Syndication Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to reimburse the Administrative Agent and the Syndication Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent and the Syndication Agent in connection with the due diligence, negotiation, preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Transaction Document, in each case to the extent that the Administrative Agent or the Syndication Agent is not reimbursed for such expenses by the Trust, the Administrator, SLM Corporation, the Master Servicer, the Sellers, the Master Depositor or the Depositor.

Section 9.10. Notice of Amortization Events, Termination Events, Potential Amortization Events, Potential Termination Events or Servicer Defaults.

Neither the Administrative Agent nor the Syndication Agent shall be deemed to have knowledge or notice of the occurrence of an Amortization Event, a Termination Event, a Potential Amortization Event, a Potential Termination Event or a Servicer Default, unless the Administrative Agent or the Syndication Agent has received written notice from a Note Purchaser, a Managing Agent or the Trust referring to this Agreement, describing such Amortization Event, Termination Event, Potential Amortization Event, Potential Termination Event or Servicer Default and stating that such notice is a "Notice of Termination Event or Potential Termination Event," "Notice of Amortization Event or Potential Amortization Event" or "Notice of Servicer Default," as applicable. The Administrative Agent or the Syndication Agent will notify the Managing Agents of its receipt of any such notice.

Section 9.11. Compliance with Rule 17g-5. Each of the Lenders, the Managing Agents, the Lead Arrangers, the Syndication Agent, the Co-Valuation Agents and the Administrative Agent agrees that (i) each such Person shall be responsible for its own compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission, including, without limitation, any requirement to provide information regarding any CP to any Rating Agency or any other nationally recognized statistical rating organization, and (ii) neither this Agreement nor any other Transaction Document shall constitute a contract by or with any other party hereto or its Affiliates to provide information to a nationally recognized statistical rating organization on behalf of any such Person or its Affiliates.

ARTICLE X.

MISCELLANEOUS

Section 10.01. Amendments, Etc.

(a) Unless otherwise specified herein, no amendment to or waiver of any provision of this Agreement or the Side Letter nor consent to any departure by the Trust or any other Person therefrom shall in any event be effective unless the same shall be in writing and signed by the Trust, the Eligible Lender Trustee and the Required Managing Agents and the Rating Agency Condition has been satisfied; provided, however, that (v) SLM Education Credit Finance Corporation agrees that it shall notify the Administrative Agent in writing of any proposed amendments or other modifications to the organizational documents of any Seller, any Related SPE Seller, the Master Depositor or the Depositor and will not effect any such amendment or other modification without the prior written consent of the Required Managing Agents, not to be unreasonably withheld; (w) any waiver of the Termination Event set forth in Section 7.02(r) shall also require the consent of the applicable Exiting Facility Group; (x) no such amendment, waiver or consent shall, without the consent of the Administrative Agent or the Syndication Agent, require the Administrative Agent or the Syndication Agent, as applicable, to take any action or amend, modify or waive the duties, responsibilities or rights of the Administrative Agent or the Syndication Agent, as applicable, hereunder or under any other Transaction Document; (y) the consent of the applicable Alternate Lender, LIBOR Lender or Committed Conduit Lender, shall be required to increase the amount of its Commitment or extend the Scheduled Maturity Date; and (z) no such amendment, waiver or consent shall, without the consent of each affected Managing Agent exclusive (except in the case of clauses (ii)(A), (ii)(B), (iii), (v), (vi) and (vii) below) of any Managing Agent for any Distressed Lender (unless such amendment, waiver or

consent is (A) necessary to correct a mistake or cure any ambiguity or (B) made solely to satisfy the Rating Agency Condition, in each case as reasonably determined by the Required Managing Agents):

(i) amend Section 7.01, Section 7.02 or Article VIII or the definitions of Adjusted Pool Balance, Amortization Period, Applicable Percentage (including as set forth in the Side Letter), Asset Coverage Ratio, Defaulted Student Loan, Eligible FFELP Loan, Excess Concentration Amount (including as set forth in the Side Letter), Excess Spread, Excess Spread Test, Floor (including as set forth in the Side Letter), Maximum Advance Amount, Minimum Asset Coverage Requirement, or Required Managing Agents or any other provision hereof specifying the percentage of Managing Agents required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder contained in this Agreement or modify the then existing Excess Concentration Amount;

(ii) amend, modify or waive any provision of this Agreement in any way which would (A) reduce the amount of principal or Financing Costs payable on account of any Note or delay any scheduled date for payment thereof, (B) reduce fees payable by the Trust to the Administrative Agent, the Managing Agents or the Lenders or delay the dates on which such fees are payable or (C) modify any provisions relating to the Asset Coverage Ratio or any required reserves so as to reduce such reserves;

(iii) agree to the payment of a different rate of interest on the Class A Notes pursuant to this Agreement;

(iv) waive the Termination Events set forth in Section 7.02(e) (with respect to the Trust, the Administrator, the Master Servicer or SLM Corporation), Section 7.02(j), Section 7.02(o) and Section 7.02(s);

(v) amend this Section 10.01 in any way other than expanding the list of amendments, waivers or consents that require the consent of each Managing Agent;

(vi) release all or substantially all of the Pledged Collateral except as expressly permitted by this Agreement;

(vii) amend Section 2.14 in a manner that would alter the pro rata sharing of payments required thereby; or

(viii) amend, modify or waive any provision of the Side Letter.

(b) Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. To the extent the consent of any of the parties hereto (other than the Trust) is required under any of the Transaction Documents, the determination as to whether to grant or withhold such consent shall be made by such party in its sole discretion without any implied duty toward any other Person, except as otherwise expressly provided herein or therein. The parties acknowledge that, before entering into such an amendment or granting such a waiver or consent, Lenders may be entitled to receive an amount as may be mutually agreed upon between the Trust and the Managing Agents and, in addition,

may be required to obtain the approval of some or all of the Program Support Providers. If any Conduit Lender is required pursuant to its program documents to provide notice of an amendment to the Transaction Documents to any Rating Agency rating the CP of such Conduit Lender, such Conduit Lender's related Managing Agent shall provide such Rating Agency with notice of such amendment to the Transaction Documents.

(c) The Administrative Agent covenants and agrees not to consent to any amendment or waiver to the Administration Agreement or the Servicing Agreement referred to in clause (a) of the definition thereof or any Servicing Agreement with a Material Subservicer without receiving the consent of the Required Managing Agents (or, in the case of any amendment to Section 5.01 of the Servicing Agreement in clause (a) of the definition of Servicing Agreement, all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender).

Section 10.02. Notices; Non-Public Information, Etc.

(a) ***Notices.*** All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy or other electronic means) and mailed, delivered by nationally recognized overnight courier service, transmitted or delivered by hand, as to each party hereto, at its address set forth on Exhibit M hereto or at such other address as shall be designated by such party in a written notice to the other parties hereto. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the specified facsimile number and an appropriate confirmation is received, (ii) if given by e-mail, when sent to the specified e-mail address and an appropriate confirmation is received, (iii) if given by mail, five days after being deposited in the United States mails, first class postage prepaid (except that notices and communications pursuant to Article II shall not be effective until received), (iv) if given by nationally recognized courier guaranteeing overnight delivery, the Business Day following such day after such communication is delivered to such courier or (v) if given by any other means, when delivered at the address (electronic or otherwise) specified in this Section. Notwithstanding the foregoing, with respect to any Transaction Document, any recipient may designate what it deems to be appropriate confirmation and that notification by e-mail to it shall not be effective without such confirmation.

(b) ***MNPI.*** The Trust hereby acknowledges that (i) the Administrative Agent and/or the Syndication Agent will make available to the Lenders materials and/or information provided by or on behalf of the Trust hereunder (collectively, *"**Trust Materials**"*) by posting the Trust Materials on IntraLinks or another similar electronic system (the *"**Platform**"*) and (ii) certain of the Lenders may be *"*public-side*"* Lenders (each, a *"**Public Lender**"*) which may have personnel who do not wish to receive material non-public information (within the meaning of the United States federal securities laws) with respect to the Trust or its Affiliates, or the respective securities of any of the foregoing (*"**MNPI**"*), and who may be engaged in investment and other market-related activities with respect to the Trust's or its Affiliate's securities or debt. The Trust hereby agrees that (w) all Trust Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked *"*PUBLIC*"* which, at a minimum, shall mean that the word *"*PUBLIC*"* shall appear prominently on the first page thereof; (x) by marking Trust Materials *"*PUBLIC,*"* the Trust shall be deemed to have authorized the Administrative Agent, the Syndication Agent and the Lenders to treat such Trust Materials as not containing any MNPI

with respect to the Trust, its Affiliates or their respective securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Trust Materials constitute confidential information, they shall be treated as set forth in Section 10.12); (y) all Trust Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Syndication Agent shall be entitled to treat any Trust Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

(c) ***The Platform.*** THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE TRUST MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE TRUST MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE TRUST MATERIALS OR THE PLATFORM. In no event shall any of the Administrative Agent, the Syndication Agent or any of its Related Parties (collectively, the "***Agent Parties***") have any liability to the Trust, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Trust's, the Administrative Agent's or the Syndication Agent's transmission of Trust Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party.

(d) ***Private Side Information.*** Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender at all times to have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States federal and state securities laws, to make reference to Trust Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain MNPI with respect to the Trust or its securities for purposes of United States federal or state securities laws.

Section 10.03. No Waiver; Remedies; Limitation of Liability.

No failure or delay by any party hereto in exercising any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No claim may be made by any Transaction Party or any other Person against any Lender, Managing Agent, the Administrative Agent, the Syndication Agent or any of their Related Parties for any indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages) in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any act, omission or event occurring in connection therewith; and each party hereto hereby waives, releases and agrees not to sue upon

any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor. No claim may be made by any Lender, Managing Agent, the Administrative Agent, the Syndication Agent or any other Person against any Transaction Party or any of their Related Parties for any indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages) in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any act, omission or event occurring in connection therewith; and each party hereto hereby waives, releases and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 10.04. Successors and Assigns; Binding Effect.

(a) This Agreement shall be binding on the parties hereto and their respective successors and permitted assigns; provided, however, that neither the Trust nor the Administrator may assign or otherwise transfer any of its rights or obligations or delegate any of its duties hereunder or under any of the other Transaction Documents to which it is a party without the prior written consent of the Administrative Agent. Except as provided in clauses (b), (d), (f) and (g) below and except as provided in Article III, no provision of this Agreement shall in any manner restrict the ability of any Lender to assign, participate, grant security interests in, or otherwise transfer any portion of its Note.

(b) ***Lenders.*** Any Alternate Lender, LIBOR Lender or Committed Conduit Lender may assign all or any portion of its Commitment and any Lender may assign all or any portion of its interest in its Facility Group's Class A Notes, the Pledged Collateral and its other rights and obligations hereunder to any Person with the prior written approval of the Administrator and the Administrative Agent (which approvals shall not be unreasonably withheld or delayed and shall not be required after the occurrence and during the continuation of a Termination Event) and the approval of the Managing Agent of such Lender's Facility Group; provided, however, such consent of the Administrator or the Administrative Agent shall not be required in the case of an assignment to a Lender, an Affiliate of an existing Lender, an Approved Fund or a commercial paper conduit managed or administered by an Affiliate of an existing Lender or Managing Agent (it being understood that in the case of an assignment to a commercial paper conduit that does not become a Committed Conduit Lender, the related Commitment must be assigned to or retained by, as applicable, an Alternate Lender within such conduit's Facility Group); provided further, that (x) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and interest in its Facility Group's Class A Notes at the time owing to it or in the case of any assignment to a Lender, an Affiliate of a Lender an Approved Fund or a commercial paper conduit managed by an Affiliate of an existing Lender or Managing Agent, no minimum amount need be assigned; and (y) in any case not described in clause (x) of this proviso, the aggregate minimum amount of the Commitment or interest in a Facility Group's Class A Notes to be assigned determined as of the date of the assignment and assumption agreement shall not be less than $10,000,000, unless each of the Administrative Agent and, so long as no Amortization Event or Termination Event has occurred and is continuing, the Administrator otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignment from members of an Assignee Group to a single assignee (or to an assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

In connection with any such assignment, the assignor shall deliver to the assignee(s) an assignment and assumption agreement, duly executed, assigning to such assignee a pro rata interest in such assignor's Commitment and other obligations hereunder and in its interest in its Facility Group's Class A Notes and the Pledged Collateral and other rights hereunder, and such assignor shall promptly execute and deliver all further instruments and documents, and take all further action, that the assignee may reasonably request, in order to protect, or more fully evidence the assignee's right, title and interest in and to such interest and to enable the Administrative Agent, on behalf of such assignee, to exercise or enforce any rights hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party. Upon any such assignment, (i) the assignee shall have all of the rights and obligations of the assignor hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party with respect to such assignor's Commitment and interest in its Facility Group's Class A Notes and the Pledged Collateral for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party and (ii) the assignor shall have no further obligations with respect to the portion of its Commitment which has been assigned and shall relinquish its rights with respect to the portion of its interest in its Facility Group's Class A Notes and Pledged Collateral which has been assigned for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party. No such assignment shall be effective until a fully executed copy of the related assignment and assumption agreement has been delivered to the Administrative Agent, the applicable Managing Agent and the Administrator, together with an assignment processing and recordation fee in the amount of $3,500.00 (which fee includes all costs and expenses of the Administrative Agent, assignor and assignee for which the Trust is responsible in connection with such assignment); provided, however, that the Administrative Agent may, in its sole discretion elect to waive such processing recordation fee in the case of any assignment.

(c) The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. No such assignment shall be made to the Trust or any of the Trust's Affiliates, except as otherwise explicitly permitted by this Agreement.

(d) ***Conduit Lenders.*** Without limiting the foregoing, each Conduit Lender may, from time to time, with prior or concurrent notice to the Trust, the Administrator, the Managing Agent for such Conduit Lender's Facility Group, and the Administrative Agent, in one transaction or a series of transactions, assign all or a portion of its interest in its Facility Group's Class A Notes and its rights and obligations under this Agreement and any other Transaction Documents to which it is a party to a Conduit Assignee. Upon and to the extent of such assignment by a Conduit Lender to a Conduit Assignee:

(i) such Conduit Assignee shall be the owner of the assigned portion of the related Facility Group's Class A Notes and the right to make Advances;

(ii) unless otherwise provided for in an agreement among the Conduit Assignee, the Administrative Agent and the Trust, the Managing Agent for the Conduit Lender assignor will act as the Managing Agent for such Conduit Assignee, with all corresponding rights and powers, express or implied, granted to the Managing Agent hereunder or under the other Transaction Documents;

(iii) such Conduit Assignee (and any related commercial paper issuer, if such Conduit Assignee does not itself issue commercial paper) and their respective Program Support Providers and other Related Parties shall have the benefit of all the rights and protections provided to the Conduit Lender and its Program Support Provider(s) herein and in the other Transaction Documents (including any limitation on recourse against such Conduit Assignee or Related Parties, any agreement not to file or join in the filing of a petition to commence an insolvency proceeding against such Conduit Assignee, and the right to assign to another Conduit Assignee as provided in this paragraph);

(iv) such Conduit Assignee shall assume all (or the assigned or assumed portion) of the Conduit Lender's obligations, if any, hereunder or any other Transaction Document, and the Conduit Lender shall be released from such obligations, in each case to the extent of such assignment, and the obligations of the Conduit Lender and such Conduit Assignee shall be several and not joint;

(v) all distributions in respect of the Class A Notes shall be made to the applicable agent or Managing Agent, as applicable, on behalf of the Conduit Lender and such Conduit Assignee on a pro rata basis according to their respective interests;

(vi) the defined terms and other terms and provisions of this Agreement and the other Transaction Documents shall be interpreted in accordance with the foregoing; and

(vii) if requested by the Administrative Agent or the Managing Agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such Managing Agent may reasonably request to evidence and give effect to the foregoing.

No assignment by a Conduit Lender to a Conduit Assignee of all or any portion of its interest in its Facility Group's Class A Notes shall in any way diminish its related Alternate Lenders' obligation under this Agreement to fund any Advances not previously funded by the Conduit Lender or such Conduit Assignee.

(e) In the event that a Conduit Lender makes an assignment to a Conduit Assignee in accordance with clause (d) above, the Alternate Lenders in such Conduit Lender's Facility Group:

(i) if requested by the related Managing Agent, shall terminate their participation in the applicable Program Support Agreement related to the assigning Conduit Lender to the extent of such assignment;

(ii) if requested by the related Managing Agent, shall execute (either directly or through a participation agreement, as determined by such Managing Agent) the program support agreement related to such Conduit Assignee, to the extent of such assignment, the terms of which shall be substantially similar to those of the participation or other agreement entered into by such Alternate Lender with respect to the applicable Program Support Agreement (or which shall be otherwise reasonably satisfactory to the related Managing Agent and the Alternate Lenders);

(iii) if requested by the Conduit Assignee, shall enter into such agreements as requested by the Conduit Assignee pursuant to which they shall be obligated to provide funding to the Conduit Assignee on substantially the same terms and conditions as is provided for in this Agreement in respect of the Conduit Lender (or which agreements shall be otherwise reasonably satisfactory to the Conduit Assignee and the Alternate Lenders); and

(iv) shall take such actions as the Administrative Agent shall reasonably request in connection therewith.

(f) Notwithstanding the foregoing, each of the Administrator and the Trust hereby agrees and consents to the assignment by any Conduit Lender from time to time of all or any part of its rights under, interest in and title to the Advances, the Pledged Collateral, this Agreement, and the other Transaction Documents to any Program Support Provider.

(g) If its related Managing Agent so elects, a Conduit Lender shall assign (and each of the Administrator and the Trust consents to such assignment), effective on the Assignment Date referred to below, all or such portions as may be elected by the Conduit Lender of its interest in its Facility Group's Note, at such time to its related Alternate Lender(s); provided, however, that no such assignment shall take place pursuant to this paragraph at a time when an Event of Bankruptcy with respect to such Conduit Lender exists. No further documentation or action on the part of the Conduit Lender shall be required to exercise the rights set forth in the immediately preceding sentence, other than the giving of notice by its related Managing Agent on behalf of the Conduit Lender referred to above and the delivery by such related Managing Agent of a copy of such notice to each related Alternate Lender (the date of the receipt by the applicable Managing Agent of any such notice being the ***"Assignment Date"***). Each related Alternate Lender hereby agrees, unconditionally and irrevocably and under all circumstances, without setoff, counterclaim or defense of any kind, to pay the full amount of its Assignment Amount on such Assignment Date to its related Conduit Lender or Conduit Lenders in immediately available funds to an account designated by the related Managing Agent. Upon payment of its Assignment Amount, each such Alternate Lender shall acquire an interest in such Facility Group's Class A Notes equal to that transferred by the Conduit Lender. In the event that the aggregate of the Assignment Amounts paid by any Facility Group's Alternate Lenders pursuant to this paragraph on any Assignment Date occurring is less than the principal balance of the Class A Notes of the applicable Conduit Lender on such Assignment Date, then to the extent payments are therefore received by the applicable Managing Agent hereunder in respect of such Class A Notes in excess of the aggregate of the unrecovered Assignment Amounts funded by the related Alternate Lenders, such excess shall be remitted by the applicable Managing Agent to the applicable Conduit Lenders.

(h) By executing and delivering an assignment and assumption agreement, the assignor and assignee thereunder confirm to and agree with each other and the other parties hereto as follows:

(i) other than as provided in such assignment and assumption agreement, the assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value or this Agreement, the other Transaction Documents or any such other instrument or document;

(ii) the assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Administrator, SLM Corporation, the Trust or any Affiliate thereof or the performance or observance by the Administrator, SLM Corporation, the Trust or any Affiliate thereof of any of their respective obligations under this Agreement or the other Transaction Documents or any other instrument or document furnished pursuant hereto;

(iii) such assignee confirms that it has received a copy of this Agreement and each other Transaction Document and such other instruments, documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such assignment and assumption agreement and to purchase such interest;

(iv) such assignee will, independently and without reliance upon the Administrative Agent, any Managing Agent, any other Lender, or any of their respective Affiliates, or the assignor and based on such agreements, documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Transaction Documents;

(v) such assignee appoints and authorizes the Administrative Agent and its applicable Managing Agent to take such action as agent on its behalf and to exercise such powers under this Agreement, the other Transaction Documents and any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent or its applicable Managing Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto and to enforce its respective rights and interests in and under this Agreement, the other Transaction Documents and the Pledged Collateral;

(vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Transaction Documents are required to be performed by it as the assignee of the assignor; and

(vii) such assignee agrees that it will not institute against the Conduit Lenders any proceeding of the type referred to in Section 10.15 prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after the payment in full of all CP issued by the Conduit Lender (or any related commercial paper issuer, if the Conduit Lender does not itself issue CP).

(i) From and after the effective date specified in each assignment and acceptance, (i) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such assignment and acceptance, have the rights and obligations of the assigning Lender under this Agreement, (ii) the assigning Lender shall, to the extent of the interest so assigned, be relieved from its obligations hereunder and (iii) in the case of an assignment of all of a Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, that such Lender shall continue to be entitled to the benefits of Sections 2.02(c), 2.15, 2.20 and 10.08 and Article VIII, in each case solely with respect to facts and circumstances occurring prior to the effective date of such assignment.

(j) The Administrative Agent shall, acting solely for this purpose as an agent of the Trust, maintain a register (the *"**Register**"*) on which it will record the Lenders' rights hereunder, and each assignment and acceptance and participation. The Register shall include the names and addresses of the Lenders (including all assignees, successors and participants). Failure to make any such recordation, or any error in such recordation, shall not affect the Lenders' obligations in respect of such rights. If a Lender assigns or sells a participation in its rights hereunder, it shall provide the Trust and the Administrative Agent with the information described in this paragraph and permit the Trust to review such information as reasonably needed for the Trust and the Administrative Agent to comply with its obligations under this Agreement or to maintain the Obligations at all times in *"*registered form*"* within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations. The entries in the Register shall be conclusive, and the Trust, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Trust and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(k) Each Lender may at any time pledge or Grant a security interest in all or any portion of its rights under this Agreement (including, without limitation, rights to payment of principal and Yield) to secure its obligations, including without limitation any pledge, grant, or assignment to secure obligations to a Federal Reserve Bank, without notice to or consent of SLM Corporation, the Administrator, the Trust or the Administrative Agent; provided, that no such pledge or Grant of a security interest shall release a Lender from any of its obligations under this Agreement, or substitute any such pledgee or grantee for such Lender as a party to this Agreement.

(l) [Reserved].

(m) Any Lender may, without the consent of, or notice to, the Trust or the Administrative Agent, sell participations to any Person (other than a natural person or the Trust or any of the Trust's Affiliates) (each, a *"**Participant**"*) in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or its interest in its Facility Group's Class A Notes owing to it); provided, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely

responsible to the other parties hereto for the performance of such obligations; (iii) the Trust and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; and (iv) such Lender shall obtain from the Participant, on behalf of the Administrator, a confidentiality agreement consistent with the restrictions set forth in Section 10.12 or a written agreement to comply with the provisions of Section 10.12.

Section 10.05. Termination and Survival.

This Agreement shall remain in full force and effect until the Aggregate Note Balance of all Class A Notes Outstanding and all other Obligations are paid in full; provided, that the rights and remedies with respect to any breach of a representation and warranty made by or on behalf of the Trust pursuant to Article V and the indemnification and payment provisions of Articles VIII and IX and Sections 2.14, 2.15, 2.20, 10.06, 10.07, 10.08, 10.09, 10.10, 10.12, 10.14, 10.15, 10.16 and 10.17 shall be continuing and shall survive the termination of this Agreement and, with respect to the Administrative Agent's, the Syndication Agent's, each Managing Agent's and the Eligible Lender Trustee's rights under Articles VIII, IX and X, the removal or resignation of the Administrative Agent, the Syndication Agent, such Managing Agent or the Eligible Lender Trustee.

Section 10.06. Governing Law.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 10.07. Submission to Jurisdiction; Waiver of Jury Trial; Appointment of Service Agent.

(a) EACH OF THE PARTIES HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS SECTION 10.07 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT, THE SYNDICATION AGENT, THE MANAGING AGENTS OR THE NOTE PURCHASERS TO BRING ANY ACTION OR PROCEEDING AGAINST THE TRUST OR THE ADMINISTRATOR OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

(b) EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

(c) The Trust and the Administrator each hereby appoint CT Corporation located at 111 Eighth Avenue, New York, New York 10011 as the authorized agent upon whom process may be served in any action arising out of or based upon this Agreement, the other Transaction Documents to which such Person is a party or the transactions contemplated hereby or thereby that may be instituted in the United States District Court for the Southern District of New York and of any New York State court sitting in The City of New York by the Administrative Agent or the Note Purchasers or any successor or assignee of any of them.

Section 10.08. Costs and Expenses.

The Trust agrees to pay, on or before the 30th day following the date of demand, all reasonable and customary costs, fees and expenses of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers incurred in connection with the due diligence, negotiation, preparation, execution, delivery, renewal or any amendment or modification of, or any waiver or consent issued in connection with, this Agreement, any Program Support Agreement or any other Transaction Document, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers with respect thereto and all costs, fees and expenses, if any (including the applicable Rating Agency fees (except as specified in Section 2.15(d)) and reasonable auditors' and counsel fees and expenses), incurred by the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers in connection with the enforcement of this Agreement and the other Transaction Documents. Notwithstanding the foregoing, each of the Managing Agents, the Lenders and the Program Support Providers agrees that the Trust shall only be required to pay amounts for legal fees and expenses of not more than one law firm engaged by the Administrative Agent or the Syndication Agent, as applicable, on behalf of the Secured Creditors, unless otherwise agreed to by the Trust in its sole discretion. Each of SLM Education Credit Finance Corporation and the Administrator agrees to pay such required payments on behalf of the Trust on the Closing Date to the extent such expenses are properly invoiced prior to the Closing Date.

Section 10.09. Bankruptcy Non-Petition and Limited Recourse.

Notwithstanding any other provision of this Agreement, each party hereto (other than the Trust) covenants and agrees that it shall not, prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after payment in full of the Class A Notes, institute against, or join any other Person in instituting against, the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or any similar proceeding

under any federal or state bankruptcy or similar law; provided, that nothing in this provision shall preclude or be deemed to stop any party hereto (a) from taking any action prior to the expiration of the aforementioned one year and one day period in (i) any case or proceeding voluntarily filed or commenced by the Trust or (ii) any involuntary insolvency proceeding filed or commenced against the Trust by any Person other than a party hereto or (b) from commencing against the Trust or the Pledged Collateral any legal action which is not a bankruptcy, reorganization, arrangement, insolvency or a liquidation proceeding. The obligations of the Trust under this Agreement are limited recourse obligations payable solely from the Pledged Collateral and, following realization of the Pledged Collateral and its application in accordance with the terms hereof, any outstanding obligations of the Trust hereunder shall be extinguished and shall not thereafter revive. In addition, no recourse shall be had for any amounts payable or any other obligations arising under this Agreement against any officer, member, director, employee, partner or security holder of the Trust or any of its successors or assigns. The provisions of this Section shall survive the termination of this Agreement.

Section 10.10. Recourse Against Certain Parties.

No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or any incorporator, Affiliate, stockholder, officer, employee or director of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders and the Program Support Providers contained in this Agreement and all of the other agreements, instruments and documents entered into by the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers, as applicable. No personal liability whatsoever shall attach to or be incurred by any administrator of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or any incorporator, stockholder, Affiliate, officer, employee or director thereof or any such administrator, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers contained in this Agreement or in any other such instruments, documents or agreements, or which are implied therefrom, and any and all personal liability of every such administrator and each incorporator, stockholder, Affiliate, officer, employee or director of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or of any such administrator, or any of them, for breaches by the

Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section shall survive the termination of this Agreement and, with respect to the rights of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents, the resignation or removal of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents.

Section 10.11. Execution in Counterparts; Severability.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Agreement or any other Transaction Document shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 10.12. Confidentiality.

(a) Each of the Administrative Agent, the Syndication Agent, the Managing Agents and the Lenders agrees to keep confidential and not disclose any non-public information or documents related to the Trust or any Affiliate of the Trust delivered or provided to such Person in connection with this Agreement, any other Transaction Document or the transactions contemplated hereby or thereby and which are clearly identified in writing by the Trust or such Affiliate as being confidential; provided, however, that each of the foregoing may disclose such information:

(i) to the extent required or deemed necessary and/or advisable by such Person's counsel in any judicial, regulatory, arbitration or governmental proceeding or under any law, regulation, order, subpoena or decree;

(ii) to its officers, directors, employees, accountants, auditors and outside counsel, in each case, provided they are informed of the confidentiality thereof and agree to maintain such confidentiality;

(iii) to any Program Support Provider, any potential Program Support Provider, or any assignee or participant or potential assignee or participant of any Program Support Provider, provided they are informed of the confidentiality thereof and agree to maintain such confidentiality;

(iv) to any assignee, participant or potential assignee or participant of or with any of the foregoing;

(v) in connection with the enforcement of its rights and remedies under this Agreement or of any of the other Transaction Documents or any Program Support Agreement;

(vi) to any Rating Agency rating the Class A Notes, the CP of the Conduit Lenders or rating SLM Corporation, or any nationally recognized statistical rating

organization in connection with any Conduit Lender's compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission;

(vii) to any administrative agent, sub-administrative agent, administrator, sub-administrator, administrative trustee, sub-administrative trustee or any entity serving in a similar capacity for any Conduit Lender; and

(viii) to such other Persons as may be approved by the Trust.

Notwithstanding the foregoing, the foregoing obligations shall not apply to any such information, documents or portions thereof that (x) were of public knowledge or literature generally available to the public at the time of such disclosure; or (y) have become part of the public domain by publication or otherwise, other than as a result of the failure of such party or any of its respective employees, directors, officers, advisors, accountants, auditors, or legal counsel to preserve the confidentiality thereof.

(b) Each of the Trust and the Administrator hereby agrees that it will not disclose the contents of this Agreement or any other Transaction Document or any other proprietary or confidential information of or with respect to any Note Purchaser, any Managing Agent, the Administrative Agent, the Syndication Agent or any Program Support Provider to any other Person except (i) its auditors and attorneys, employees or financial advisors (other than any commercial bank) and any nationally recognized statistical rating organization, provided such auditors, attorneys, employees, financial advisors or rating agencies are informed of the highly confidential nature of such information or (ii) as otherwise required by applicable law or order of a court of competent jurisdiction; provided, that, to the extent reasonably practicable, the Trust and the Administrator shall provide to the Administrative Agent and Syndication Agent an opportunity to review the form and content of a disclosure pursuant to this clause (ii) prior to the making of such disclosure and shall provide to each Managing Agent an opportunity to review any such disclosure which mentions by name such Managing Agent or any member of its Facility Group.

(c) Notwithstanding any other provision herein to the contrary, each of the parties hereto (and each employee, representative or other agent of each such party) may disclose to any and all persons, without limitation of any kind, any information with respect to the United States federal, state and local "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated by the Transaction Documents and all materials of any kind (including opinions or other tax analyses) that are provided to such party or its representatives relating to such tax treatment and tax structure; provided, that no person may disclose the name of or identifying information with respect to any party identified in the Transaction Documents or any pricing terms or other nonpublic business or financial information that is unrelated to the United States federal, state and local tax

treatment of the transaction and is not relevant to understanding the United States federal, state and local tax treatment of the transaction, without complying with the provisions of Section 10.12(a); provided, further, that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the United States federal, state and local tax treatment or tax structure of the transactions contemplated hereby.

Section 10.13. Section Titles.

The section titles contained in this Agreement shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties.

Section 10.14. Entire Agreement.

This Agreement, including all Exhibits, Schedules and Appendices and other documents attached hereto or incorporated by reference herein, together with the other Transaction Documents constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other negotiations, understandings and representations, oral or written, with respect to the subject matter hereof.

Section 10.15. No Petition.

Each of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent and the Managing Agents hereby covenants and agrees with respect to each Conduit Lender that, prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after the payment in full of all outstanding indebtedness of such Conduit Lender (or its related commercial paper issuer), it will not institute against or join any other person or entity in instituting against such Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The foregoing shall not limit the rights of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents to file any claim in, or otherwise take any action with respect to, any insolvency proceeding instituted against any Conduit Lender by a Person other than the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents, as applicable. The provisions of this Section shall survive the termination of this Agreement.

Section 10.16. Excess Funds.

Notwithstanding any provisions contained in this Agreement to the contrary, no Conduit Lender shall, nor shall be obligated to, pay any amount pursuant to this Agreement unless (i) such Conduit Lender has received funds which may be used to make such payment and which funds are not required to repay its CP when due and (ii) after giving effect to such payment, either (x) such Conduit Lender could issue CP to refinance all of its outstanding CP (assuming such outstanding CP matured at such time) in accordance with the program documents governing such Conduit Lender's securitization program or (y) all of such Conduit Lender's CP are paid in full. Any amount which a Conduit Lender does not pay pursuant to the operation of the preceding

sentence shall not constitute a claim (as defined in §101 of the Bankruptcy Code) against or corporate obligation of such Conduit Lender for any such insufficiency unless and until such Conduit Lender satisfies the provisions of clauses (i) and (ii) above.

Section 10.17. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Agreement.

(b) Notwithstanding the foregoing, none of the Secured Parties shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this Agreement solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

Section 10.18. USA PATRIOT Act Notice.

Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Trust that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the *"**Patriot Act**"*), it is required to obtain, verify and record information that identifies the Trust, which information includes the name and address of the Trust and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Trust in accordance with the Patriot Act.

Section 10.19. Risk Retention.

(a) SLM Education Credit Finance Corporation agrees that, if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then at all times after the relevant acquisition date (i) it shall hold and own, free and clear of any Lien or other interest, all limited liability company interests and any other equity interests in the Depositor and (ii) it shall not cause or permit such limited liability company interests and other equity interests in the Depositor to be subject to any CRD Prohibited Hedge.

(b) SLM Corporation agrees that, if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then at all times after the relevant acquisition date (i) it shall hold and own, free and clear of any Lien or other interest, all stock and any other equity interests in SLM Education Credit Finance Corporation, (ii) it shall not cause or permit such stock and other equity interests in SLM Education Credit Finance Corporation to be subject to any CRD Prohibited Hedge, (iii) it shall own and hold, and shall not sell, assign or otherwise transfer, its rights or obligations under the Revolving Credit Agreement, including, without limitation, the outstanding loans and advances made to the Trust thereunder, (iv) it shall not

cause or permit its credit exposure under the Revolving Credit Agreement to be subject to any CRD Prohibited Hedge and (v) it shall not change the manner (as contemplated under Article 122a of the CRD) in which it retains a net economic interest in the Trust Student Loans as required under Article 122a of the CRD.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

BLUEMONT FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of the Closing Date by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of the Closing Date by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Signature Page to
Amended and Restated Note Purchase Agreement
(Bluemont Funding I)

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

BANK OF AMERICA, N.A., as securities intermediary and depositary bank with respect to the Trust Accounts

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice president

LEAD ARRANGER:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
(as successor by merger to BANC OF AMERICA SECURITIES LLC)

By: /s/ Helen G. Richards
Name: Helen G. Richards
Title: Director

BANK OF AMERICA FACILITY GROUP:

MANAGING AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LIBOR LENDER:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

THE SYNDICATION AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

LEAD ARRANGER:

J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

JPMORGAN FACILITY GROUP:

CONDUIT LENDERS:

CHARIOT FUNDING LLC (including as successor by merger to Falcon Asset Securitization Company LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

JUPITER SECURITIZATION COMPANY LLC (as successor by merger to JS Siloed Trust and Park Avenue Receivables Company, LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

MANAGING AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

ALTERNATE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

BARCLAYS FACILITY GROUP:

COMMITTED CONDUIT LENDERS:

SHEFFIELD RECEIVABLES CORPORATION

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

SALISBURY RECEIVABLES COMPANY LLC

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

MANAGING AGENT:

BARCLAYS BANK PLC

By: /s/ Jamie Pratt
Name: Jamie Pratt
Title: Director

RBS FACILITY GROUP:

CONDUIT LENDERS:

AMSTERDAM FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

WINDMILL FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

MANAGING AGENT:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

ALTERNATE LENDER:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

DEUTSCHE BANK FACILITY GROUP:

CONDUIT LENDER:

GEMINI SECURITIZATION CORP., LLC

By: /s/ Frank B. Bilotta
Name: Frank B. Bilotta
Title: President

MANAGING AGENT:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

ALTERNATE LENDER:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

CREDIT SUISSE FACILITY GROUP:

CONDUIT LENDER:

ALPINE SECURITIZATION CORP.

By: /s/ David Lister
Name: David Lister
Title: Director

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

MANAGING AGENT:

CREDIT SUISSE AG, NEW YORK BRANCH

By: /s/ David Lister
Name: David Lister
Title: Director

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

ALTERNATE LENDER:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By: /s/ David Lister
Name: David Lister
Title: Authorized Signatory

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Authorized Signatory

RBC FACILITY GROUP:

CONDUIT LENDERS:

OLD LINE FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

THUNDER BAY FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

MANAGING AGENT:

ROYAL BANK OF CANADA

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

By: /s/ Karen Stone
Name: Karen Stone
Title: Authorized Signatory

ALTERNATE LENDER:

ROYAL BANK OF CANADA

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

Agreed and acknowledged with respect
to Section 3.09, Section 8.02 and Section 10.19:

SLM CORPORATION

By: /s/ Jonathan C. Clark
Name: Jonathan C. Clark
Title: Executive Vice President and Chief Financial Officer

Agreed and acknowledged with respect
to Section 10.01(a), the last sentence of Section 10.08 and Section 10.19:

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Exhibit 10.10

EXECUTION COPY

AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT

by and among

TOWN CENTER FUNDING I,
as the Trust,

THE CONDUIT LENDERS PARTY HERETO,
as Conduit Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as Alternate Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as LIBOR Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as Managing Agents,

BANK OF AMERICA, N.A.,
as Administrative Agent,

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent,

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and
J.P. MORGAN SECURITIES LLC,
as Lead Arrangers,

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION,
as Eligible Lender Trustee,

and

SALLIE MAE, INC.,
as Administrator

January 13, 2012

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AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT (this *"**Agreement**"*) is made as of January 13, 2012, among **TOWN CENTER FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust hereunder (the *"**Trust**"*), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the *"**Administrator**"*), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee hereunder (the *"**Eligible Lender Trustee**"*), **J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)** and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to BANC OF AMERICA SECURITIES LLC)**, as lead arrangers (the *"**Lead Arrangers**"*), the **CONDUIT LENDERS** (as hereinafter defined) from time to time parties hereto, the **ALTERNATE LENDERS** (as hereinafter defined) from time to time parties hereto, the **LIBOR LENDERS** (as hereinafter defined) from time to time parties hereto, **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG**, **NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **CREDIT SUISSE AG, NEW YORK BRANCH**, the New York branch of a Swiss banking corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (as hereinafter defined) (and together with any other similar financial institutions which become parties hereto, collectively, the *"**Managing Agents**"*), **JPMORGAN CHASE BANK, N.A.,** as syndication agent hereunder (in such capacity, the *"**Syndication Agent**"*), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the *"**Administrative Agent**"*).

PRELIMINARY STATEMENTS

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Syndication Agent and the Administrative Agent, are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010, as amended by that certain Amendment No. 1, dated as of January 14, 2011 and as further amended by that certain Amendment No. 2, dated as of August 2, 2011 (as further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Initial Note Purchase Agreement***"), and the parties hereto wish to amend and restate the Initial Note Purchase Agreement as set forth below;

WHEREAS, on the date hereof, the Administrator withdrew its request for Moody's to rate the Class A Notes;

WHEREAS, this Agreement is being executed and delivered pursuant to and in accordance with Section 10.01 of the Initial Note Purchase Agreement;

WHEREAS, the Conduit Lenders are special purpose entities engaged in the business of issuing promissory notes and obtaining funding (directly or indirectly) in the commercial paper market and purchasing notes of certain entities for the purpose of financing financial assets of such entities; and

WHEREAS, the LIBOR Lenders are financial institutions engaged in the business of purchasing notes of certain entities for the purpose of financing financial assets of such entities; and

WHEREAS, from time to time, the Master Depositor has purchased, and may continue to purchase, certain Eligible FFELP Loans in accordance with the Purchase Agreements; and

WHEREAS, from time to time, the Depositor has purchased, and will continue to purchase, certain Eligible FFELP Loans in accordance with the Conveyance Agreement and the Tri-Party Transfer Agreement; and

WHEREAS, from time to time, the Trust has purchased, and will continue to purchase, certain Eligible FFELP Loans in accordance with the Sale Agreement; and

WHEREAS, the Eligible Lender Trustee has maintained and will continue to maintain, legal title of the Trust Student Loans on behalf of the Trust in accordance with the terms of the Trust Agreement; and

WHEREAS, the Trust desires to fund or refinance, as the case may be, such purchases through the issuance of its Class A variable funding notes (the *"**Class A Notes**"*) and the sale of such Class A Notes to the Managing Agents for the benefit of the Conduit Lenders, the LIBOR Lenders and the Alternate Lenders, as applicable, on the terms and conditions set forth herein; and

WHEREAS, the Conduit Lenders may, from time to time, assign all or a part of such Class A Notes or assign interests therein or commitments to purchase or fund such Class A Notes to the Alternate Lenders or to certain Program Support Providers pursuant to the terms of the Program Support Agreements; and

WHEREAS, each Managing Agent is willing to act as the agent on behalf of its related Conduit Lenders, Alternate Lenders, LIBOR Lenders and Program Support Providers, as applicable, pursuant to this Agreement and the corresponding Program Support Agreements; and

WHEREAS, the parties hereto desire that the provisions of the Initial Note Purchase Agreement shall be effective from the Original Closing Date (as hereinafter defined) through but excluding the date hereof and the provisions of this Agreement shall be effective from and including the date hereof.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Certain Defined Terms.

Certain capitalized terms used throughout this Agreement are defined above or in this Section.

As used in this Agreement and its exhibits, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined unless otherwise noted).

*"**A&R Closing Date**"* means January 13, 2012.

*"**A&R Initial Pool**"* means the pool of FFELP Loans owned by the Trust immediately prior to the A&R Closing Date as identified by the Administrator to the Administrative Agent and the Managing Agents on the A&R Closing Date.

"***A&R Transaction Documents***" means this Agreement, the Lenders Fee Letter, the Side Letter, the Administrative Agent and Syndication Agent Fee Letter, the Valuation Agent Fee Letter, the Valuation Agent Agreement and the Omnibus Reaffirmation and Amendment.

"***Accounting Based Consolidation Event***" means the consolidation, for financial and/or regulatory accounting purposes, of all or any portion of the assets and liabilities of a Conduit Lender that are subject to this Agreement or any other Transaction Document with all or any portion of the assets and liabilities of an Affected Party or any of its Affiliates. An Accounting Based Consolidation Event shall be deemed to occur on the date any Affected Party or its Affiliate shall acknowledge in writing that any such consolidation of the assets and liabilities of the Conduit Lender shall occur.

*"**Additional Student Loan**"* means any Student Loan that became or becomes a Trust Student Loan after the Original Closing Date.

*"**Adjusted Cash Income**"* means, for any period, Adjusted Revenue for such period less Operating Expenses for such period.

*"**Adjusted Pool Balance**"* means, as of any date:

(a) (i) the aggregate of the Principal Balance of each Eligible FFELP Loan acquired by the Trust on or prior to the Valuation Date set forth in the most recent Valuation Report multiplied by the Applicable Percentage for such Eligible FFELP Loan, determined by reference to the most recent Valuation Report, plus (ii) the Collateral Value of each Eligible FFELP Loan acquired by the Trust since the Valuation Date set forth in the most recent Valuation Report, minus (iii) the aggregate of the Principal Balance of each Eligible FFELP Loan that was subject to a release pursuant to Section 2.18 since the Valuation Date set forth in the most recent Valuation Report, multiplied by the Applicable Percentage for such Eligible FFELP Loan, minus

(b) the Excess Concentration Amount multiplied by the weighted average Applicable Percentage for all Eligible FFELP Loans.

*"**Adjusted Revenue**"* means, for any period, (a) the sum, without duplication, of all items which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as (i) *"*total interest income*"* and (ii) *"*total other income,*"* less (b) the sum of (i) *"*provisions for losses,*"* (ii) *"*gains on student loan securitizations*"* and (iii) *"*servicing and securitization revenue,*"* eliminating (c) *"*total net impact of SFAS No. 133 derivative accounting,*"* and including (d) *"*net interest income on securitized loans, after provisions for losses,*"* in the case of (c) and (d) above as currently reported in SLM Corporation's most recent Form 10-Q or Form 10-K, as applicable, under "MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS" or as subsequently identified in writing by SLM Corporation.

*"**Administrative Agent**"* means Bank of America, N.A., a national banking association, and its successors and assigns, in its capacity as agent for the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate Lenders hereunder.

"***Administrative Agent Fees***" means the fees, reasonable expenses and charges of the Administrative Agent, including reasonable legal fees and expenses, as set forth in the Administrative Agent and Syndication Agent Fee Letter.

*"**Administrative Agent and Syndication Agent Fee Letter**"* means the Second Amended and Restated Administrative Agent and Syndication Agent Fee Letter, dated as of the A&R Closing Date, among the Trust, the Administrative Agent and the Syndication Agent.

*"**Administrative Questionnaire**"* means an Administrative Questionnaire in a form supplied by the Administrative Agent.

*"**Administration Account**"* means the special account created pursuant to Section 2.04(b).

"***Administration Agreement***" means the Amended and Restated Administration Agreement, dated as of the Original Closing Date, among the Depositor, the Trust, the Eligible Lender Trustee, the Administrator and the Administrative Agent.

"***Administrator Fee***" means, for each calendar month, a fee payable to the Administrator monthly in arrears equal to $10,000.

"***Administrator***" means Sallie Mae, Inc., a Delaware corporation, and its successors and assigns, in its capacity as administrator of the Trust in accordance with the Administration Agreement.

*"**Administrator Default**"* has the meaning assigned to such term in Section 5.01 of the Administration Agreement.

*"**Advance**"* means an advance, including a Purchase Price Advance, an Excess Collateral Advance or a Capitalized Interest Advance, made by the Lenders pursuant to Article II.

*"**Advance Date**"* means, with respect to any Advance, the date on which such Advance is made.

*"**Advance Reconciliation Statement**"* has the meaning assigned to such term in Section 4.03.

*"**Advance Request**"* has the meaning assigned to such term in Section 2.02(b).

*"**Adverse Claim**"* means a lien, security interest, charge, encumbrance or other right or claim or restriction in favor of any Person (including any UCC financing statement or similar instrument filed against the assets of that Person) other than, with respect to the Pledged Collateral, any lien, security interest, charge, encumbrance or other right or claim or restriction in favor of the Administrative Agent, for the benefit of the Secured Creditors.

"***Affected Party***" means the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, each LIBOR Lender, each Conduit Lender, each Managing Agent, each Alternate Lender, each Program Support Provider and the holding company of each of the foregoing and any permitted assignee or participant of any LIBOR Lender, any Conduit Lender, any Alternate Lender, any Program Support Provider or any holding company of the foregoing.

"***Affiliate***" means, when used with respect to a Person, any other Person controlling, controlled by or under common control with such Person. A Person shall be deemed to control another person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities or membership interests, by contract or otherwise.

*"**Agent Parties**"* has the meaning assigned to such term in Section 10.02(c).

"***Aggregate Note Balance***" means, as of any date of determination, the principal amount of each Class A Note Outstanding and for all Class A Notes, the aggregate principal amount of all Class A Notes Outstanding, after giving effect to (i) all distributions applied to principal on the Class A Notes on such date of determination and (ii) Advances made on such date of determination.

*"**Agreement**"* means this Amended and Restated Note Purchase and Security Agreement, together with all exhibits and appendices attached hereto.

"***Alternate Lender***" means any financial institution identified as an Alternate Lender on Exhibit A attached hereto as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

"***Amortization Event***" has the meaning assigned to such term in Section 7.01.

"***Amortization Period***" means the period commencing upon the occurrence of an Amortization Event and ending upon the earliest of (a) the date the Class A Notes and all other

Obligations are paid in full, (b) 90 days (or in the case of an Amortization Event under Section 7.01(j), 85 days) from the occurrence of such Amortization Event, (c) solely with respect to an Amortization Event under Section 7.01(i) or Section 7.01(j), the reinstatement of the Revolving Period pursuant to the terms of such Section and (d) the occurrence of a Termination Event.

*"**Amortization Period Rate**"* means, (a) during the first 30 days following the commencement of the Amortization Period, the Base Rate plus 1.00% per annum plus the Non-Renewal Step-Up Rate, (b) during the second 30 days following the commencement of the Amortization Period, the Base Rate plus 1.50% per annum plus the Non-Renewal Step-Up Rate and (c) thereafter, until the Termination Date, the Base Rate plus 2.00% per annum plus the Non-Renewal Step-Up Rate.

*"**Applicable Margin**"* means, with respect to any Advance and any Lender, the Applicable Margin as set forth in the Lenders Fee Letter.

*"**Applicable Percentage**"* has the meaning set forth in the Side Letter.

*"**Approved Fund**"* means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of any entity that administers or manages a Lender.

"*Asset Coverage Ratio*" means, on the last day of each calendar month, and as of any other date of determination, the ratio (expressed as a percentage) of (a) the sum of (i) the Adjusted Pool Balance as of such date, (ii) (without duplication) any accrued and unpaid interest thereon and any accrued and unpaid Special Allowance Payments and Interest Subsidy Payments on the Trust Student Loans as of such date and (iii) funds (including Eligible Investments) on deposit in the Collection Account, the Administration Account, the Capitalized Interest Account and the Reserve Account, if any, as of such date, to (b) the Reported Liabilities as of such date and rounding to the nearest second decimal place.

*"**Assignee Group**"* means two or more assignees that meet the requirements to be an assignee under Section 10.04(b) and that are Affiliates of one another, commercial paper conduits managed by the same manager or affiliated managers or Approved Funds managed by the same investment advisor.

*"**Assignment Amount**"* means, with respect to an Alternate Lender at the time of any assignment pursuant to Section 10.04(g), an amount equal to the lesser of (a) such Alternate Lender's pro rata share of the aggregate principal amount of the Class A Notes requested by the related Conduit Lender to be assigned at such time plus any accrued and unpaid interest owed thereon at the applicable CP Rate and (b) such Alternate Lender's unused Assignment Commitment (minus the unrecovered principal amount of such Alternate Lender's investments pursuant to the Program Support Agreement to which it is a party).

*"**Assignment Commitment**"* means, with respect to an Alternate Lender, such Alternate Lender's Commitment multiplied by 1.02.

*"**Authorized Officer**"* means:

(a) with respect to the Trust, any officer of the Eligible Lender Trustee who is authorized to act for the Eligible Lender Trustee in matters relating to the Trust pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Eligible Lender Trustee to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Eligible Lender Trustee from time to time thereafter and delivered to the Administrative Agent);

(b) with respect to the Administrator, any officer of the Administrator who is authorized to act for the Administrator in matters relating to itself or to the Trust and to be acted upon by the Administrator pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Administrator to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Administrator from time to time thereafter and delivered to the Administrative Agent);

(c) with respect to the Depositor, any officer of the Depositor who is authorized to act for the Depositor in matters relating to itself or to be acted upon by the Depositor pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Depositor to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Depositor from time to time thereafter and delivered to the Administrative Agent);

(d) with respect to the Master Servicer, any officer of the Master Servicer who is authorized to act for the Master Servicer in matters relating to itself or to be acted upon by the Master Servicer pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Master Servicer to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Master Servicer from time to time thereafter and delivered to the Administrative Agent);

(e) with respect to the Eligible Lender Trustee, any officer of the Eligible Lender Trustee who is authorized to act for the Eligible Lender Trustee in matters relating to itself or to be acted upon by the Eligible Lender Trustee pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Eligible Lender Trustee to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Eligible Lender Trustee from time to time thereafter and delivered to the Administrative Agent);

(f) with respect to SLM Corporation, chief executive officer, chief financial officer, president, any vice president, treasurer or other senior officer of SLM Corporation who is authorized to act for SLM Corporation in matters relating to itself or to be acted upon by SLM Corporation pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by SLM Corporation to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by SLM Corporation from time to time thereafter and delivered to the Administrative Agent); and

(g) with respect to the Administrative Agent, any officer of the Administrative Agent who is authorized to act for the Administrative Agent in matters relating to itself or to be acted upon by the Administrative Agent pursuant to the Transaction Documents and who is identified

on the list of Authorized Officers delivered by the Administrative Agent to the Administrator and the Eligible Lender Trustee on the A&R Closing Date (as such list may be modified or supplemented by the Administrative Agent from time to time thereafter and delivered to the Administrator and the Eligible Lender Trustee).

*"**Available Funds**"* means, with respect to a Settlement Date, the sum of the following amounts received into the Collection Account with respect to the related Settlement Period:

(a) all collections of principal and interest on the Trust Student Loans, including any payments received from the Guarantees on the Trust Student Loans but net of (i) any collections in respect of principal on the Trust Student Loans applied by the Trust to repurchase Guaranteed loans from the Guarantors under the Guarantee Agreements, (ii) amounts required by the Higher Education Act to be paid to the Department or to be repaid or rebated to Obligors (whether or not in the form of a principal reduction of the applicable Trust Student Loan) on the Trust Student Loans for that Settlement Period including Floor Income Rebate Fees and Monthly Rebate Fees and (iii) amounts deposited into the Floor Income Rebate Account during the related Settlement Period;

(b) any Interest Subsidy Payments and Special Allowance Payments with respect to the Trust Student Loans received during that Settlement Period for the Trust Student Loans;

(c) all Liquidation Proceeds from any Trust Student Loans which became Liquidated Student Loans during that Settlement Period in accordance with the Servicer's applicable Servicing Policies, plus all Recoveries on Liquidated Student Loans which were written off in prior Settlement Periods or during that Settlement Period;

(d) the aggregate amounts received during that Settlement Period for those Trust Student Loans (i) repurchased by the applicable Seller or the Depositor, as applicable, (ii) purchased by the Servicer or its assignee, (iii) in respect of SLM Corporation's guaranty of the repurchase obligations of the applicable Seller, the Depositor or the Servicer or (iv) sold to another eligible lender pursuant to Section 3.11 of the Servicing Agreement;

(e) the aggregate amounts, if any, received by the Trust from the applicable Seller, the Depositor or the Servicer, as the case may be, as reimbursement of non-guaranteed principal or interest amounts, or lost Interest Subsidy Payments and Special Allowance Payments, on the Trust Student Loans pursuant to the Sale Agreement or Section 3.05 of the Servicing Agreement, respectively;

(f) amounts received by the Trust pursuant to Sections 3.01 and 3.12 of the Servicing Agreement during that Settlement Period as to yield or principal adjustments other than deposits into the Borrower Benefit Account;

(g) investment earnings for that Settlement Period earned on investments in the Trust Accounts during such Settlement Period;

(h) amounts, if any, transferred into the Collection Account from the Capitalized Interest Account in excess of the Required Capitalized Interest Account Balance, calculated as of the end of the Settlement Period related to that Settlement Date;

(i) amounts, if any, transferred into the Collection Account from the Reserve Account in excess of the Reserve Account Specified Balance, calculated as of the end of the Settlement Period related to that Settlement Date;

(j) amounts, if any, transferred into the Collection Account from the Floor Income Rebate Account representing amounts no longer required to be held in connection with floor income payment obligations;

(k) amounts, if any, transferred into the Collection Account from the Administration Account in accordance with Section 2.04(b);

(l) amounts, if any, transferred into the Collection Account from the Borrower Benefit Account to offset reductions in yield on affected Trust Student Loans and any amounts released from the Borrower Benefit Account in accordance with Section 6.26(b) during the related Settlement Period;

(m) amounts, if any, received by the Trust from SLM Corporation under the Revolving Credit Agreement and which have been deposited into the Collection Account;

(n) all proceeds from any Permitted Release (to the extent such proceeds were not previously used to prepay the Aggregate Note Balance or used to purchase new Eligible FFELP Loans);

(o) amounts received, if any, in respect of insurance proceeds; and

(p) all other Collections or other amounts deposited into the Collection Account for application pursuant to Section 2.05(b) on the applicable Settlement Date;

provided, that if on any Settlement Date, there would not be sufficient funds, after application of Available Funds, as defined above, and application of amounts available from the Capitalized Interest Account and the Reserve Account, in that order, to pay any of the items specified in clauses (i) through (iv) of Section 2.05(b), then Available Funds for that Settlement Date will include, in addition to the Available Funds as defined above, amounts on deposit in the Collection Account, or amounts held by the Administrative Agent for deposit into the Collection Account which would have constituted Available Funds for the Settlement Date immediately succeeding that Settlement Date, up to the amount necessary to pay such items, and the Available Funds for the immediately succeeding Settlement Date will be adjusted accordingly.

*"**Bankruptcy Code**"* means Title 11 of the United States Code (11 U.S.C. Section 101 et seq.), as amended from time to time, and any successor statute.

*"**Base Rate**"* means, for any day, a rate per annum determined by the Administrative Agent equal to the highest of (a) the sum of the LIBOR Base Rate (determined in accordance with clause (ii) of the definition thereof) and 1.00% for such day, (b) the Prime Rate for such day and (c) the sum of 0.50% and the Federal Funds Rate for such day.

*"**Base Rate Advance**"* means an Advance funded with reference to the Base Rate.

*"**Benefit Plan**"* means any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Trust or any ERISA Affiliate is, or at any time during the immediately preceding six years was, an *"*employer*"* as defined in Section 3(5) of ERISA.

*"**Borrower Benefit Account**"* means the special account created pursuant to Section 2.04(d).

*"**Borrower Benefit Amount**"* means, the sum of:

(a) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.075%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.250%, and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date;

(b) expected net present value of the product of (1) the sum of (A) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, and (B) the excess of (x) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate original loan amount of all Eligible FFELP Loans sold to the Trust on such Advance Date; and

(c) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.010%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date.

*"**Borrower Benefit Programs**"* means any of the following borrower benefit programs:

(i) the "Direct Repay/ACH Benefit plan" benefit program under which Obligors who make student loan payments electronically through automatic monthly deductions receive an interest rate reduction as long as loan payments continue to be successfully deducted from the borrower's bank account;

(ii) any borrower benefit program under which Obligors who make a certain number of scheduled payments on time receive a rebate of their original loan amount; and

(iii) any other borrower benefit program (other than the Direct/Repay ACH Benefit plan described in clause (i) above) under which Obligors who make a certain number of scheduled payments on time receive an interest rate reduction.

*"**Business Day**"* means a day of the year other than a Saturday or a Sunday or other day on which (a) banks are not authorized or required to close in Charlotte, North Carolina or New York, New York and (b) trust companies are not authorized or required to close in Wilmington, Delaware; provided, however, if the term "Business Day" is used in connection with the LIBOR Rate, it means any day on which (x) dealings in dollar deposits are carried on in the London interbank market and (y) banks are not authorized or required to close in New York, New York.

"***Capitalized Interest Account***" means the special account created pursuant to Section 2.06(a).

*"**Capitalized Interest Account Funding Event**"* means the occurrence of (i) the third Business Day preceding the Scheduled Maturity Date, (ii) with respect to an Amortization Event under Sections 7.01(a) through (h), the first day of an Amortization Period, (iii) with respect to an Amortization Event under Section 7.01(i) or (j), the last day of an Amortization Period (unless caused by the reinstatement of the Revolving Period in which case no Capitalized Interest Account Funding Event shall have occurred), or (iv) the Termination Date.

*"**Capitalized Interest Account Specified Balance**"* means, as of any date of determination, the sum of (i) for each Eligible FFELP Loan that is a Trust Student Loan included in the A&R Initial Pool, the product of 3.86% multiplied by the Principal Balance thereof as of such date of determination, and (ii) for each Eligible FFELP Loan that becomes a Trust Student Loan and is not included in the A&R Initial Pool, the product of 5.90% multiplied by the Principal Balance thereof as of such date of determination.

*"**Capitalized Interest Account Unfunded Balance**"* means, as of any date of determination, the amount, if any, by which (x) the Capitalized Interest Account Specified Balance exceeds (y) the outstanding balance of Capitalized Interest Advances then on deposit in the Capitalized Interest Account.

"***Capitalized Interest Advance***" means an Advance made upon a Capitalized Interest Account Funding Event or as provided in Section 2.21(b), the proceeds of which are to be deposited into the Capitalized Interest Account.

*"**Carryover Servicing Fee**"* has the meaning specified in Attachment A to the Servicing Agreement.

*"**Cavalier Omnibus Waiver and Consent and Guaranty**"* means the Omnibus Waiver and Consent and Guaranty, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent, relating to Cavalier Funding 1 LLC.

*"**Change of Control**"* means (i) a merger or consolidation of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, into another Person (other than an Affiliate of SLM Corporation), (ii) any merger or

consolidation to which the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, shall be a party resulting in the creation of another Person (other than an Affiliate of SLM Corporation), (iii) any Person (other than an Affiliate of SLM Corporation) succeeding to the properties and assets of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, substantially as a whole or (iv) an event or series of events by which any Person (other than an Affiliate of SLM Corporation) acquires the right to vote more than 50% of the common stock or other voting interest of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable.

*"**Churchill Bluemont Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Bluemont Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Churchill Eligible FFELP Loan**"* means, with respect to the Initial Pool only, a Student Loan that was an Eligible FFELP Loan under and as defined in any of the Churchill Note Purchase Agreements immediately prior to the termination of the Churchill FFELP Loan Facilities and, at any time of determination after the Closing Date, satisfies the criteria in subclauses (a) through (j) and (l) through (v) of clause (2) of the definition of "Eligible FFELP Loan" under this Agreement.

*"**Churchill FFELP Loan Facilities**"* means, collectively, the financing facilities established pursuant to the Churchill Note Purchase Agreements.

"***Churchill Note Purchase Agreements***" means the Churchill Bluemont Note Purchase Agreement, the Churchill Town Center Note Purchase Agreement and the Churchill Town Hall Note Purchase Agreement.

*"**Churchill Town Center Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Town Center Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Churchill Town Hall Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Town Hall Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Class A Advance**"* means an Advance under a Class A Note.

*"**Class A Note**"* means a variable funding note, substantially in the form attached hereto as Exhibit J.

"***Closing Date***" means the Original Closing Date.

*"**Co-Valuation Agents**"* means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC) and Barclays Bank PLC, or any other entity appointed as successor Co-Valuation Agent pursuant to the Valuation Agent Agreement.

*"**Co-Valuation Agents Fees**"* means the fees and charges, if any, of the Co-Valuation Agents, including reasonable legal fees and expenses, payable to the Co-Valuation Agents pursuant to the Valuation Agent Fee Letter.

*"**Code**"* means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute and the regulations promulgated and rulings issued thereunder.

*"**Collateral Value**"* means with respect to each pool of Eligible FFELP Loans to be added to the Trust Student Loans in connection with a particular Purchase Price Advance, an amount equal to the product of the weighted average advance rate referred to in clause (a) of the definition of Applicable Percentage for such pool and the aggregate Principal Balance of such pool; provided, however, that if the Applicable Percentage set forth in the most recent Valuation Report is the percentage referred to in clause (b) or (c) of the definition of Applicable Percentage, then in calculating each of the percentages used in determining the weighted average advance rate referred to in clause (a) of the definition of Applicable Percentage for such pool, each such percentage shall be multiplied by a fraction the numerator of which is the lower of the percentages calculated pursuant to clause (b) and (c) of the definition of Applicable Percentage in the most recent Valuation Report, and the denominator of which is the weighted average advance rate calculated pursuant to clause (a) of the definition of Applicable Percentage in the most recent Valuation Report.

*"**Collection Account**"* means the special account created pursuant to Section 2.04(a).

*"**Collections**"* means (a) all amounts received with respect to principal and interest and other proceeds, payments and reimbursements, including Recoveries, with respect to any Trust Student Loan and any other collection of cash with respect to such Trust Student Loan and (b) all other cash collections and other cash proceeds of the Pledged Collateral (including, without limitation, in each of clauses (a) and (b) above, each of the items enumerated in the definition of Available Funds with respect to any Settlement Period).

*"**Commitment**"* means (i) with respect to a Lender, the obligation, if any, of such Lender to fund Advances pursuant to this Agreement in the amount stated to be such Lender's "Commitment" on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time including by the Administrative Agent to reflect assignments, reallocations, decreases and increases of the Commitments permitted under this Agreement and (ii) with respect to a Facility Group, the aggregate Commitment of the Lenders within such Facility Group, in each case as such Commitment may be reduced or increased

pursuant to Section 2.03; provided, however, that upon termination of a Revolving Period that is not capable of being reinstated, and on each Settlement Date thereafter on which the Aggregate Note Balance has been reduced, the Commitment shall be reduced for (a) each Lender to an amount equal to such Lender's Pro Rata Share of the sum of (1) the Aggregate Note Balance of the Class A Note held by such Lender's Facility Group and (2) the Capitalized Interest Account Unfunded Balance, and (b) each Facility Group to an amount equal to the sum of (1) the Aggregate Note Balance of the Class A Note held by such Facility Group and (2) such Facility Group's Pro Rata Share of the Capitalized Interest Account Unfunded Balance.

"***Committed Conduit Lender***" means any Conduit Lender that has a Commitment and any of its successors or assigns (subject to Section 10.04).

*"**Conduit Assignee**"* means, with respect to a Conduit Lender, any special purpose entity that finances its activities directly or indirectly through asset backed commercial paper and (x) is administered by a Managing Agent or any Affiliate of a Managing Agent or (y) has entered into a Program Support Agreement with an Alternate Lender which is a member of such Conduit Lender's Facility Group or an Affiliate of such an Alternate Lender, and in either case is designated by such Conduit Lender's Managing Agent from time to time to accept an assignment from such Conduit Lender of outstanding Advances; provided, however, that with respect to any Conduit Lender with a Commitment hereunder, such Conduit Assignee must be an assignee with respect to such Commitment.

"***Conduit Lender"*** means any special purpose entity identified as a Conduit Lender on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

"***Consolidated Tangible Net Worth***" means, as of any date of determination, the consolidated stockholders' equity of SLM Corporation and its consolidated subsidiaries, determined in accordance with GAAP, less their consolidated Intangible Assets, all determined as of such date.

*"**Consolidation Loan**"* means a loan made to a borrower which loan consolidates such borrower's PLUS/SLS Loans, direct loans made by the Department of Education, Stafford Loans made in accordance with the Higher Education Act and/or loans made under the Federal Health Education Assistance Loan Program authorized under Sections 701 through 720 of the Public Health Services Act.

*"**Conveyance Agreement**"* means the Conveyance Agreement, dated as of February 29, 2008, among the Master Depositor, the Depositor and the Interim Eligible Lender Trustee, under which the Master Depositor may from time to time transfer, on a true sale basis, certain Eligible FFELP Loans to the Depositor, together with all transfer agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**CP**"* means the commercial paper notes issued from time to time by means of which a Conduit Lender (directly or indirectly) obtains financing.

*"**CP Advance**"* means an Advance made through the issuance of CP.

*"**CP Rate**"* means, for any Settlement Period, for any Conduit Lender, for the portion of the Aggregate Note Balance funded by such Conduit Lender directly or indirectly with CP, the rate equivalent to the weighted average cost (as determined by the applicable Managing Agent and which shall include Dealer Fees, incremental carrying costs incurred with respect to CP maturing on dates other than those on which corresponding funds are received by the Conduit Lender, other borrowings by the Conduit Lender to fund any Advances hereunder or its related commercial paper issuer if the Conduit Lender does not itself issue commercial paper (other than under any Program Support Agreement), actual costs of swapping foreign currencies into dollars to the extent the CP is issued in a market outside the U.S. and any other costs associated with the issuance of CP) of or related to the issuance of CP that are allocated, in whole or in part, by the Conduit Lender or the applicable Managing Agent to fund or maintain such portion of the Aggregate Note Balance (and which may be also allocated in part to the funding of other assets of the Conduit Lender); provided, however, that if the rate (or rates) is a discount rate, then the rate (or if more than one rate, the weighted average of the rates) shall be the rate resulting from converting such discount rate (or rates) to an interest-bearing equivalent rate per annum; provided further, however, that for any Conduit Lender in the Facility Group for which JPMorgan Chase Bank, N.A. is Managing Agent, the "CP Rate" for any Settlement Period shall be equal to the weighted average of the JPMorgan Daily/30 Day LIBOR Rate calculated on each date during which CP is issued by such Conduit Lender to fund or maintain its CP Advances during such Settlement Period and as reported to the Administrative Agent by JPMorgan Chase Bank, N.A., as Managing Agent under Section 2.27.

"***CRD***" shall mean Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, as amended from time to time, including pursuant to Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009.

*"**CRD Prohibited Hedge**"* means, with respect to any equity interest or credit exposure, any credit risk mitigation, any short positions or any other hedge (as required by Article 122a of CRD, as interpreted from time to time by the Committee of European Banking Supervisors, including in the "Guidelines to Article 122a of the Capital Requirements Directive" published on December 31, 2010) with respect to such equity interest or credit exposure.

*"**Cutoff Date**"* means the Initial Cutoff Date or any Subsequent Cutoff Date, as applicable.

*"**Dealer Fees**"* means a commercial paper dealer fee, payable to each Conduit Lender, of not greater than five basis points per annum on the amount of CP Advances made by such Conduit Lender.

*"**Debt**"* means, with respect to any Person, (a) indebtedness of such Person for borrowed money; (b) obligations of such Person evidenced by bonds, debentures, notes, letters of credit, interest rate and currency swaps or other similar instruments; (c) obligations of such Person to pay the deferred purchase price of property or services; (d) obligations of such Person as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases; (e) obligations secured by an Adverse Claim upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such

obligations; (f) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of other Persons of the kinds referred to in clauses (a) through (e) above; (g) all obligations of such Person upon which interest charges are customarily paid; (h) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person; (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances or as an account party in respect of letters of credit and letters of guaranty; (j) all obligations of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such obligations provide that such Person is not liable therefor; and (k) any other liabilities of such Person which would be treated as indebtedness in accordance with GAAP.

*"**Defaulted Student Loan**"* means any Trust Student Loan (a) as to which any payment or portion thereof is more than the number of days past due from the original due date thereof that would permit the Eligible Lender Trustee, or any other Person acting on its behalf, to submit a default claim to the applicable Guarantor under the terms of the Higher Education Act (which number of days, as of the A&R Closing Date, is 270), (b) the Obligor of which is the subject of an Event of Bankruptcy (without giving effect to any applicable cure or continuance period) or is deceased or disabled or (c) as to which a continuing condition exists that, with notice or the lapse of time or both, would constitute a default, breach, violation or event permitting acceleration under the terms of such Student Loan (other than payment defaults continuing for a period of not more than the number of days past due from the original due date thereof that would permit the submission of a default claim to the applicable Guarantor under the terms of the Higher Education Act).

*"**Defaulting Lender**"* means any Alternate Lender, LIBOR Lender or Committed Conduit Lender that has failed to make its Pro Rata Share of any Advance required to be made by such Lender as and when required under Section 2.01 and has not reimbursed the other Lenders for such failure in accordance with the last sentence of Section 2.01(d).

*"**Delaware Trustee**"* means BNY Mellon Trust of Delaware, a Delaware banking corporation.

*"**Delinquent Student Loan**"* means any Trust Student Loan, which is not a Defaulted Student Loan, as to which any payment, or portion thereof, is more than 120 days past due from the original due date thereof.

*"**Departing Facility Group**"* means a Facility Group whose Commitment the Trust has determined to assign in accordance with Section 2.21(a).

*"**Department of Education**"* or *"**Department**"* means the United States Department of Education, or any other officer, board, body, commission or agency succeeding to the functions thereof under the Higher Education Act.

"***Depositor***" means Town Center Funding LLC, a Delaware limited liability company, in its capacity as depositor with respect to the Trust.

*"**Depositor Interim Trust Agreement**"* means the interim trust agreement, dated as of February 29, 2008, between the Depositor and the Interim Eligible Lender Trustee.

*"**Distressed Lender**"* means any Lender that (i) is a Defaulting Lender, (ii) becomes or is insolvent or has a parent company that has become or is insolvent or (iii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

*"**Eligible FFELP Loan**"* means either:

(1) a Churchill Eligible FFELP Loan; or

(2) a Student Loan which meets the following criteria as of any date of determination:

(a) such Student Loan is fully disbursed;

(b) [reserved];

(c) (i) such Student Loan is a Stafford Loan, an SLS Loan, a PLUS Loan or a Consolidation Loan, and (ii) the Obligor thereof was an Eligible Obligor at the time such Student Loan was originated;

(d) such Student Loan is a U.S. Dollar denominated obligation payable in the United States;

(e) at least 97% of the principal of and interest on such Student Loan is guaranteed by the applicable Guarantor and eligible for reinsurance under the Higher Education Act, such percentage to be met without giving effect to any increase due to any special servicer status under the Higher Education Act of any applicable Servicer;

(f) such Student Loan provides for periodic payments which fully amortize the amount financed over its term to maturity (exclusive of any deferral or forbearance periods granted in accordance with applicable law, including, without limitation, the Higher Education Act, and in accordance with the applicable Guarantee Agreement);

(g) such Student Loan is being serviced by a Servicer under a Servicing Agreement; which is in full force and effect (provided that the Servicing Agreement with Pennsylvania Higher Education Assistance Agency shall qualify for such purposes notwithstanding the absence of the approval of the Office of the Attorney General of the Commonwealth of Pennsylvania as long as such approval is obtained within 90 days after the Closing Date or such later date as is consented to in writing by the Required Managing Agents) and all other

conditions for such agreement to be in full force and effect have been satisfied on, and at all times after, the Closing Date) and if such Student Loan is serviced by a Subservicer, the related Obligor has been directed to make all payments into a Permitted Lockbox;

(h) such Student Loan bears interest at a stated rate equal to the maximum rate permitted under the Higher Education Act for such Student Loan (before giving effect to any borrower benefit programs);

(i) such Student Loan is eligible for the payment of quarterly Special Allowance Payments at a rate established under the formula set forth in the Higher Education Act for such Student Loan;

(j) if not yet in repayment status, such Student Loan is eligible for the payment of Interest Subsidy Payments by the Department of Education or, if not so eligible, is a Student Loan for which interest either is billed quarterly to the Obligor or deferred until commencement of the repayment period, in which case such accrued interest is subject to capitalization to the full extent permitted by the applicable Guarantor;

(k) such Student Loan is not a Defaulted Student Loan at the time the Advance to purchase such Student Loan is made (except with respect to any Churchill Eligible FFELP Loan);

(l) such Student Loan is supported by the following documentation:

(i) loan application, and any supplement thereto;

(ii) evidence of Guarantee;

(iii) any other document and/or record which the Trust or the related Servicer or other agent may be required to retain pursuant to the Higher Education Act;

(iv) if applicable, payment history (or similar documentation) including (A) an indication of the Principal Balance and the date through which interest has been paid, each as of the related date of determination and (B) an accounting of the allocation of all payments by the Obligor or on the Obligor's behalf to principal and interest on the Student Loan;

(v) if applicable, documentation which supports periods of current or past deferment or past forbearance;

(vi) if applicable, a collection history, if the Student Loan was ever in a delinquent status, including detailed summaries of contacts and including the addresses or telephone numbers used in contacting or attempting to contact the related Obligor and any endorser and, if required by the Guarantor, copies of all letters and other correspondence relating to due diligence processing;

(vii) if applicable, evidence of all requests for skip-tracing assistance and current address of the related Obligor, if located;

(viii) if applicable, evidence of requests for pre-claims assistance, and evidence that the Obligor's school(s) have been notified; and

(ix) if applicable, a record of any event resulting in a change to or confirmation of any data in the Student Loan file;

(m) such Student Loan was originated and has been serviced in compliance with all requirements of applicable law, including the Higher Education Act and all origination fees authorized to be collected pursuant to Section 438 of the Higher Education Act have been paid to the United States Secretary of Education;

(n) such Student Loan is evidenced by a single original Student Loan Note and any addendum thereto (or a certified copy thereof if more than one Student Loan is represented by a single Student Loan Note and all Student Loans represented thereby are not being sold) (whether e-signed or otherwise), containing terms in accordance with those required by the FFELP Program, the applicable Guarantee Agreements and other applicable requirements and which does not require the Obligor to consent to the transfer, sale or assignment of the rights and duties of the related Seller, the Master Depositor (or the Interim Eligible Lender Trustee on behalf of the Master Depositor), or the Depositor (or the Interim Eligible Lender Trustee on behalf of the Depositor) or the Trust (or the Eligible Lender Trustee on behalf of the Trust) and does not contain any provision that restricts the ability of the Administrative Agent, on behalf of the Secured Creditors, to exercise its rights under the Transaction Documents;

(o) in each case, (i) immediately prior to the sale thereof to the Master Depositor, the applicable Seller had, (ii) immediately prior to the sale thereof by the Master Depositor to the Depositor or the Related SPE Seller, as applicable, the Master Depositor had, (iii) if applicable, immediately prior to the sale thereof by a Related SPE Seller to the Depositor, such Related SPE Seller had, and (iv) immediately following the acquisition thereof on the related Advance Date, the Trust has, good and marketable title to such Student Loan free and clear of any Adverse Claim or other encumbrance, lien or security interest, or any other prior commitment, other than as may be granted in favor of the Administrative Agent, on behalf of the Secured Creditors;

(p) such Student Loan has not been modified, extended or renegotiated in any way, except (i) as required under the Higher Education Act or other applicable laws, rules and regulations and the applicable Guarantee Agreement, (ii) as provided for or permitted under the applicable underwriting guidelines or Servicing Policies if such modification, extension or renegotiation does not materially adversely affect the value or collectability thereof or (iii) as provided for in the Transaction Documents;

(q) such Student Loan constitutes a legal, valid and binding obligation to pay on the part of the related Obligor enforceable in accordance with its terms and is not noted on the appropriate Servicer's books and records as being subject to a current bankruptcy proceeding;

(r) such Student Loan constitutes an instrument, an account or a general intangible as defined in the UCC in the jurisdiction that governs the perfection of the interests of the Trust therein and the perfection of the Secured Creditors' interest therein;

(s) the sale or assignment of such Student Loan to the Master Depositor or an interim eligible lender trustee on its behalf pursuant to a Purchase Agreement, the sale or assignment of which to the Depositor or the Interim Eligible Lender Trustee on its behalf pursuant to the Conveyance Agreement or the Tri-Party Transfer Agreement, the sale or assignment of which to the Trust or the Eligible Lender Trustee on its behalf pursuant to the Sale Agreement, and the granting of a security interest to the Administrative Agent pursuant to this Agreement does not contravene or conflict with any applicable law, rule or regulation, or require the consent or approval of, or notice to, any Person;

(t) such Student Loan was (i) acquired by the Master Depositor pursuant to a Purchase Agreement and then acquired by the Depositor pursuant to the Conveyance Agreement or (ii) acquired by the Depositor pursuant to the Tri-Party Transfer Agreement, and subsequently sold to the Trust pursuant to the Sale Agreement, and notwithstanding whether the Trust or a Related SPE Trust owned the Student Loan prior to the Closing Date, was not previously owned by the Trust at any time on or after the Closing Date and subsequently re-acquired by the Trust after the Closing Date, unless such repurchase is required under the Higher Education Act;

(u) the purchase price paid for such Student Loan at the time of purchase by the Trust (i) did not exceed the Applicable Percentage (in effect at the time of purchase) multiplied by the Principal Balance thereof, plus amounts, if any, drawn under the Revolving Credit Agreement; and (ii) is reasonably equal to its fair market value at the time of purchase; and

(v) the purchase of such Student Loan will not result in (i) an Amortization Event, (ii) a Termination Event or (iii) an increase in any Excess Concentration Amount that would result in the Asset Coverage Ratio being less than 100%.

For so long as any Rating Agency would consider the Trust potentially to be a "Debt Collection Agency" (as defined in Title 20 of the New York City Administrative Code), with respect to any Student Loan, in the case where (i) the related Obligor resides in New York City, (ii) the related Student Loan was purchased or will be purchased on or after July 16, 2009, and (iii) on such related purchase date the related Obligor had not made all payments then due and payable, such Student Loan is not or will not be an Eligible FFELP Loan.

"***Eligible Institution***" means (a) an institution of higher education, (b) a vocational school or (c) any other institution which, in all of the above cases, is an "eligible institution" as defined in the Higher Education Act and has been approved by the Department of Education and the applicable Guarantor.

"***Eligible Investments***" means book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

(a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America; provided, that obligations of, or guaranteed by, the Government National

Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association shall be Eligible Investments only if, at the time of investment, they have a rating from each of the Rating Agencies in the highest investment category granted thereby;

(b) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the laws of the United States of America or any State (or any domestic branch of a foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (a) above or portion of such obligation for the benefit of the holders of such depository receipts); provided, that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Settlement Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) thereof shall have a credit rating from each of the Rating Agencies in the highest investment category granted thereby;

(c) non-extendible commercial paper having, at the time of the investment, a rating from each of the Rating Agencies then rating that commercial paper in the highest investment category granted thereby;

(d) investments in money market funds having a rating from each of the Rating Agencies in the highest investment category granted thereby (including funds for which the Administrative Agent, the Syndication Agent, or the Eligible Lender Trustee or any of their respective Affiliates is investment manager or advisor);

(e) bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above; and

(f) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or any agency or instrumentality thereof, the obligations of which are backed by the full faith and credit of the United States of America, in each case entered into with a depository institution or trust company (acting as principal) described in clause (b) above.

For purposes of the definition of "Eligible Investments," the phrase "highest investment category" means (i) in the case of Fitch, "AAA" for long-term investments (or the equivalent) and "F-1+" for short-term investments (or the equivalent), (ii) in the case of Moody's, "Aaa" for long-term investments and "Prime-1" for short-term investments, and (iii) in the case of S&P, "AAA" for long-term investments and "A-1+" for short-term investments. A proposed investment not rated by Fitch but rated in the highest investment category by Moody's and S&P shall be considered to be rated by each of the Rating Agencies in the highest investment category granted thereby. In the event the rating(s) of an Eligible Investment falls below the applicable rating(s) set forth herein, the Administrator shall promptly (but in no event longer than the earlier of (x) the maturity date of such Eligible Investment and (y) 60 days from the time of such downgrade) replace such investment, at no cost to the Trust, with an Eligible Investment which has the required ratings.

"***Eligible Lender***" means any "eligible lender," as defined in the Higher Education Act, which has received an eligible lender designation from the Department of Education or from a Guarantor with respect to Student Loans.

"***Eligible Lender Trustee***" means The Bank of New York Mellon Trust Company, National Association, a national banking association, not in its individual capacity but solely as Eligible Lender Trustee under the Trust Agreement and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the terms of the Trust Agreement.

"***Eligible Lender Trustee Agreements***" means (i) the VL Funding Eligible Lender Trustee Agreement, dated as of April 24, 2009, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VL Funding LLC, and VL Funding LLC, (ii) the VK Funding Eligible Lender Trustee Agreement, dated as of April 16, 2010, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VK Funding LLC, and VK Funding LLC, and (iii) the Cavalier Funding 1 LLC Eligible Lender Trustee Agreement, dated as of January 14, 2011, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding 1 LLC, and Cavalier Funding 1 LLC.

"***Eligible Lender Trustee Fees***" means the fees, reasonable expenses and charges of the Eligible Lender Trustee, including reasonable legal fees and expenses, as agreed to in writing by the Eligible Lender Trustee and the Administrator.

"***Eligible Lender Trustee Guarantee Agreement***" means any guarantee or similar agreement issued by any Guarantor to the Eligible Lender Trustee relating to the Guarantee of Trust Student Loans, and any amendment thereto entered into in accordance with the provisions thereof and hereof.

"***Eligible Obligor***" means an Obligor who is eligible under the Higher Education Act to be the obligor of a loan for financing a program of education at an Eligible Institution, including an Obligor who is eligible under the Higher Education Act to be an obligor of a loan made pursuant to Section 428A, 428B and 428C of the Higher Education Act.

"***ERISA***" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor statute and the regulations promulgated and rulings issued thereunder.

"***ERISA Affiliate***" means (a) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Trust, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Trust, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Trust, any corporation described in clause (a) above or any trade or business described in clause (b) above or other Person which is required to be aggregated with the Trust pursuant to regulations promulgated under Section 414(o) of the Code.

*"**Estimated Interest Adjustment**"* means, for each Settlement Date with respect to any Facility Group, the variation, if any, between (x) the Yield paid on the preceding Settlement Date to such Facility Group and (y) the Yield that accrued on the portion of the Aggregate Note Balance allocable to such Facility Group during the Interest Accrual Period then ending on such preceding Settlement Date. The amount by which clause (y) exceeds clause (x) shall be a positive Estimated Interest Adjustment and the amount by which clause (x) exceeds clause (y) shall be a negative Estimated Interest Adjustment.

*"**Eurodollar Reserve Percentage**"* means, for any day during any period, the reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as *"*eurocurrency liabilities*"*). The LIBOR Rate shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"***Event of Bankruptcy**"* means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, which decree or order remains unstayed and in effect for a period of 30 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"***Excess Collateral Advance***" means an Advance made to the Trust that is not a Purchase Price Advance or a Capitalized Interest Advance and is made to provide additional Available Funds; provided, however, that the amount of any such Advance shall not exceed the amount by which (a) the Adjusted Pool Balance plus the sum of the amounts on deposit in the Trust Accounts (other than the Borrower Benefit Account and the Floor Income Rebate Account) exceeds (b) the Reported Liabilities.

"***Excess Concentration Amount**"* has the meaning set forth in the Side Letter.

*"**Excess Distribution Certificate**"* has the meaning assigned to such term in the Trust Agreement.

*"**Excess Spread**"* means the annualized percentage, calculated on the last day of each calendar month, which is a fraction, the numerator of which is the positive difference, if any, between (x) the Expected Interest Collections for such month with respect to the Trust Student Loans and (y) the sum of (i) the Primary Servicing Fee payable to the Master Servicer for such month, (ii) all other fees payable under this Agreement for such month (other than the Non-Use Fee), (iii) all Monthly Rebate Fees for such month, (iv) all other accrued and unpaid amounts generally payable by the Trust with respect to the Trust Student Loans to the Department or any Guarantor, regardless of whether such amounts are then due and owing and whether such amounts may be netted or deducted from payments to be received from the Department or such Guarantor, as applicable, and (v) all Yield payable to the Lenders for such month in respect of the Class A Notes, and the denominator of which is the product of (x) the weighted average Principal Balance of all Trust Student Loans held by the Trust during such month and (y) the Applicable Percentage as calculated based upon the most recent Valuation Report delivered in the succeeding calendar month.

*"**Excess Spread Test**"* means the three-month average Excess Spread (or, with respect to the first Settlement Period hereunder, the one-month Excess Spread or, with respect to the second Settlement Period hereunder, the two-month average Excess Spread) is greater than or equal to 0.25%.

*"**Excess Yield**"* means, with respect to any Advances for any Lender and any Settlement Date, the amount by which:

(A) the sum of the amounts calculated pursuant to clauses (a) and (b) of the definition of "Yield" with respect to such Advance during the related Yield Period exceeds

(B) (X) the aggregate sum for each day within such Yield Period of (a) the sum of (i)(I) with respect to a CP Advance, the Related LIBOR Rate plus 0.25% and (II) with respect to a LIBOR Advance, the applicable LIBOR Rate for such LIBOR Advance and (ii) the Used Fee Rate (without giving effect to the application of the Non-Renewal Step-Up Rate) that would be applicable if such Advance were a CP Advance, multiplied by (b) the outstanding principal amount of such Lender's Advances on such day, divided by (Y) 360.

*"**Excluded Taxes**"* has the meaning assigned to such term in Section 2.20(a).

*"**Exiting Facility Group**"* means any Maturity Non-Renewing Facility Group.

*"**Exiting Facility Group Amortization Period**"* means, with respect to any Maturity Non-Renewing Facility Group, the period beginning on the then current Scheduled Maturity Date for such Maturity Non-Renewing Facility Group and ending on the earliest to occur of (i) the occurrence of an Amortization Event or a Termination Event, (ii) 90 days after the start of the period described above and (iii) the date the Aggregate Note Balance of the Class A Note held by the Exiting Facility Group has been repaid in full.

*"**Expected Interest Collections**"* means, for any calendar month, the sum of (i) the amount of interest due or accrued with respect to the Trust Student Loans and payable by the related Obligors thereon during such calendar month (whether or not such interest is actually paid), (ii) all Interest Subsidy Payments and Special Allowance Payments estimated to have accrued with respect to the Trust Student Loans during such calendar month whether or not actually received and (iii) investment earnings on the Trust Accounts for such calendar month.

*"**Facility**"* means the FFELP student loan conduit securitization facility established pursuant to this Agreement.

*"**Facility Group**"* means a Managing Agent and its related Conduit Lenders, Alternate Lenders, LIBOR Lenders and Program Support Providers, as applicable.

*"**Fair Market Auction**"* means a commercially reasonable sale of Trust Student Loans pursuant to an arm's-length auction process with respect to which (a) bids have been solicited from two or more potential bidders including at least two bidders that are not Affiliates of SLM Corporation, (b) at least one bid is received from a bidder that is not an Affiliate of SLM Corporation and (c) if an Affiliate of SLM Corporation submits the winning bid, such bid is in an amount reasonably equal to the fair market value of the Trust Student Loans being sold.

"***FATCA***" means Sections 1471 through 1474 of the Code and any regulations or official interpretations thereof.

*"**Federal Funds Rate**"* means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (adjusted, if necessary, to the nearest 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by it.

*"**Federal Reimbursement Contracts**"* means any agreement between any Guarantor and the Department of Education providing for the payment by the Department of Education of amounts authorized to be paid pursuant to the Higher Education Act, including but not necessarily limited to reimbursement of amounts paid or payable upon defaulted student loans Guaranteed by such Guarantor to holders of qualifying student loans Guaranteed by any Guarantor.

*"**Fee Letters**"* means the Administrative Agent and Syndication Agent Fee Letter, the Lenders Fee Letter and the Valuation Agent Fee Letter.

"***FFELP Loan***" means a Consolidation Loan, a PLUS Loan, an SLS Loan or a Stafford Loan.

*"**FFELP Loan Facilities**"* means the FFELP student loan conduit securitization facilities established pursuant to (i) this Agreement; (ii) that certain Amended and Restated Note Purchase and Security Agreement, dated as of the A&R Closing Date, among Town Hall Funding I, the arrangers party thereto, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing

agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, JPMorgan Chase Bank, N.A., as syndication agent, and Sallie Mae, Inc., as administrator; and (iii) that certain Amended and Restated Note Purchase and Security Agreement, dated as of the A&R Closing Date, among Bluemont Funding I, the arrangers party thereto, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, JPMorgan Chase Bank, N.A., as syndication agent, and Sallie Mae, Inc., as administrator.

*"**FFELP Program**"* means the Federal Family Education Loan Program authorized under the Higher Education Act, including Stafford Loans, SLS Loans, PLUS Loans and Consolidation Loans.

*"**Financing Costs**"* means an amount equal to the sum (without duplication) of (i) the accrued Yield applicable to the Class A Notes for the preceding Yield Period; (ii) the Non-Use Fee applicable to the Class A Notes for the preceding Settlement Period; (iii) any past due Yield payable on the Class A Notes; (iv) any past due Non-Use Fees applicable to the Class A Notes; (v) interest on any related loans or other disbursements payable by the Lenders as a result of unreimbursed draws on or under a Program Support Agreement supporting the purchase of the Class A Notes; and (vi) increased costs of the Affected Parties resulting from Yield Protection, if any.

*"**Fitch**"* means Fitch, Inc. (or its successors in interest).

"***Floor***" has the meaning assigned to such term in the Side Letter.

*"**Floor Income Rebate Account**"* means the special account created pursuant to Section 2.04(c).

"***Floor Income Rebate Fee***" means the quarterly rebate fee payable to the Department of Education on Trust Student Loans originated on or after April 1, 2006 for which interest payable by the related Obligors for such quarter exceeds the Interest Subsidy Payments or Special Allowance Payments applicable to such Trust Student Loans for such quarter.

*"**Fund**"* means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding, or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

*"**GAAP**"* means generally accepted accounting principles as in effect from time to time in the United States that are applicable to the circumstances as of the date of determination and applied on a consistent basis.

*"**GLB Regulations**"* means the Joint Banking Agencies' Privacy of Consumer Financial Information, Final Rule (12 CFR Parts 40, 216, 332 and 573) or the Federal Trade Commission's Privacy of Consumer Financial Information, Final Rule (16 CFR Part 313), as applicable, implementing Title V of the Gramm-Leach-Bliley Act, Public Law 106-102, as amended.

*"**Governmental Authority**"* means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions or pertaining to government, including without limitation any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

*"**Grant**"* or *"**Granted**"* means to pledge, create and grant a security interest in and with regard to property. A Grant of Trust Student Loans, other assets or of any other agreement includes all rights, powers and options (but none of the obligations) of the granting party thereunder.

*"**Guarantee**"* or *"**Guaranteed**"* means, with respect to a Student Loan, the insurance or guarantee by the applicable Guarantor, in accordance with the terms and conditions of the applicable Guarantee Agreement, of some or all of the principal of and accrued interest on such Student Loan and the coverage of such Student Loan by the Federal Reimbursement Contracts providing, among other things, for reimbursement to such Guarantor for losses incurred by it on defaulted Student Loans insured or guaranteed by such Guarantor.

*"**Guarantee Agreements**"* means the Federal Reimbursement Contracts, the Eligible Lender Trustee Guarantee Agreements and any other guarantee or agreement issued by a Guarantor to the Eligible Lender Trustee, which pertain to Student Loans, providing for the payment by the Guarantor of amounts authorized to be paid pursuant to the Higher Education Act to holders of qualifying Student Loans guaranteed in accordance with the Higher Education Act by such Guarantor.

*"**Guarantee Payments**"* means, with respect to a Student Loan, any payment made by a Guarantor pursuant to a Guarantee Agreement in respect of a Trust Student Loan.

*"**Guarantee Percentage**"* means, with respect to a Student Loan, the percentage of principal of and accrued interest on such Student Loan that is Guaranteed under the applicable Guarantee Agreement.

*"**Guarantor**"* means any entity listed on Exhibit B to this Agreement authorized to guarantee Student Loans under the Higher Education Act and with which the Eligible Lender Trustee maintains in effect a Guarantee Agreement.

"***Guaranty and Pledge Agreement***" means the Guaranty and Pledge Agreement, dated as of the Original Closing Date, between the Depositor and the Administrative Agent.

*"**Higher Education Act**"* means the Higher Education Act of 1965, as amended or supplemented from time to time, and all regulations and guidelines promulgated thereunder.

"***Holding Account Lender***" means (i) any Non-Rated Lender and (ii) any other Lender that has elected at its option to make a Lender Holding Deposit.

"***Indemnified Party***" has the meaning assigned to such term in Section 8.01(a).

*"**Indemnity Agreement**"* means the Indemnity Agreement entered into by SLM Corporation, the Trust and the Administrative Agent dated as of the Original Closing Date.

*"**Initial Cutoff Date**"* means the date set forth as such in the initial Advance Request delivered under the Initial Note Purchase Agreement.

*"**Initial Note Purchase Agreement**"* has the meaning assigned to such term in the Preliminary Statements.

*"**Initial Pool**"* means the pool of FFELP Loans owned by the Trust immediately prior to the termination of the Churchill Town Center Note Purchase Agreement.

*"**Intangible Assets**"* means the amount (to the extent reflected in determining such consolidated stockholders' equity) of all unamortized debt discount and expense, unamortized deferred charges (which for purposes of this definition do not include deferred taxes or premiums paid in connection with the purchase of student loans), goodwill, patents, trademarks, service marks, trade names, anticipated future benefit of tax loss carry-forwards, copyrights, organization or developmental expenses and other intangible assets.

*"**Interest Accrual Period**"* means, each period from a Settlement Date until the immediately succeeding Settlement Date, provided, that the initial Interest Accrual Period shall be the period from the Closing Date until the first Settlement Date.

*"**Interest Coverage Ratio**"* means, for any period of four consecutive fiscal quarters, the ratio of Adjusted Cash Income for such period to Interest Expense for such period.

*"**Interest Expense**"* means, for any period, the aggregate amount which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as "total interest expense."

*"**Interest Subsidy Payments**"* means the interest subsidy payments on certain Trust Student Loans authorized to be made by the Department of Education pursuant to Section 428 of the Higher Education Act or similar payments authorized by federal law or regulations.

*"**Interim Eligible Lender Trustee**"* means The Bank of New York Mellon Trust Company, National Association, a national banking association, not in its individual capacity but solely as eligible lender trustee for the Depositor under the Depositor Interim Trust Agreement, for the Master Depositor under the Master Depositor Interim Trust Agreement, or for the applicable Sellers under the Seller Interim Trust Agreements, as applicable, and its successor or successors and any other corporation which may at any time be substituted in its place.

*"**Interim Trust Agreements**"* means collectively, the Seller Interim Trust Agreements, the Master Depositor Interim Trust Agreement and the Depositor Interim Trust Agreement.

*"**Investment Deficit**"* has the meaning assigned to such term in Section 2.01(d).

*"**Investment Company Act**"* means the Investment Company Act of 1940, as amended.

*"**JPMorgan Daily/30 Day LIBOR Rate**"* shall mean, for any day, a rate per annum equal to the thirty (30) day London-Interbank Offered Rate appearing on the Bloomberg BBAM (British Bankers Association) Page (or on any successor or substitute page of such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by JPMorgan Chase Bank, N.A., as Managing Agent for its Facility Group from time to time in accordance with its customary practices for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m. (London time) on such day or, if such day is not a Business Day in London, the immediately preceding Business Day in London. In the event that such rate is not available on any day at such time for any reason, then the "JPMorgan Daily/30 Day LIBOR Rate" for such day shall be the rate at which thirty (30) day U.S. Dollar deposits of $5,000,000 are offered by the principal London office of JPMorgan Chase Bank, N.A. in immediately available funds in the London interbank market at approximately 11:00 a.m. (London time) on such day; and if JPMorgan Chase Bank, N.A. is for any reason unable to determine the JPMorgan Daily/30 Day LIBOR Rate in the foregoing manner or has determined in good faith that the JPMorgan Daily/30 Day LIBOR Rate determined in such manner does not accurately reflect the cost of acquiring, funding or maintaining an Advance, the JPMorgan Daily/30 Day LIBOR Rate for such day shall be the greater of (a) the JPMorgan Prime Rate for such day and (b) the sum of 0.50% and the Federal Funds Rate for such day.

*"**JPMorgan Prime Rate**"* means a fluctuating rate per annum equal to the rate of interest in effect for such day as publicly announced from time to time by JPMorgan Chase Bank, N.A. as its "prime rate." The "prime rate" is a rate set by JPMorgan Chase Bank, N.A. based upon various factors including JPMorgan Chase Bank, N.A.'s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by JPMorgan Chase Bank, N.A. shall take effect at the opening of business on the day specified in the public announcement of such change.

*"**Lead Arrangers**"* means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC).

*"**Legal Final Maturity Date**"* means the date occurring on the 40th anniversary of the termination of a Revolving Period that is not capable of being reinstated under the terms of this Agreement.

*"**Lender Guarantor**"* means any Person which has provided in favor of the Administrative Agent an irrevocable guaranty or provided an irrevocable letter of credit, to secure the obligations of a Non-Rated Lender to fund a Capitalized Interest Advance.

*"**Lender Holding Account**"* has the meaning assigned to such term in Section 2.23(a).

*"**Lender Holding Deposit**"* has the meaning assigned to such term in Section 2.23(a).

*"**Lenders**"* means, collectively, the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders.

*"**Lenders Fee Letter**"* means the Second Amended and Restated Lenders Fee Letter, dated as of the A&R Closing Date, among the Trust and the Managing Agents from time to time party thereto.

*"**Liabilities**"* means the sum of the Trust's obligations with respect to (a) the Aggregate Note Balance, (b) all accrued and unpaid Financing Costs applicable thereto to the extent not included in the Aggregate Note Balance, (c) any accrued and unpaid fees, including Servicing Fees, Eligible Lender Trustee Fees and any other fees or payment obligations (other than borrower benefits to the extent the associated reduction in yield has been prefunded in the Borrower Benefit Account) payable by the Trust pursuant to the Transaction Documents, (d) any outstanding Servicer Advances, (e) amounts due and unpaid under the Revolving Credit Agreement, (f) all amounts payable by the Trust with respect to the Trust Student Loans to the Department or any Guarantor then due and owing, regardless of whether such amounts may be netted or deducted from payments to be received from the Department or such Guarantor (other than any such amount payable from or with respect to which the Trust will be reimbursed from the Floor Income Rebate Account) and (g) any other accrued and unpaid Obligations.

*"**LIBOR Advance**"* means an Advance funded with reference to the LIBOR Rate.

*"**LIBOR Base Rate**"* means:

(i) for any Tranche Period for any Alternate Lender or Conduit Lender:

(a) the rate per annum (carried out to the fifth decimal place) equal to the rate determined by the applicable Managing Agent to be the offered rate that appears on the page of the Reuters Screen that displays an average British Bankers Association Interest Settlement Rate (such page currently being LIBOR01) for deposits in United States dollars (for delivery on the first day of such period) with a term equivalent to such period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period;

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum (carried to the fifth decimal place) equal to the rate determined by the applicable Managing Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in United States dollars (for delivery on the first day of such period) with a term equivalent to such period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period; or

(c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the applicable Managing Agent as the rate of interest at which Dollar deposits (for delivery on the first day of such period) in same day funds in the approximate amount of the applicable investment to be funded by reference to the LIBOR Rate and with a term equivalent to such period would be offered by its London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period; and

(ii) for any day during an Interest Accrual Period for any LIBOR Lender:

(a) the rate per annum (carried out to the fifth decimal place) equal to the rate determined by the Administrative Agent to be the offered rate that appears on the page of the Reuters Screen on such day that displays an average British Bankers Association Interest Settlement Rate (such page currently being LIBOR01) for deposits in United States dollars (for delivery on a date two Business Days later) with a term equivalent to one month;

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum (carried to the fifth decimal place) equal to the rate determined by the Administrative Agent to be the offered rate on such day on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in United States dollars (for delivery on a date two Business Days later) with a term equivalent to one month; or

(c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the Administrative Agent on such day as the rate of interest at which Dollar deposits (for delivery on a date two Business days later than such day) in same day funds in the approximate amount of the applicable investment to be funded by reference to the LIBOR Rate and with a term equivalent to one month would be offered by its London Branch to major banks in the London interbank eurodollar market at their request.

*"**LIBOR Lender**"* means any Person identified as a LIBOR Lender on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

*"**LIBOR Rate**"* for any Tranche Period (when used with respect to any Alternate Lender) or for any day during an Interest Accrual Period (when used with respect to any LIBOR Lender), means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR Base Rate}}{\text{1.00 - Eurodollar Reserve Percentage}}$$

*"**Liquidated Student Loan**"* means any defaulted Trust Student Loan liquidated by the Servicer (which shall not include any Trust Student Loan on which payments pursuant to the applicable Guarantee are received) or which the Servicer has, after using all reasonable efforts to realize upon such Trust Student Loan, determined to charge off in accordance with the applicable Servicing Policies.

*"**Liquidation Proceeds**"* means, with respect to any Liquidated Student Loan which became a Liquidated Student Loan during the current Settlement Period in accordance with the applicable Servicing Policies, the moneys collected in respect of the liquidation thereof from whatever source, other than Recoveries, net of the sum of any amounts expended by the Servicer in connection with such liquidation and any amounts required by law to be remitted to the Obligor on such Liquidated Student Loan.

*"**Liquidity Expiration Date**"* means January 11, 2013, or if such date is extended pursuant to Section 2.16(a), the date to which it is so extended.

*"**Liquidity Non-Renewing Facility Group**"* means a Facility Group that has determined not to extend the Liquidity Expiration Date in accordance with Section 2.16(a).

*"**Lockbox Bank**"* means a bank that maintains a lockbox into which a Subservicer, or the Obligors of the Trust Student Loans serviced by such Subservicer, deposit Collections.

*"**Lockbox Bank Fees**"* means fees, reasonable expenses and charges of a Lockbox Bank as may be agreed to in writing by the Administrator and the Lockbox Bank; provided, that the fees (excluding reasonable expenses and charges) of a Lockbox Bank shall not exceed in the aggregate $2,500 per annum.

*"**Managing Agent**"* means each of the agents identified as a Managing Agent on Exhibit A attached hereto as such Exhibit may be amended, restated or otherwise revised from time to time, acting on behalf of its related LIBOR Lenders and its related Conduit Lenders, Alternate Lenders and Program Support Providers under this Agreement, as applicable, and any of its successors or assigns (subject to Section 10.04).

*"**Market Value Percentage**"* has the meaning assigned to such term in the Valuation Agent Agreement.

*"**Master Depositor**"* means Churchill Funding LLC, a Delaware limited liability company.

*"**Master Depositor Interim Trust Agreement**"* means the interim trust agreement, dated as of February 29, 2008, between the Master Depositor and the Interim Eligible Lender Trustee.

*"**Master Servicer**"* means Sallie Mae, Inc., a Delaware corporation, and its successors and permitted assigns.

*"**Material Adverse Effect**"* means a material adverse effect on:

(a) with respect to the Trust, the status, existence, perfection, priority or enforceability of the Administrative Agent's interest in the Pledged Collateral or the ability of the Trust to perform its obligations under this Agreement or any other Transaction Document or the ability to collect on a material portion of the Pledged Collateral; or

(b) with respect to any other Person, the ability of the applicable Person to perform its obligations under this Agreement or any other Transaction Document.

*"**Material Subservicer**"* means, as of any date of determination, any Subservicer responsible for servicing more than 15% of the Trust Student Loans by aggregate Principal Balance.

*"**Maturity Non-Renewing Facility Group**"* means a Facility Group that has determined not to extend the Scheduled Maturity Date in accordance with Section 2.16(b).

*"**Maximum Advance Amount**"* means, for any Advance Date:

(a) with respect to a Purchase Price Advance, an amount equal to the lesser of (i) the Maximum Financing Amount minus the sum of (A) the Capitalized Interest Account Unfunded Balance and (B) the Aggregate Note Balance and (ii) the aggregate Collateral Value of the Eligible FFELP Loans being acquired;

(b) with respect to an Excess Collateral Advance, an amount equal to the Maximum Financing Amount minus the sum of (A) the Capitalized Interest Account Unfunded Balance and (B) the Aggregate Note Balance (after giving effect to any Purchase Price Advance to be made on such Advance Date); and

(c) with respect to a Capitalized Interest Advance, an amount equal to the lesser of (i) the aggregate Commitments of all Lenders minus the Aggregate Note Balance and (ii) the amount necessary to cause the amount on deposit in the Capitalized Interest Account to equal the Required Capitalized Interest Account Balance.

*"**Maximum Financing Amount**"* means at any time on or after (i) the A&R Closing Date and prior to January 11, 2013, $2,500,000,000.00, (ii) January 11, 2013 and prior to January 10, 2014, $2,166,666,666.67, and (iii) January 10, 2014, $1,833,333,333.33, as such amount may be adjusted from time to time pursuant to Sections 2.03 and 2.21.

*"**Minimum Asset Coverage Requirement**"* means an Asset Coverage Ratio of greater than or equal to 100%.

*"**MNPI**"* has the meaning assigned to such term in Section 10.02(b).

*"**Monthly Administrative Agent's Report**"* means the report to be delivered by the Administrative Agent pursuant to Section 2.05(a).

*"**Monthly Rebate Fee**"* means the monthly rebate fee payable to the Department of Education on the Trust Student Loans which are Consolidation Loans.

*"**Monthly Report**"* means a report, in substantially the form of Exhibit C hereto, prepared by the Administrator and furnished to the Administrative Agent.

*"**Moody's**"* means Moody's Investors Service, Inc. (or its successors in interest).

*"**Multiemployer Plan**"* means a *"*multiemployer plan*"* as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding six years contributed to by the Trust or any ERISA Affiliate.

*"**Net Adjusted Revenue**"* means, for any period, Adjusted Revenue for such period less Interest Expense and Operating Expenses for such period.

*"**New York UCC**"* means the New York Uniform Commercial Code as in effect from time to time.

*"**Non-Defaulting Lender**"* has the meaning assigned to such term in Section 2.01(d).

"***Non-Rated Lender***" means, as of any date of determination, any Alternate Lender, LIBOR Lender or Committed Conduit Lender which does not satisfy any of the following: (i) has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's, (ii) has a Lender Guarantor which has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's, or (iii) has a Qualified Program Support Provider.

*"**Non-Renewal Step-Up Rate**"* has the meaning assigned to such term in the Lenders Fee Letter.

*"**Non-U.S. Lender**"* has the meaning assigned to such term in Section 2.20(d).

*"**Non-Use* Fee***"* means, with respect to each Facility Group, a non-use fee, payable monthly by the Trust to the Managing Agent for such Facility Group as set forth in the Lenders Fee Letter.

*"**Note**"* means a Class A Note issued by the Trust hereunder to a Registered Owner.

*"**Note Account**"* has the meaning specified in Section 2.11.

*"**Note Purchase**"* means the purchase of Class A Notes under this Agreement.

*"**Note Purchasers**"* means the Lenders and, if applicable, their respective Program Support Providers, and their respective successors and assigns (subject to Section 10.04). Each Facility Group shall purchase its Class A Notes and otherwise act through its Managing Agent.

*"**Note Register**"* has the meaning assigned to such term in Section 3.05(a).

*"**Note Registrar**"* has the meaning assigned to such term in Section 3.05(a).

*"**Notice of Release**"* has the meaning assigned to such term in Section 2.18(b)(iii).

*"**Obligations**"* means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Trust to the Secured Creditors, arising under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby and shall include, without limitation, all liability for principal of

and Financing Costs on the Class A Notes, closing fees, unused line fees, audit fees, Administrative Agent Fees, Syndication Agent Fees, Co-Valuation Agents Fees, expense reimbursements, indemnifications, and other amounts due or to become due under the Transaction Documents, including, without limitation, interest, fees and other obligations that accrue after the commencement of an insolvency proceeding (in each case whether or not allowed as a claim in such insolvency proceeding).

*"**Obligor**"* means the borrower or co-borrower or any other Person obligated to make payments with respect to a Student Loan.

*"**Officer's Certificate**"* means a certificate signed and delivered by an Authorized Officer.

*"**Official Body**"* means any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

*"**Omnibus Reaffirmation and Amendment**"* means the Omnibus Reaffirmation and Amendment dated as of the A&R Closing Date, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee under the Eligible Lender Trustee Agreements, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding LLC, the Depositor, the Master Depositor, each Seller, Cavalier Funding LLC, Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

*"**Omnibus Waiver and Consent**"* means that certain Omnibus Waiver and Consent dated as of February 29, 2008 given by SLM Education Credit Finance Corporation and SLM Corporation.

*"**Ongoing Seller**"* means any of the Sellers other than Mustang Funding I, LLC, Mustang Funding II, LLC and Phoenix Fundings LLC.

*"**Operating Expenses**"* means, for any period, the aggregate amount which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as "total operating expenses."

*"**Opinion of Counsel**"* means an opinion in writing of outside legal counsel, who may be counsel or special counsel to the Trust, any Affiliate of the Trust, the Eligible Lender Trustee, the Administrator, the Administrative Agent, the Syndication Agent, any Managing Agent or any Lender.

*"**Original Closing Date**"* means January 15, 2010.

*"**Original Obligations**"* has the meaning assigned to such term in Section 1.06.

*"**Original Amendment and Reaffirmation**"* the Amended and Restated Omnibus Reaffirmation and Amendment dated as of January 14, 2011, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, the Depositor, the Master Depositor, each Seller (other than Cavalier Funding 1 LLC), Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

*"**Other Applicable Taxes**"* has the meaning assigned to such term in Section 2.13.

*"**Other Taxes**"* has the meaning assigned to such term in Section 2.20(a).

*"**Outstanding**"* means, when used with respect to Class A Notes, as of the date of determination, all Class A Notes theretofore authenticated and delivered under this Agreement except,

(a) Class A Notes theretofore cancelled by the Note Registrar or delivered to the Note Registrar for cancellation; and

(b) Class A Notes for whose payment or repayment money in the necessary amount and currency and in immediately available funds has been theretofore deposited with the Administrative Agent for the Registered Owners of such Class A Notes; and

(c) Class A Notes which have been exchanged for other Class A Notes, or in lieu of which other Class A Notes have been delivered, pursuant to this Agreement.

*"**Participant**"* has the meaning assigned to such term in Section 10.04(m).

*"**Patriot Act**"* has the meaning assigned to such term in Section 10.18.

*"**PBGC**"* means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

*"**Permitted Excess Collateral Release**"* means a release of Pledged Collateral to the holder of the Excess Distribution Certificate pursuant to Section 2.18(d); provided that so long as the Depositor or any Affiliate of the Depositor is the holder of the Excess Distribution Certificate, the Depositor or such Affiliate, as applicable, to the extent it transfers the Student Loans received in connection with such release, does so only in a manner providing for (i) a transfer of loans consistent with those set forth in the definition of Permitted Release under clauses (a), (b), (c), (d), (e), (f) or (h) (but excluding any specific requirements set forth in Section 2.18(b)(iv)(I)(A) or Section 2.18(c)) or (ii) a transfer to a special purpose entity which is not inconsistent with the factual assumptions set forth in the opinion letters referred to in Section 5.02(h).

*"**Permitted Lockbox**"* means a lockbox arrangement between a Subservicer and a Lockbox Bank approved by the Administrative Agent, with respect to which Collections from Obligors whose Student Loans are serviced by such Subservicer are sent to the related lockboxes and are forwarded by the applicable Lockbox Bank to the Collection Account within two Business Days after receipt of good funds.

*"**Permitted Release**"* means a release of Pledged Collateral in connection with (a) a Take Out Securitization, (b) a Whole Loan Sale, (c) a Fair Market Auction, (d) a Permitted SPE Transfer, (e) a Permitted Seller Buy-Back, (f) a Servicer Buy-Out, (g) a Permitted Excess Collateral Release or (h) any other transfer of Pledged Collateral with respect to which the Administrative Agent has received a Required Legal Opinion.

*"**Permitted Seller Buy-Back**"* means an arm's length transfer of Pledged Collateral by the Trust to the Depositor and subsequently by the Depositor to the applicable Seller, so long as the aggregate principal amount of all such Permitted Seller Buy-Backs since February 29, 2008, does not exceed ten percent of the lesser of (i) the highest Aggregate Note Balance outstanding at any time under this Agreement and (ii) the aggregate original principal amount of all Student Loans sold, directly or indirectly to the Trust by SLM Education Credit Finance Corporation, including any Student Loans deemed to have been sold by SLM Education Credit Finance Corporation, in its capacity as the assignee of the Student Loan Marketing Association.

*"**Permitted SPE Sale Agreement**"* means (i) the Sale Agreement Master Securitization Terms Number 1000, dated as of April 24, 2009, among the Depositor, as seller, VL Funding LLC, as purchaser, the Master Servicer, the Eligible Lender Trustee and The Bank of New York Mellon Trust Company, National Association, as Purchaser Eligible Lender Trustee and (ii) any other sale agreement among the Depositor, as seller, a Permitted SPE Transferee, as purchaser, the Master Servicer, the Eligible Lender Trustee and The Bank of New York Mellon Trust Company, National Association, as Purchaser Eligible Lender Trustee.

*"**Permitted SPE Transfer**"* means an arm's length transfer of Pledged Collateral by the Trust to the Depositor and subsequently by the Depositor to a Permitted SPE Transferee pursuant to a Permitted SPE Sale Agreement.

"***Permitted SPE Transferee***" means (i) a Related SPE Seller or (ii) a special purpose entity established by SLM Corporation or SLM Education Credit Finance Corporation, which is not a Seller (other than VL Funding LLC and VK Funding LLC), for which the Administrative Agent has received an Opinion of Counsel reasonably satisfactory to it as to the non-consolidation of such special purpose entity with SLM Corporation, Sallie Mae, Inc., the Sellers, the Master Depositor, the Depositor and the Related SPE Trusts under each other FFELP Loan Facility.

*"**Person**"* means an individual, partnership, corporation (including a statutory trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, government (or any agency or political subdivision thereof) or other entity.

*"**Platform**"* has the meaning assigned to such term in Section 10.02(b).

*"**Pledged Collateral**"* has the meaning specified in Section 2.10.

*"**PLUS Loan**"* means a student loan originated under the authority set forth in Section 428A or B (or a predecessor section thereto) of the Higher Education Act and shall include student loans designated as *"*PLUS Loans*"* or *"*Grad PLUS Loans,*"* as defined under the Higher Education Act.

*"**Post-Legislation Consolidation Loan**"* means a Consolidation Loan originated on or after October 1, 2007.

*"**Potential Amortization Event**"* means an event which but for the lapse of time or the giving of notice, or both, would constitute an Amortization Event.

*"**Potential Termination Event**"* means an event which but for the lapse of time or the giving of notice, or both, would constitute a Termination Event.

"***Power of Attorney***" means that certain Power of Attorney of the Trust dated as of the Original Closing Date, appointing Bank of America, N.A., as Administrative Agent, as the Trust's attorney-in-fact.

*"**Primary Servicing Fee**"* for any Settlement Date has the meaning specified in Attachment A to the Servicing Agreement, and shall include any such fees from prior Settlement Dates that remain unpaid.

*"**Prime Rate**"* means, for any day, a fluctuating rate per annum equal to the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its *"*prime rate.*"* The "prime rate" is a rate set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

*"**Principal Balance**"* means, with respect to any Student Loan and any specified date, the outstanding principal amount of such Student Loan, plus accrued and unpaid interest thereon to be capitalized.

*"**Principal Distribution Amount**"* means, with respect to any Settlement Date, (i) during a Revolving Period so long as no Termination Event has occurred and is continuing, the excess, if any, of (a) the Aggregate Note Balance as of the end of the related Settlement Period over (b) the lesser of the (x) the Adjusted Pool Balance and (y) the Maximum Financing Amount minus the Capitalized Interest Account Unfunded Balance, as of the end of the related Settlement Period, and (ii) at any other time, the Aggregate Note Balance.

*"**Pro Rata Share**"* means (a) with respect to any particular Facility Group, a fraction (expressed as a percentage) the numerator of which is the aggregate Commitment of such Facility Group and the denominator of which is the Maximum Financing Amount; (b) with respect to any Lender within a Facility Group, the percentage of such Facility Group's Pro Rata Share allocated to such Lender by its Managing Agent; and (c) with respect to any repayment of Class A Notes with respect to any Lender, a fraction (expressed as a percentage) the numerator of which is the Aggregate Note Balance attributable to such Lender, and the denominator of which is the Aggregate Note Balance; provided, that for so long as any Lender is a Defaulting Lender, the Aggregate Note Balance attributable to such Lender shall be disregarded for purposes of determining such calculation and its Pro Rata Share under this clause (c) shall be deemed to be zero.

*"**Program Support Agreement**"* means, with respect to any Conduit Lender, any liquidity agreement or any other agreement entered into by any Program Support Provider providing for the issuance of one or more letters of credit for the account of such Conduit Lender (or any related commercial paper issuer that finances such Conduit Lender), the issuance of one or more surety bonds for which such Conduit Lender or such related issuer is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, the sale by the Conduit Lender or such related issuer to any Program Support Provider of any interest in a Class A Note (or portions thereof or participations therein) and/or the making of loans and/or other extensions of liquidity or credit to the Conduit Lender or such related issuer in connection with its commercial paper program, together with any letter of credit, surety bond or other instrument issued thereunder.

*"**Program Support Provider**"* means and includes any Person now or hereafter extending liquidity or credit or having a commitment to extend liquidity or credit to or for the account of, or to make purchases from, a Conduit Lender (or any related commercial paper issuer that finances such Conduit Lender) in support of commercial paper issued, directly or indirectly, by such Conduit Lender in order to fund Advances made by such Conduit Lender hereunder or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such Conduit Lender's or such related issuer's commercial paper program, but only to the extent that such letter of credit, surety bond, or other instrument supported either CP issued to make Advances and purchase the Class A Notes hereunder or was dedicated to that Program Support Provider's support of the Conduit Lender as a whole rather than one particular issuer (other than the Trust) within such Conduit Lender's commercial paper program.

*"**Program Support Termination Event**"* means the earliest to occur of the following: (a) any Program Support Provider related to a Conduit Lender has its rating lowered below "A-1" by S&P, "Prime-1" by Moody's or "F1" by Fitch (if rated by Fitch), unless a replacement Program Support Provider having ratings of at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch) is substituted within 30 days of such downgrade or alternative arrangements are then in place that are sufficient to continue to enable such Rating Agency to rate the affected CP at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch); (b) any Program Support Provider shall fail to honor any of its payment obligations under its Program Support Agreement unless alternative arrangements are then in place that are sufficient to continue to enable such Rating Agency to rate the affected CP at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch); (c) a Program Support Agreement shall cease for any reason to be in full force and effect or be declared null and void; or (d) the final maturity date of such Program Support Agreement (unless such final maturity date is extended pursuant to the Program Support Agreement).

*"**Proprietary Institution**"* means a for-profit vocational school.

*"**Proprietary Loan**"* means a loan made to or for the benefit of a student attending a Proprietary Institution; provided, however, that if a Student Loan that was initially a Proprietary Loan is consolidated, that Student Loan shall no longer be a Proprietary Loan.

*"**Public Lender**"* has the meaning assigned to such term in Section 10.02(b).

*"**Purchase Agreement**"* means each Purchase Agreement between a Seller (other than a Related SPE Seller), the Interim Eligible Lender Trustee, if applicable, Sallie Mae, Inc., as master servicer, and the Master Depositor, together with all purchase agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**Purchase Price Advance**"* means an Advance made to fund the purchase by the Trust of Eligible FFELP Loans.

*"**Qualified Institution**"* means the Administrative Agent or, with the written consent of the Administrative Agent and the Trust (or the Administrator on behalf of the Trust), any bank or trust company which has (a) a long-term unsecured debt rating of at least "A2" by Moody's and at least "A" by S&P and (b) a short-term rating of at least "Prime-1" by Moody's and at least "A-1" by S&P.

*"**Qualified Program Support Provider**"* means, with respect to a Committed Conduit Lender, any Program Support Provider to such Conduit Lender which has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's.

*"**Rating Agencies**"* means each of Moody's, S&P and Fitch.

*"**Rating Agency Condition**"* means, with respect to a particular amendment to or change in the Transaction Documents, that each Rating Agency rating the CP of any Conduit Lender shall, if required pursuant to such Conduit Lender's program documents or by the related Managing Agent, have provided a statement in writing that such amendment or change will not result in a withdrawal or reduction of the ratings of such CP.

"***Ratings Request***" has the meaning assigned to such term in Section 2.15(d).

"***Records***" means all documents, books, records, Student Loan Notes and other information (including without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) maintained with respect to Trust Student Loans or otherwise in respect of the Pledged Collateral.

*"**Recoveries**"* means moneys collected from whatever source with respect to any Liquidated Student Loan which was written off in prior Settlement Periods or during the current Settlement Period, net of the sum of any amounts expended by the Servicer with respect to such Student Loan for the account of any Obligor and any amounts required by law to be remitted to any Obligor.

*"**Register**"* means that register maintained by the Administrative Agent, pursuant to Section 10.04(j), on which it will record the Lenders' rights hereunder, and each assignment and acceptance and participation.

*"**Registered Owner**"* means the Person in whose name a Note is registered in the Note Register. The Managing Agents shall be the initial Registered Owners.

*"**Regulatory Change**"* means, relative to any Affected Party:

(a) after the A&R Closing Date, any change in or the adoption or implementation of, any new (or any new interpretation or administration of any existing):

(i) United States federal or state law or foreign law applicable to such Affected Party;

(ii) regulation, interpretation, directive, requirement, guideline or request (whether or not having the force of law) applicable to such Affected Party of (A) any court or Governmental Authority charged with the interpretation or administration of any law referred to in clause (a)(i) above or (B) any fiscal, monetary or other authority having jurisdiction over such Affected Party; or

(iii) generally accepted accounting principles or regulatory accounting principles applicable to such Affected Party and affecting the application to such Affected Party of any law, regulation, interpretation, directive, requirement, guideline or request referred to in clause (a)(i) or (a)(ii) above;

(b) any change after the A&R Closing Date in the application to such Affected Party (or any implementation by such Affected Party) of any existing law, regulation, interpretation, directive, requirement, guideline or request referred to in clause (a)(i), (a)(ii) or (a)(iii) above; or

(c) the compliance, whether commenced prior to or after the A&R Closing Date hereof, by any Affected Party with (w) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof (the "***Dodd-Frank Act***"), (x) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities ("***Basel III***"), (y) Article 122a of CRD or (z) any existing or future rules, regulations, guidance, interpretations or directives from the U.S. or foreign bank regulatory agencies relating to the Dodd-Frank Act, Basel III or Article 122a of CRD (whether or not having the force of law).

*"**Related LIBOR Rate**"* means, with respect to any CP Advance and any Yield Period, the LIBOR Base Rate that would be applicable under clause (ii) of the definition thereof to a LIBOR Advance with an Interest Accrual Period corresponding to the related Settlement Period; provided, that if any Conduit Lender calculates its CP Rate based on match-funding rather than pool funding, the Related LIBOR Rate for such Conduit Lender shall be calculated based on an interest rate equal to the weighted average of the LIBOR Base Rate under clause (ii) of the definition thereof as calculated on each date during which CP is issued to fund or maintain the CP Advances during the related Settlement Period and as reported to the Administrative Agent by the applicable Managing Agent under Section 2.27.

*"**Related Parties**"* means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

*"**Related SPE Sellers**"* means Bluemont Funding LLC and Town Hall Funding LLC, each a Delaware limited liability company.

*"**Related SPE Trusts**"* means Bluemont Funding I and Town Hall Funding I, each a Delaware statutory trust.

*"**Release Reconciliation Statement**"* has the meaning assigned to such term in Section 2.18.

*"**Released Collateral**"* means any Pledged Collateral released pursuant to Section 2.18.

*"**Reportable Event**"* means any of the events set forth in Section 4043(c) of ERISA.

*"**Reported Liabilities**"* means, as of any date, the Liabilities of the Trust (less amounts then outstanding under the Revolving Credit Agreement) reported to the Trust (or to the Administrator on behalf of the Trust) as set forth in the most recent Monthly Report and as adjusted for any Advances made since the date of such Monthly Report or with respect to which the Trust (or the Administrator on behalf of the Trust) has actual knowledge.

*"**Reporting Date**"* means the twenty-second (22nd) day of each calendar month, beginning February 22, 2010 or, if such day is not a Business Day, the immediately preceding Business Day.

*"**Requested Advance Amount**"* means the amount of the Advance that is requested by the Trust.

*"**Required Borrower Benefit Amount**"* means (i) any amount required to be deposited into the Borrower Benefit Account pursuant to Section 6.26(a)(ii) and (ii) any Borrower Benefit Amount.

*"**Required Capitalized Interest Account Balance**"* means (i) at any time that no Capitalized Interest Account Funding Event has occurred and is continuing, $0, (ii) after the occurrence and during the continuation of a Capitalized Interest Account Funding Event, the Capitalized Interest Account Specified Balance, and (iii) at any time a Maturity Non-Renewing Facility Group is required to make a Capitalized Interest Advance pursuant to Section 2.21(b), the amount of such Capitalized Interest Advance.

*"**Required Holding Deposit Amount**"* has the meaning assigned to such term in Section 2.23.

*"**Required Legal Opinion**"* means an opinion of Orrick, Herrington & Sutcliffe LLP, or such other outside counsel to the Trust reasonably acceptable to the Administrative Agent, with respect to the true sale of Trust Student Loans and non-consolidation issues that describes the facts of the proposed transaction and contains conclusions reasonably determined by the Administrative Agent to be in form and substance similar to the conclusions contained in the legal opinions previously delivered to and accepted by the Administrative Agent on the Original Closing Date.

*"**Required Managing Agents**"* means, at any time, not less than three Managing Agents representing Facility Groups then holding at least 66-2/3% of the Aggregate Note Balance; provided, that if there are no outstanding Advances, then "Required Managing Agents" means at such time not less than three Managing Agents representing Facility Groups then holding at least 66-2/3% of the Commitments; and provided further, that the Commitments and Advances held by a Distressed Lender's Facility Group shall not be included in determining whether Required Managing Agents have approved or not approved any amendments, waivers or other actions requiring the approval of the Required Managing Agents under this Agreement or any other Transaction Document.

*"**Required Ratings**"* has the meaning assigned to such term in Section 2.15(d).

*"**Reserve Account**"* means the special account created pursuant to Section 2.06(b).

*"**Reserve Account Specified Balance**"* means (a) on the Closing Date and for each Settlement Period, cash or Eligible Investments in an amount equal to one-quarter of one percent (0.25%) of the Student Loan Pool Balance as of the Closing Date, or as of the last day of that Settlement Period, as applicable, and (b) for each Advance Date, the sum of (i) the Reserve Account Specified Balance as of the last day of the most recent Settlement Period (or, if prior to the end of the first Settlement Period ending after the Closing Date, the Closing Date) and (ii) one-quarter of one percent (0.25%) of the Principal Balance of the Additional Student Loans purchased by the Trust since the last day of the most recent Settlement Period (including Additional Student Loans being purchased by the Trust with the Advance to be made on such Advance Date); provided, however, that the Reserve Account Specified Balance shall be not less than $500,000.

*"**Reset Date**"* means with respect to any LIBOR Advance made by an Alternate Lender or a Conduit Lender, the last Business Day of the related Tranche Period.

*"**Revolving Credit Agreement**"* means the subordinated revolving credit agreement, dated as of February 29, 2008, between the Trust and SLM Corporation to (i) fund the difference, if any, between the amount of each related Advance and the fair market value of the Eligible FFELP Loans purchased pursuant to the Sale Agreement on the related date of purchase and (ii) at the option of SLM Corporation, to cure any breach of the Minimum Asset Coverage Requirement caused by an adjustment of the Applicable Percentage, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

*"**Revolving Period**"* means (A) the period commencing on the Original Closing Date and terminating on the earliest to occur of (i) the Scheduled Maturity Date, (ii) the first day of an Amortization Period and (iii) the Termination Date, and (B) any other period beginning on the date of reinstatement of a Revolving Period pursuant to Section 7.01(i) or Section 7.01(j) and terminating on the earliest to occur thereafter of (i) the Scheduled Maturity Date, (ii) the first day of an Amortization Period and (iii) the Termination Date.

*"**S&P**"* means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

*"**Sale Agreement**"* means the Sale Agreement, dated as of February 29, 2008, among the Depositor, the Trust, the Interim Eligible Lender Trustee and the Eligible Lender Trustee, and under which the Depositor may from time to time transfer certain Eligible FFELP Loans to the Trust, together with all sale agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**Schedule of Trust Student Loans**"* means a listing of all Trust Student Loans delivered to and held by the Administrative Agent (which Schedule of Trust Student Loans may be in the form of microfiche, CD-ROM, electronic or magnetic data file or other medium acceptable to the Administrative Agent), as from time to time amended, supplemented, or modified, which Schedule of Trust Student Loans shall be the master list of all Trust Student Loans then comprising a part of the Pledged Collateral pursuant to this Agreement.

*"**Scheduled Maturity Date**"* means January 9, 2015, or if such date is extended pursuant to Section 2.16(b), the date to which it is so extended.

*"**Secured Creditors**"* means the Administrative Agent, the Syndication Agent, each Conduit Lender, LIBOR Lender, Alternate Lender, Managing Agent, Co-Valuation Agent and Program Support Provider, and any assignee or participant of any Lender or any Program Support Provider pursuant to the terms hereof.

*"**Securities Act**"* means the Securities Act of 1933, as amended.

*"**Securities Intermediary**"* means Bank of America, N.A. and its successors or assigns.

*"**Securitization Value Percentage**"* has the meaning assigned to such term in the Valuation Agent Agreement.

*"**Seller Interim Trust Agreements**"* means (i) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and VG Funding, LLC, and (ii) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and Phoenix Fundings LLC.

*"**Sellers**"* means one or more of SLM Education Credit Finance Corporation, VG Funding, LLC, VL Funding LLC, Mustang Funding I, LLC, Mustang Funding II, LLC, Phoenix Fundings LLC, VK Funding LLC, Cavalier Funding 1 LLC and the Related SPE Sellers, and such other subsidiaries of SLM Corporation as may be agreed upon by the Required Managing Agents (provided, however, that if a proposed seller is a special purpose subsidiary of SLM Corporation for which the Master Servicer is responsible for any repurchase obligations, only the consent of the Administrative Agent shall be required) and with respect to which the requirements of Section 4.04 have been satisfied.

*"**Servicer**"* means the Master Servicer or a Subservicer.

*"**Servicer Advances**"* means any Financing Costs advanced by the Master Servicer pursuant to Section 2.17.

*"**Servicer Buy-Out**"* means the right of the Master Servicer, as set forth in Section 3.05(h) of the Servicing Agreement, to purchase any Trust Student Loans (when added to the aggregate Principal Balance of all Trust Student Loans previously purchased pursuant to a Servicer Buy-Out) in an amount not to exceed 2%, in the aggregate since February 29, 2008, of the Aggregate Note Balance then Outstanding.

*"**Servicer Default**"* means a "Servicer Default" as defined in Section 5.01 of the Servicing Agreement.

*"**Servicing Agreement**"* means, individually or collectively, (a) the Amended and Restated Servicing Agreement, dated as of the Original Closing Date, among the Trust, the Master Servicer, the Eligible Lender Trustee, the Administrator and the Administrative Agent, (b) (i) the Subservicing Agreement dated as of the Original Closing Date, among Pennsylvania Higher Education Assistance Agency, as subservicer, the Master Servicer, the Trust and the Eligible Lender Trustee, (ii) the Federal FFEL Subservicing Agreement dated June 4, 2008, among ACS Education Services, Inc., as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, (iii) the Subservicing Agreement dated as of September 30, 2008, among Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, and (iv) the Subservicing Agreement dated as of July 22, 2011, among Great Lakes Educational Loan Services, Inc., as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, (c) any other servicing agreement among the Trust, the Master Servicer and any Subservicer under which the respective Subservicer agrees to administer and collect the Trust Student Loans but the Master Servicer remains responsible to the Trust for the performance of such duties, which is substantially similar to any of the subservicing agreements signed with Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, or Pennsylvania Higher Education Assistance Agency, or is otherwise consented to by the Administrative Agent, which consent is not to be unreasonably withheld or delayed, and (d) any other subservicing agreement among the Trust, the Master Servicer and a Subservicer, consented to by the Administrative Agent, under which such Subservicer agrees to administer and collect certain Trust Student Loans, but with respect to which the Master Servicer is not liable for such Trust Student Loans.

*"**Servicing Fees**"* means the Primary Servicing Fee, the Carryover Servicing Fee and any other fees payable by the Trust to the Master Servicer or the Subservicers in respect of servicing Trust Student Loans pursuant to the provisions of any Servicing Agreement.

*"**Servicing Policies**"* means the policies and procedures of the Master Servicer or any Subservicer, as applicable, with respect to the servicing of Student Loans.

*"**Settlement Date**"* means the 25th day of each calendar month, beginning February 25, 2010 or, if such day is not a Business Day, the following Business Day.

*"**Settlement Period**"* means (i) initially the period commencing on the Original Closing Date and ending on January 31, 2010, and (ii) thereafter, (a) during a Revolving Period or an Amortization Period, each monthly period ending on (and inclusive of) the last day of the

calendar month and (b) after the occurrence and during the continuation of a Termination Event, such period as determined by the Administrative Agent in its sole discretion (which may be a period as short as one Business Day).

*"**Side Letter**"* means the Second Amended and Restated Side Letter, dated as of the A&R Closing Date, among the Trust, the Administrator, the Administrative Agent, the Managing Agents, the Eligible Lender Trustee and certain other financial institutions party thereto.

*"**SLM Corporation**"* means SLM Corporation, a Delaware corporation, and its successors and assigns.

*"**SLM Guaranty**"* means the Guaranty dated as of March 20, 2008 made by SLM Corporation with respect to certain obligations of Sallie Mae, Inc. under the Purchase Agreements, the Conveyance Agreement and the Tri-Party Transfer Agreement.

*"**SLM* Indemnified Amounts**"* has the meaning assigned to such term in Section 8.02.

*"**SLS Loan**"* means a student loan originated under the authority set forth in Section 428A (or a predecessor section thereto) of the Higher Education Act and shall include student loans designated as "SLS Loans," as defined under the Higher Education Act.

*"**Solvent**"* means, at any time with respect to any Person, a condition under which:

(a) the fair value and present fair saleable value of such Person's total assets is, on the date of determination, greater than such Person's total liabilities (including contingent and unliquidated liabilities) at such time;

(b) the fair value and present fair saleable value of such Person's assets is greater than the amount that will be required to pay such Person's probable liability on its existing debts as they become absolute and matured ("debts," for this purpose, includes all legal liabilities, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent);

(c) such Person is, and shall continue to be, able to pay all of its liabilities as such liabilities mature; and

(d) such Person does not have unreasonably small capital with which to engage in its current and in its anticipated business.

*"**Special Allowance Payments**"* means special allowance payments on Student Loans authorized to be made by the Department of Education pursuant to Section 438 of the Higher Education Act, or similar allowances authorized from time to time by federal law or regulation.

*"**Stafford Loan**"* means a loan designated as such that is made under the Robert T. Stafford Student Loan Program in accordance with the Higher Education Act.

*"**Step-Down Date**"* means any of the dates on which the Maximum Financing Amount is reduced in accordance with the definition thereof.

*"**Step-Up Fees**"* means, with respect to any Facility Group's Class A Notes and any Yield Period, the sum of (1) the Non-Use Fee payable to such Facility Group for such Yield Period and (2) the applicable Excess Yield.

*"**Student Loan**"* means a FFELP Loan.

*"**Student Loan Notes**"* means the promissory note or notes of an Obligor and any amendment thereto evidencing such Obligor's obligation with regard to a Student Loan or the electronic records evidencing the same.

*"**Student Loan Pool Balance**"* means, (i) as of the Initial Cutoff Date, the aggregate Principal Balance of the Trust Student Loans as reported by the Administrator for such date; and (ii) as of any other date of determination, (x) the aggregate Principal Balance (as reported by the Administrator on the last Monthly Report delivered to the Administrative Agent) of the Trust Student Loans, calculated as of the end of the previous calendar month, plus (y) the aggregate Principal Balance of the Trust Student Loans acquired since the end of the previous calendar month as of their respective Cutoff Dates, minus (z) the aggregate Principal Balance of the Trust Student Loans disposed of by the Trust since the end of the previous calendar month as of their respective dates of disposition.

*"**Subsequent Cutoff Date**"* means, with respect to any Trust Student Loan, the *"*Purchase Date*"* for such Trust Student Loan as such term is defined in the Sale Agreement.

*"**Subservicer**"* means, on the A&R Closing Date, Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, Pennsylvania Higher Education Assistance Agency, Nelnet Inc., and, thereafter, in addition, any subservicer appointed by the Master Servicer pursuant to the Servicing Agreement of the Master Servicer.

*"**Syndication Agent**"* means JPMorgan Chase Bank, N.A.

*"**Syndication Agent Fees**"* means, the fees, reasonable expenses and charges, if any, of the Syndication Agent, payable pursuant to the Administrative Agent and Syndication Agent Fee Letter.

*"**Take Out Securitization**"* means a sale or transfer of any portion of the Trust Student Loans by the Trust (directly or indirectly) to a trust sponsored by an Affiliate of the Depositor as part of a publicly or privately traded, rated or unrated student loan securitization, pass-through, pay through, secured note or similar transaction.

*"**Termination Date**"* means the earliest to occur of (a) any date designated as the date for terminating the entire Maximum Financing Amount pursuant to Section 2.03, (b) the last day of an Amortization Period (other than an Amortization Period ending as a result of the reinstatement of a Revolving Period) and (c) the date of the declaration or automatic occurrence of the Termination Date pursuant to Article VII.

*"**Termination Event**"* has the meaning assigned to such term in Article VII.

*"**Tranche Period**"* with respect to LIBOR Advances made by an Alternate Lender or a Conduit Lender, means a period commencing on the date such LIBOR Advance is disbursed or on a Reset Date and ending on the date one day, one week or one month thereafter, as selected by the Trust on its Advance Request; provided, that (i) any Tranche Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Tranche Period shall end on the next preceding Business Day; (ii) any Tranche Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Tranche Period) shall end on the last Business Day of the calendar month at the end of such Tranche Period; and (iii) in no event shall any Tranche Period end after the then current Scheduled Maturity Date.

*"**Transaction Documents**"* means, collectively, this Agreement, the Trust Agreement, the Administration Agreement, each Servicing Agreement, each Purchase Agreement, the Conveyance Agreement, the Sale Agreement, the Tri-Party Transfer Agreement, each Permitted SPE Sale Agreement, all Guarantee Agreements, each Interim Trust Agreement, each Eligible Lender Trustee Agreement, the Valuation Agent Agreement, the Guaranty and Pledge Agreement, the Indemnity Agreement, the Revolving Credit Agreement, the Power of Attorney, the Fee Letters, the Side Letter, the Omnibus Waiver and Consent, the VK Omnibus Waiver and Consent and Guaranty, the Cavalier Omnibus Waiver and Consent and Guaranty, the SLM Guaranty, the Original Amendment and Reaffirmation, the Omnibus Reaffirmation and Amendment, and all other instruments, fee letters, documents and agreements executed in connection with any of the foregoing.

*"**Transaction Parties**"* means, collectively, the Trust, the Depositor, the Administrator, the Master Depositor, the Master Servicer, each Seller and SLM Corporation.

*"**Treasury Regulations**"* means any regulations promulgated by the Internal Revenue Service interpreting the provisions of the Code.

*"**Tri-Party Transfer Agreement**"* means the sale and purchase agreement, dated as of February 29, 2008, among the Depositor, the Related SPE Sellers, the Master Servicer and the related eligible lender trustees.

*"**Trust**"* means Town Center Funding I, a Delaware statutory trust, and its successors and assigns.

*"**Trust Accounts**"* means the Administration Account, Collection Account, Capitalized Interest Account, Reserve Account, Borrower Benefit Account and Floor Income Rebate Account.

*"**Trust Agreement**"* means the Second Amended and Restated Trust Agreement, dated as of the Original Closing Date, among the Depositor, the Delaware Trustee and the Eligible Lender Trustee.

*"**Trust Indemnified Amounts**"* has the meaning assigned to such term in Section 8.01.

*"**Trust Materials**"* has the meaning assigned to such term in Section 10.02(b).

*"**Trust Student Loan**"* means any Student Loan held by the Trust.

*"**UCC**"* means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

*"**United States**"* means the United States of America.

*"**Used Fee Rate**"* means, with respect to any Lender, the used fee rate as set forth in the Lenders Fee Letter.

*"**Valuation Agent Agreement**"* means the Second Amended and Restated Valuation Agent Agreement, dated as of the A&R Closing Date, among the Trust, the Administrator, the Administrative Agent and the Co-Valuation Agents.

*"**Valuation Agent Fee Letter**"* means the Second Amended and Restated Valuation Agent Fee Letter, dated as of the A&R Closing Date, among the Trust and the Co-Valuation Agents, setting forth the Co-Valuation Agents Fees.

*"**Valuation Date**"* has the meaning assigned to such term in the Valuation Agent Agreement.

*"**Valuation Report**"* means a report furnished by the Administrative Agent pursuant to Section 2.25(a).

*"**Valuation Step-Up Event**"* means the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days while the Minimum Asset Coverage Requirement remains satisfied; provided, that a Valuation Step-Up Event will not occur if the Market Value Percentage and the Securitization Value Percentage are each equal to or greater than the Floor.

*"**Valuation Step-Up Rate**"* means, with respect to any Lender, the valuation step-up rate as set forth in the Lenders Fee Letter.

*"**VK Omnibus Waiver and Consent and Guaranty**"* means the Amended and Restated Omnibus Waiver and Consent and Guaranty relating to VK Funding LLC, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent.

*"**Weighted Average Remaining Term in School**"* means, as of any date of determination, (a) the sum, for all Eligible FFELP Loans that are in in-school status, of the products of (i) the Principal Balance of each such Eligible FFELP Loan, as of such date, and (ii) the number of months remaining in school shown on the Servicer's record, as of such date, for the student with respect to such Eligible FFELP Loan, divided by (b) the aggregate Principal Balance of all Eligible FFELP Loans that are in in-school status, as of such date.

*"**Whole Loan Sale**"* means a sale of all or a part of the Trust Student Loans to a third-party purchaser in exchange for not less than fair market value.

*"**Yield**"* means, for each Facility Group's Class A Notes and any Yield Period, (a) the aggregate sum for each day within such Yield Period of the applicable Yield Rate for such day multiplied by the outstanding principal amount of such Facility Group's Class A Note on such day, divided by 360, plus or minus (b) the Estimated Interest Adjustment if and as applicable minus (c) any Step-Up Fees described in clause (2) of the definition thereof.

*"**Yield Period**"* means, for a CP Advance or a Base Rate Advance, each Settlement Period and for a LIBOR Advance, each Interest Accrual Period.

*"**Yield Protection**"* means any Note Purchaser's reasonable increased costs for taxes, reserves, special deposits, insurance assessments, breakage costs, changes in regulatory capital requirements (or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, such Note Purchaser) and certain reasonable expenses imposed on such Note Purchaser.

*"**Yield Rate**"* means, with respect to any date of determination:

(a) other than during an Amortization Period, after the occurrence and during the continuation of a Valuation Step-Up Event or on and after the occurrence of a Termination Event:

(i) if a Conduit Lender funds (directly or indirectly) its portion of the Aggregate Note Balance with CP, the applicable CP Rate plus the applicable Used Fee Rate;

(ii) if an Alternate Lender or a Conduit Lender (if funding its investment other than with CP) funds its portion of the Aggregate Note Balance, the applicable LIBOR Rate (or if LIBOR Rate is not available, the applicable Base Rate) plus the Applicable Margin; or

(iii) if a LIBOR Lender funds its portion of the Aggregate Note Balance, the applicable LIBOR Rate (or if LIBOR Rate is not available, the applicable Base Rate) plus the Applicable Margin;

(b) during an Amortization Period, the applicable Amortization Period Rate, or if greater, at any time that the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate;

(c) after the occurrence and during the continuation of a Valuation Step-Up Event and so long as neither an Amortization Period nor a Termination Event exists, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate; or

(d) on and after the occurrence of a Termination Event, the Base Rate plus 2.50% per annum plus the applicable Non-Renewal Step-Up Rate, or if greater, at any time that the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate.

Section 1.02. Other Terms.

(a) All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York and not specifically defined herein, are used herein as defined in such Article 9. Any reference to an agreement herein shall be deemed to include a reference to such agreement as amended, supplemented or otherwise modified from time to time.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words *"*include,*"* *"*includes*"* and *"*including*"* shall be deemed to be followed by the phrase *"*without limitation.*"* The word *"*will*"* shall be construed to have the same meaning and effect as the word *"*shall.*"*

(c) Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Transaction Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words *"*herein,*"* *"*hereof*"* and *"*hereunder,*"* and words of similar import when used in any Transaction Document, shall be construed to refer to such Transaction Document in its entirety and not to any particular provision thereof, (iv) all references in any Transaction Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Transaction Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words *"*asset*"* and *"*property*"* shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties.

Section 1.03. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.04. Calculation of Yield Rate and Certain Fees. The Yield Rate on the Class A Notes and all fees payable to the Lenders, the Note Purchasers or the Registered Owners pursuant to this Agreement are calculated based on the actual number of days divided by 360. Interest shall accrue on the Class A Notes from and including the day on which the related Advance is made, and shall not accrue on the Class A Notes or any portion thereof, for the day on which the Class A Notes or such portion is paid. Each determination by the Administrative Agent (or, with respect to the calculation of any CP Rate, LIBOR Base Rate or LIBOR Rate, the applicable Managing Agent), of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 1.05. Time References. All time references in this Agreement shall refer to the time in New York, New York unless otherwise noted.

Section 1.06. Effectiveness of Initial Note Purchase Agreement; Amendment and Restatement. The parties hereto hereby agree that for all purposes (i) for the period commencing on the Original Closing Date through but excluding the A&R Closing Date, the provisions, terms and conditions of the Initial Note Purchase Agreement shall apply in all respects without giving effect to this Agreement, and (ii) from and including the A&R Closing Date, subject to the satisfaction of the conditions precedent set forth in Section 4.05, the provisions, terms and conditions of this Agreement (as it shall be amended, supplemented or modified from time to time) shall govern exclusively. This Agreement shall amend and restate in its entirety the Initial Note Purchase Agreement and shall have the effect of a substitution of terms of the Initial Note Purchase Agreement, but this Agreement will not have the effect of causing a novation, refinancing or other repayment of the obligations of the Transaction Parties under the Initial Note Purchase Agreement (hereinafter the "***Original Obligations***") or a termination or extinguishment of the liens securing such Original Obligations, which Original Obligations shall remain outstanding and repayable pursuant to the terms of this Agreement and which liens shall remain attached, enforceable and perfected securing such Original Obligations and all additional obligations arising under this Agreement. Each reference to the Initial Note Purchase Agreement in any of the Transaction Documents, or any other document, instrument or agreement delivered in connection therewith shall mean and be a reference to this Agreement.

Section 1.07. Consents.

(a) Each of the Secured Creditors party hereto agrees to the terms of, and authorizes the Administrative Agent to execute on its behalf, each of the A&R Transaction Documents to which such Secured Creditor is not itself a party.

(b) Each of the Secured Creditors party hereto consents to the Administrator's withdrawal of its request for Moody's to rate the Class A Notes on the A&R Closing Date. The parties hereto acknowledge that as a result of such withdrawal, immediately prior to giving effect to the amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement on the A&R Closing Date, no Rating Agency rated the Class A Notes at the request of the Administrator.

(c) Each of the Secured Creditors party hereto acknowledges that The Bank of New York Mellon Trust Company, National Association intends to resign in its capacity as Eligible Lender Trustee and Interim Eligible Lender Trustee and that the appointment of a replacement Eligible Lender Trustee and Interim Eligible Lender Trustee is subject to, among the other terms and conditions set forth in the Trust Agreement, the Interim Trust Agreements and the other Transaction Documents, the prior consent of the Administrative Agent. Each such Secured Creditor hereby authorizes the Administrative Agent to give or withhold such consent, and to require such documentation and other deliveries in connection with giving such consent, in each case, in the Administrative Agent's discretion.

(d) Each of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent and the Lenders within the Facility Group for which Alpine Securitization Corp. acted as Managing Agent under the Initial Note Purchase Agreement hereby acknowledge that, effective on the A&R Closing Date, immediately prior to giving effect to the amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement, (i) Alpine Securitization Corp. resigned in its capacity as Managing Agent for such Facility Group and Credit Suisse AG, New York Branch was appointed, and accepted such appointment, as Managing Agent for such Facility Group and (ii) Credit Suisse AG, New York Branch assigned all of its rights and obligations as an Alternate Lender to Credit Suisse AG, Cayman Islands Branch, and such parties confirm that they received notice of such resignation, appointment and assignment in accordance with the Initial Note Purchase Agreement.

(e) The Administrative Agent and each Managing Agent hereby agrees that the Trust may, with respect to all applicable Trust Student Loans, exercise, or permit the exercise of, the rights of the holder or beneficial owner of such Trust Student Loans under Section 438(b)(2)(I)(vii) of the Higher Education Act to waive its rights to have Special Allowance Payments computed using the formula in effect at the time such Trust Student Loans were first disbursed, such that Special Allowance Payments with respect to such Trust Student Loans shall instead be computed based upon the "1-month London Inter Bank Offered Rate" as described in Section 438(b)(2)(I)(vii)(II) of the Higher Education Act (such change with respect to the calculation of Special Allowance Payments is hereinafter referred to as the "***Special Allowance Payment Change***"). The Trust (or the Administrator on its behalf) shall deliver to the Administrative Agent and each Managing Agent prior or concurrent written notice of the delivery of the waiver to the Secretary of the Department, which notice shall include a written certification that, as of the date of the delivery of the waiver to the Secretary of the Department, the Special Allowance Payment Change is not reasonably expected to have a disparate impact on the Trust or its interests in such Trust Student Loans as compared to the impact on SLM Corporation and its Affiliates and their respective interests in all other student loans which are affected by the Special Allowance Payment Change.

ARTICLE II.

THE FACILITY

Section 2.01. Issuance and Purchase of Class A Notes; Making of Advances.

(a) (i) In consideration of the agreements of the Note Purchasers hereunder, and subject to the terms and conditions set forth in this Agreement, (y) the Trust agrees to sell, transfer and deliver to each Managing Agent, on behalf of its related Note Purchasers, and (z) each Managing Agent on behalf of its related Note Purchasers agrees to purchase from the Trust, on the Closing Date, a Class A Note, the outstanding principal amount of which shall not exceed the applicable Pro Rata Share of such Facility Group multiplied by the Maximum Financing Amount. Subject to the satisfaction of the conditions precedent set forth in Section 4.01, the purchase price payable on the Closing Date for the Class A Note for each Facility Group shall be equal to such Facility Group's Pro Rata Share of the Aggregate Note Balance as of the Closing

Date. The payment of such purchase price shall be subject to the same requirements applicable to an Advance under Section 2.01(b). Each Note shall be issued in the name of a Registered Owner.

(ii) In consideration of the agreements of the Note Purchasers hereunder, and subject to the effectiveness of this Agreement as set forth in Section 4.05, all parties hereto agree that on the A&R Closing Date: (A) the Trust shall issue a restated Class A Note to each Managing Agent in an amount equal to the Commitment of its related Facility Group if the face amount of the Class A Note previously issued to such Managing Agent is greater than or less than (but not equal to) the Commitment of its related Facility Group; and (B) each Facility Group which has received a restated Class A Note shall deliver its existing Class A Note for cancellation pursuant to Section 3.08 or deliver a lost note indemnity or a lost note affidavit indemnifying the Trust for non-delivery of its Notes. In addition to the foregoing, on the A&R Closing Date, the Aggregate Note Balance held by each Facility Group shall either be increased by a non-pro rata Advance or the Trust shall repay such Aggregate Note Balance on a non-pro rata basis, as applicable, to the extent necessary such that the Aggregate Note Balance of the Class A Note held by each Facility Group shall be equal to its Pro Rata Share of the Aggregate Note Balance for all outstanding Class A Notes and the outstanding principal balance of each Facility Group's Advances as of such date shall be as set forth on Schedule 2.01 hereto.

(iii) Each party hereto waives (x) any requirements under the Initial Note Purchase Agreement or under this Agreement that each Advance and repayment of Advances be ratable and (y) any conditions precedent to the making of Advances or repayments of Advances under the Initial Note Purchase Agreement or under this Agreement, in each case solely to the extent necessary to implement the Advances and repayments of Advances described in the second sentence of Section 2.01(a)(ii) above, *it being understood* that the Advances and repayments of Advances in the second sentence of Section 2.01(a)(ii) above are solely due to re-allocation of Commitments among the Facility Groups.

(b) On the terms and conditions hereinafter set forth, each Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to make Advances during a Revolving Period (or, with respect to Capitalized Interest Advances, at such times in accordance with Section 4.02(c)), and each other Conduit Lender may, in its sole discretion, make Advances to the Trust from time to time up to an aggregate principal amount outstanding at any one time not to exceed the Maximum Financing Amount in effect at the time of such Advance; provided, that: (i) the aggregate Advances made on any date, together with advances made under the other FFELP Loan Facilities on such date, must be in a principal amount equal to $50,000,000 or integral multiples of $500,000 in excess thereof (other than (x) Capitalized Interest Advances and (y) Excess Collateral Advances made on a Settlement Date the proceeds of which are used to pay amounts owing under clauses (ii) through (iv) of Section 2.05(b), in each case as to which such minimum is not applicable) and (ii) the Requested Advance Amount on any Advance Date shall not exceed the Maximum Advance Amount. Within the limits set forth in this Section and the other terms and conditions of this Agreement, during a Revolving Period, the Trust, acting through the Administrator, may request Advances, repay Advances and reborrow Advances

under this Section; provided, however, that after the end of the Revolving Period, Capitalized Interest Advances will continue to be made in accordance with Section 4.02(c). In addition, the Administrative Agent may also request Capitalized Interest Advances after the occurrence of a Capitalized Interest Account Funding Event. All Class A Notes issued hereunder shall be denominated in and be payable in United States dollars. Yield on each CP Advance, each Base Rate Advance and each LIBOR Advance shall be due and payable on each Settlement Date. The Aggregate Note Balance and all other Obligations hereunder, if not previously paid pursuant to Section 2.05(b) or otherwise, shall be due and payable on the Termination Date.

(c) Each Lender's obligations under this Section are several and the failure of any Lender to make available its Pro Rata Share of any Requested Advance Amount on an Advance Date shall not relieve any other Note Purchaser of its obligations hereunder or, except as provided in Section 2.01(d), obligate any other Note Purchaser to honor the obligations of any Defaulting Lenders. Advances shall be allocated among the Facility Groups in accordance with their respective Pro Rata Shares and shall be further allocated to each Lender within a Facility Group as designated by the applicable Managing Agent. Notwithstanding anything contained in this Agreement to the contrary, (i) no Conduit Lender shall fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed the Commitments of its related Alternate Lenders; (ii) no Alternate Lender, LIBOR Lender or Committed Conduit Lender shall be obligated to fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed its Commitment; and (iii) no Facility Group shall be obligated to fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed its total Commitment. The Commitment of each Lender as of the Closing Date is set forth on Exhibit A.

(d) If by 2:00 p.m. on an Advance Date, whether or not the Administrative Agent has advanced the applicable Requested Advance Amount, one or more Alternate Lenders, LIBOR Lenders or Committed Conduit Lenders fails to make its Pro Rata Share of any Advance required to be made by such Lender available to the Administrative Agent pursuant to this Agreement (the aggregate amount not so made available to the Administrative Agent being herein called the *"**Investment Deficit**"*), then the Administrative Agent shall, by no later than 5:00 p.m. on the applicable Advance Date instruct each Alternate Lender, LIBOR Lender and Committed Conduit Lender which is not a Defaulting Lender (each, a *"**Non-Defaulting Lender**"*) to pay, by no later than noon on the next Business Day in immediately available funds, to the account designated by the Administrative Agent, an amount equal to the lesser of (i) such Non-Defaulting Lender's proportionate share (based upon the relative Commitments of the Non-Defaulting Lenders) of the Investment Deficit and (ii) its unused Commitment. A Defaulting Lender shall forthwith, upon demand, pay to the Administrative Agent for the ratable benefit of the Non-Defaulting Lenders all amounts paid by each Non-Defaulting Lender on behalf of such Defaulting Lender.

Section 2.02. The Initial Advance and Subsequent Advances.

(a) [Reserved].

(b) Subject to the satisfaction of the conditions precedent set forth in this Agreement and in accordance with the terms and conditions of Section 2.01 and this Section, the Trust,

acting through the Administrator, may request an Advance hereunder by giving written notice substantially in the form of Exhibit D (each, an *"**Advance Request**"*) to the Administrative Agent not later than 11:00 a.m. on the second Business Day (or with respect to the initial Advance, not later than 11:00 a.m. on the Business Day) prior to the proposed Advance Date, which the Administrative Agent shall promptly forward to the Managing Agents not later than 1:00 p.m. on such date. Each such Advance Request shall specify:

(i) the Requested Advance Amount, which, together with the advances made under the other FFELP Loan Facilities on such date, shall be equal to or greater than $50,000,000 in the aggregate with respect to all Facility Groups, except as otherwise permitted under Section 2.01(b);

(ii) the proposed Advance Date;

(iii) if such Advance is a Purchase Price Advance, the aggregate Collateral Value of the Eligible FFELP Loans to be acquired; and

(iv) the Asset Coverage Ratio after giving effect to such Advance.

In addition, each Advance Request shall include a pro forma calculation and certification establishing (x) with respect to a Purchase Price Advance or an Excess Collateral Advance, that the Minimum Asset Coverage Requirement will be satisfied after giving effect to such Advance and (y) with respect to a Capitalized Interest Advance, the Maximum Advance Amount for such Capitalized Interest Advance and that the proceeds thereof will be deposited into the Capitalized Interest Account.

No later than 2:00 p.m. on the Advance Date, each Conduit Lender (other than a Committed Conduit Lender) may, in its sole discretion, and each Committed Conduit Lender and LIBOR Lender shall, upon satisfaction of the applicable conditions set forth in this Agreement, make available to the Trust in same day funds, its respective Pro Rata Share of the Requested Advance Amount by payment to the Administration Account; provided, that Capitalized Interest Advances made by a Maturity Non-Renewing Facility Group may be made on a non-pro rata basis as contemplated in Section 2.21(b). If a Conduit Lender (other than a Committed Conduit Lender) elects not to fund its respective Pro Rata Share of the Requested Advance Amount, such Conduit Lender's related Alternate Lenders shall, upon satisfaction of the applicable conditions set forth in this Agreement, make available to the Trust in same day funds, their respective Pro Rata Shares of the Requested Advance Amount by payment to the Administration Account and the related Managing Agent shall, no later than 2:00 p.m. on such Advance Date and on each Reset Date, notify the Administrator and the Administrative Agent of the actual Yield Rate applicable to such LIBOR Advance, and the related Tranche Period. Each Advance made by a Conduit Lender shall be a CP Advance unless the applicable Managing Agent otherwise provides notice as provided in the immediately succeeding sentence. To the extent any Conduit Lender is unable or declines to fund a requested Advance by issuing CP or if any Conduit Lender's Alternate Lenders fund any requested Advance in its place, the applicable Conduit Lender's Managing Agent shall promptly advise the Administrative Agent and the Administrator, on behalf of the Trust.

(c) So long as no Amortization Period or Termination Event exists or would result therefrom, the Administrator, on behalf of the Trust, may request that the Administrative Agent pay any amounts on deposit in the Administration Account as a prepayment on any principal of, and Financing Costs due or accrued on, the Class A Notes in whole or in part on any Business Day by giving written notice two Business Days prior to such date to the Administrative Agent and each Managing Agent indicating the amount of such prepayment and the Business Day on which such prepayment shall be made. The Trust shall pay the applicable Managing Agent for the account of the applicable Lenders in its Facility Group, on demand, such amount or amounts as shall compensate such Lenders for any loss (including loss of profit), cost or expense incurred by such Lenders and including any claims arising under any Program Support Agreement (as reasonably determined by the applicable Managing Agent) and hold such Lenders harmless from any such loss, cost or expenses, incurred by them as a result of payments with respect to the Class A Notes in connection with a prepayment under this Section 2.02(c), a request by the Trust pursuant to Section 2.21, a Permitted Release under Section 2.18 or otherwise, whether voluntary, mandatory, automatic by reason of acceleration or otherwise, such compensation to be (i) limited to an amount equal to any loss or expense suffered by the Lenders during the period from the date of receipt of such repayment to (but excluding) the maturity of the related CP (in the case of a CP Advance by a match-funded Conduit Lender), the maturity of sufficient pool-funded CP (in the case of a CP Advance by a pool-funded Conduit Lender) or the maturity of the related Tranche Period (in the case of a LIBOR Advance by an Alternate Lender or a Conduit Lender), (ii) net of the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions and (iii) inclusive of any loss or expense arising from the liquidation or re-employment of funds obtained by it to maintain such Advance or from fees payable to terminate the deposits from which such funds were obtained; provided, however, that the Trust shall not be obligated to pay such breakage amounts for a period in excess of 60 days under clause (i) above if aggregate discretionary prepayments by the Trust do not exceed 20% of the Aggregate Note Balance per month; provided further, that no such breakage amounts shall be payable by the Trust with respect to the regular distribution of Available Funds (other than proceeds of Permitted Releases) on any Settlement Date pursuant to the priority of payments set forth in Section 2.05(b). The determination by the applicable Managing Agent of the amount of any such loss or expense shall be set forth in a written notice to the Administrator (with a copy to the Administrative Agent), on behalf of the Trust, including a statement as to such loss or expense (including calculation thereof in reasonable detail), and shall be conclusive, absent manifest error.

(d) Each Advance Request shall be irrevocable and binding on the Trust, and the Trust shall indemnify each Lender against any loss or expense incurred by such Lender, either directly or indirectly (including, in the case of a Conduit Lender, through the applicable Program Support Agreement) as a result of any failure by the Trust to complete such Advance, including any loss or expense incurred by such Lender or such Lender's Managing Agent, either directly or indirectly (including, in the case of a Conduit Lender, pursuant to the applicable Program Support Agreement) by reason of the liquidation or reemployment of funds acquired by such Lender (or the applicable Program Support Provider(s)) (including funds obtained by issuing CP or promissory notes or obtaining deposits or loans from third parties) in order to fund such Advance. Any such amounts shall constitute Yield Protection hereunder.

(e) ***Prefunding of Advances***. In order to allow the Lenders to raise funds at times and in amounts that are more advantageous to the Lenders than might otherwise be possible, the Trust may, after consultation with the Administrative Agent and in connection with a proposed purchase or series of purchases of Trust Student Loans, request that all or a portion of the related Purchase Price Advance be funded prior to the actual acquisition of the related Trust Student Loans. Each such prefunding shall constitute a separate Purchase Price Advance for purposes of Section 4.02(b)(xiv) and (xv) and shall otherwise be subject to all applicable conditions precedent, measured as of the date such loans are actually purchased, for Purchase Price Advances set forth in Article IV. The proceeds of any such prefunded advance shall be deposited into the Administration Account (or such subaccount thereof as the Administrative Agent may establish for purposes of convenience) and shall not be released to the Trust until the date of purchase of the related Trust Student Loans. So long as the conditions precedent to a new Advance would be satisfied as if the Lenders were making a new Advance, the Trust may draw against such prefunding amount on any Business Day in order to consummate the related purchase of Trust Student Loans on such date. Upon the occurrence of a Termination Event, the Administrative Agent may direct that any such amounts on deposit in the Administration Account or subaccount, as applicable, be transferred to the Collection Account to be distributed in accordance with Section 2.05 and used to reduce the Aggregate Note Balance.

Section 2.03. Reduction, Termination or Increase of the Maximum Financing Amount and Prepayment of the Class A Notes.

(a) The Trust, acting through the Administrator, may, upon at least five Business Days' written notice to the Administrative Agent, (i) terminate the entire facility or (ii) reduce in part the portion of the Maximum Financing Amount that exceeds the sum of the Capitalized Interest Account Unfunded Balance and the Aggregate Note Balance. Any partial reduction in the Maximum Financing Amount shall be in an amount equal to or greater than $100,000,000 or any integral multiple of $10,000,000 in excess thereof. If such reduction in the Maximum Financing Amount is not in connection with an Exiting Facility Group, such reduction shall be allocated among the Commitments of the Facility Groups in accordance with their Pro Rata Shares and shall be allocated among the Commitments of the Lenders within each Facility Group as designated by the applicable Managing Agent. If such reduction in the Maximum Financing Amount is in connection with an Exiting Facility Group, such reduction shall be allocated first to the Commitment of the Exiting Facility Group and then any balance remaining shall be allocated among the remaining Facility Groups as set forth in the preceding sentence. The Trust shall pay, in immediately available funds, all outstanding principal and Financing Costs on the Class A Notes owned by any Lender, together with any other Obligations owed to such Lender, upon the termination of its Commitment pursuant to this Section 2.03(a).

(b) During any Exiting Group Amortization Period, if there are not sufficient proceeds from Permitted Releases, the Administrative Agent may, in accordance with the procedures set forth in Section 7.03(b), sell or otherwise dispose of a portion of the Pledged Collateral in an amount sufficient to pay the Aggregate Note Balance and Financing Costs of the Outstanding Class A Notes owned by each Exiting Facility Group. Amounts received from any such sale or disposition of Pledged Collateral shall be deposited into the Administration Account and, provided no Amortization Event or Termination Event has occurred and is continuing and the Minimum Asset Coverage Requirement has been satisfied, such amounts shall be distributed

to the Exiting Facility Groups, on any Business Day which is not a Settlement Date in accordance with the priority of payments described in Section 2.05(b)(viii). Amounts received from the sale of Pledged Collateral in excess of the amount required to repay in full the Aggregate Note Balance and Financing Costs of the Outstanding Class A Notes owned by the Exiting Facility Groups (or which are prohibited by the proviso in the immediately preceding sentence from being paid exclusively to the Exiting Facility Groups) which are deposited in the Collection Account shall be treated as Available Funds; provided, that any Yield Protection associated with any such prepayment shall be paid to the Administrative Agent for the benefit of the applicable Lender on the next Settlement Date (to the extent of Available Funds) in accordance with the priority of payments described in Section 2.05(b). All reductions to principal owed to an Exiting Facility Group in connection with any such disposition, together with any reductions to principal received by such Exiting Facility Group pursuant to clauses (viii) and (xiii) of Section 2.05(b) shall constitute a permanent reduction in the Commitment of such Exiting Facility Group and the Lenders part of such Exiting Facility Group and their Pro Rata Shares shall be calculated accordingly.

(c) The Maximum Financing Amount shall not be increased except by amendment in accordance with Section 10.01 and any future assignments of Commitments will reduce the Commitments of the applicable Lenders in accordance with Section 10.04.

(d) On each Step-Down Date, the Maximum Financing Amount shall be reduced to the amount specified in the definition of "Maximum Financing Amount" for such Step-Down Date. Such reduction shall be allocated among the Commitments of the Facility Groups in accordance with their Pro Rata Shares and shall be allocated among the Commitments of the Lenders within each Facility Group as designated by the applicable Managing Agent; provided, however, that in no event shall the Commitment be reduced for (a) any Lender to an amount less than such Lender's Pro Rata Share of the sum of (1) the Aggregate Note Balance of the Class A Note held by such Lender's Facility Group and (2) the Capitalized Interest Account Unfunded Balance, and (b) any Facility Group to an amount less than the sum of (1) the Aggregate Note Balance of the Class A Note held by such Facility Group and (2) such Facility Group's Pro Rata Share of the Capitalized Interest Account Unfunded Balance. If the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance on any Step-Down Date exceeds the Maximum Financing Amount for such Step-Down Date, the Trust, acting through the Administrator, shall pay in immediately available funds a portion of the Aggregate Note Balance of the Outstanding Class A Notes owned by each Facility Group, to be applied ratably to each Facility Group in accordance with its Pro Rata Share and within each Facility Group as designated by the applicable Managing Agent, in an aggregate amount equal to or greater than such excess, together with any accrued and unpaid Financing Costs payable if the date of such payment is not a Settlement Date.

Section 2.04. The Accounts.

(a) ***Collection Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Collection Account. The Collection Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Collection Account shall be in the name of the Trust for the benefit of the

Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Collection Account. Any Collections received by the Trust, the Administrator, the Eligible Lender Trustee, the Sellers, the Depositor, the Servicers, or any agent thereof, as the case may be, are to be transmitted to the Collection Account as soon as practicable, but in any event, within two Business Days of receipt of good funds. The Trust shall direct the Eligible Lender Trustee, each Servicer, each Seller, the Depositor and each agent of any of the foregoing, in writing, to transmit any Collections it receives with respect to the Trust Student Loans directly to the Administrative Agent for deposit to the Collection Account within two Business Days of receipt of good funds. Funds on deposit in the Collection Account may be invested from time to time in Eligible Investments at the direction of the Administrator in accordance with Section 2.08. Upon the payment in full of all Obligations hereunder and the termination of this Agreement, the Administrative Agent agrees to send notice to the Master Servicer that this Agreement has terminated and that Collections no longer are to be forwarded to the Collection Account pursuant to this Agreement. All investment earnings on the funds on deposit in the Collection Account during any Settlement Period shall be applied as Available Funds for the applicable Settlement Period. The Administrative Agent shall apply funds on deposit in the Collection Account as described in Section 2.05. Each of the Trust and the Administrator agree, by executing this Agreement, to hold any Collections received in trust for the Administrative Agent and to comply with the remittance procedures set forth in this Section 2.04.

(b) ***Administration Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Administration Account. The Administration Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Administration Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. So long as no Amortization Period or Termination Event exists or would result therefrom, funds in the Administration Account shall be applied to the following (in the order such events occur for so long as funds are available in the Administration Account): (i) to make payments to any Exiting Facility Group pursuant to Section 2.03(b); (ii) to finance the purchase of Eligible FFELP Loans pursuant to Section 2.05(c); (iii) if necessary, to be deposited into the Collection Account on each Settlement Date to cover any shortfall in amounts on deposit in the Collection Account as Available Funds to pay amounts described in clauses (i) through (ix) of Section 2.05(b); (iv) to be released to the Trust to the extent permitted under Section 2.25(d); (v) to be withdrawn for deposit to the extent permitted under Section 4.03; and (vi) if so requested by the Administrator on behalf of the Trust, to be disbursed on any Business Day as a prepayment of principal of the Outstanding Class A Notes pursuant to Section 2.02(c). During an Amortization Period and on and after the Termination Date, funds in the Administration Account shall be released to the Administrative Agent for the account of the applicable Note Purchasers to reduce the Aggregate Note Balance of the Outstanding Class A Notes and to pay accrued Yield thereon. Funds on deposit in the Administration Account may be invested from time to time in Eligible Investments in accordance with Section 2.08 hereof. All investment earnings on the funds on deposit in the Administration Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for that Settlement Period. Except for the right of the Administrator to withdraw funds as expressly set forth in this

Agreement, neither the Trust nor the Administrator shall have any withdrawal rights from the Administration Account. Any funds remaining in the Administration Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

(c) ***Floor Income Rebate Account***. On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Floor Income Rebate Account. The Floor Income Rebate Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Floor Income Rebate Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Floor Income Rebate Account. On or before each Settlement Date, the Administrator will instruct the Administrative Agent to transfer from the Collection Account to the Floor Income Rebate Account the estimated monthly accrual of Floor Income Rebate Fees for the prior calendar month (the *"**Estimated Excess Accrual**"*). Funds on deposit in the Floor Income Rebate Account may be invested from time to time in Eligible Investments in accordance with Section 2.08 hereof. All investment earnings on the funds on deposit in the Floor Income Rebate Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for that Settlement Period. On the Settlement Date following each quarterly date as of which the Servicers notify the Trust of the aggregate amount of Floor Income Rebate Fees, if any, that is due and owing to the Department of Education for the preceding quarterly period, the Administrative Agent shall transfer from the Floor Income Rebate Account to the Collection Account the aggregate Estimated Excess Accrual for the related Settlement Periods to pay any Floor Income Rebate Fees due and owing to the Department of Education pursuant to Section 2.05(e) and apply any excess funds in accordance with Section 2.05(b). Any funds remaining in the Floor Income Rebate Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

(d) ***Borrower Benefit Account***. On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Borrower Benefit Account. The Borrower Benefit Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Borrower Benefit Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Borrower Benefit Account. In the event that new borrower benefits, which are not required under the Higher Education Act or other applicable laws, rules or regulations, are offered to Obligors, the result of which is to reduce the yield on the related Eligible FFELP Loans, the Borrower Benefit Account will be funded in accordance with Section 6.26 hereof. On or before each Settlement Date, the Administrator will instruct the Administrative Agent to transfer from the Borrower Benefit Account to the Collection Account all amounts on deposit in the Borrower Benefit Account which relate to the related Settlement Period and apply such funds in accordance with Section 2.05(b). Funds on deposit in the Borrower Benefit Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. All investment earnings on the funds on

deposit in the Borrower Benefit Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for the related Settlement Period. Funds on deposit in the Borrower Benefit Account shall also be transferred and released in accordance with Section 6.26(b). Any funds remaining in the Borrower Benefit Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

Section 2.05. Transfers from Collection Account.

(a) On or prior to each Reporting Date, the Trust shall cause the Administrator to prepare the Monthly Report and shall provide or cause to be provided to the Administrator all information necessary or appropriate to accurately prepare such Monthly Report, all calculations, unless otherwise specified, to be made as of the end of the related Settlement Period, and cause the Administrator to forward such Monthly Report to the Administrative Agent. The Administrative Agent shall promptly forward the Monthly Report to each Managing Agent. The Administrative Agent shall provide to the Trust and the Administrator the Monthly Administrative Agent's Report in the form attached as Exhibit E hereto no later than five Business Days prior to each Reporting Date.

(b) The Administrative Agent, on each Settlement Date, shall make the following deposits and distributions from Available Funds in the Collection Account in the amount and in the order of priority set forth below as directed by the Administrator on behalf of the Trust (or if the Administrator fails to provide such direction, as provided by the Administrative Agent) pursuant to the Monthly Report, on which the Administrative Agent may conclusively rely, on such Settlement Date (or as otherwise provided in Article VII), in the following priority:

(i) pay to the Master Servicer an amount equal to its unreimbursed Servicer Advances due and owing;

(ii) pay to the Lockbox Banks, the Eligible Lender Trustee and the Administrator, as appropriate and on a pro rata basis, an amount equal to the Lockbox Bank Fees, the Eligible Lender Trustee Fees and the Administrator Fees, which are due and owing as of the close of business on the last day of the immediately preceding calendar month; provided, however, that the reasonable out-of-pocket costs and expenses (which shall not include fees) of such Persons shall not exceed in the aggregate $100,000 per annum;

(iii) pay to the Master Servicer, for the benefit of the Master Servicer and any Subservicers, an amount equal to the Primary Servicing Fees which are due and owing as of the close of business on the last day of the immediately preceding Settlement Period;

(iv) on a *pro rata* basis, based on the amounts owed, (A) pay to the Administrative Agent, for the benefit of the holders of the Class A Notes (excluding Class A Notes held by any Defaulting Lenders), Yield on such Class A Notes (excluding, for the avoidance of doubt, any Step-Up Fees) for the previous Yield Period and (B) pay to the Administrative Agent and each Managing Agent as Registered Owner of its Class

A Note, as appropriate, an amount equal to all other Financing Costs related to such Class A Notes (other than amounts owed with respect to Step-Up Fees or with respect to Financing Costs of a type described in clause (ii), (iv), (v) or (vi) of the definition thereof);

(v) [reserved];

(vi) *first,* pay to the Capitalized Interest Account, any amount required to cause the amount on deposit in the Capitalized Interest Account to equal the Required Capitalized Interest Account Balance and *second,* to the Reserve Account, any amount required to cause the amount on deposit in the Reserve Account to equal the Reserve Account Specified Balance;

(vii) following the replacement of the Master Servicer, pay to the replacement Master Servicer the reasonable expenses and charges resulting from the transition in servicing, to the extent such costs have not been paid by the predecessor Master Servicer; provided, that amounts paid under this clause (vii) shall not exceed $300,000;

(viii) if an Exiting Facility Group Amortization Period has begun and is continuing, provided no Amortization Event or Termination Event has occurred and is continuing and the Minimum Asset Coverage Requirement is satisfied before and after giving effect to such payment, pay to the Administrative Agent for the benefit of each Exiting Facility Group its ratable share of the Principal Distribution Amount until each Class A Note of each Exiting Facility Group has been paid in full;

(ix) pay to the Administrative Agent for the benefit of the Note Purchasers, the Principal Distribution Amount (to the extent not distributed pursuant to clause (viii) above) in accordance with their Pro Rata Shares;

(x) *first,* pay to the replacement Master Servicer any amounts described in clause (vii) above which were not previously paid due to the limitation specified in the proviso to such clause (vii), and *second,* pay to the Administrative Agent, for the benefit of the Note Purchasers of Class A Notes (excluding Class A Notes held by Defaulting Lenders), on a pro rata basis if necessary, any Step-Up Fees and Yield Protection due and owing pursuant to this Agreement as of the close of business on the last day of the immediately preceding Settlement Period;

(xi) pay to the Lockbox Banks, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Co-Valuation Agents, the Conduit Lenders, the LIBOR Lenders, the Managing Agents, the Alternate Lenders, the Program Support Providers and any Affected Party, on a pro rata basis if necessary, any amounts due and owing and not previously paid pursuant to clause (ii) above and any Trust Indemnified Amounts due and owing pursuant to this Agreement or any other Transaction Document as of such Settlement Date;

(xii) pay to the Administrative Agent (i) for the benefit of the Defaulting Lenders any Yield, Step-Up Fees, principal or Yield Protection due and owing and not paid above and (ii) for the benefit of all the Note Purchasers, the Administrative Agent,

the Managing Agents and the Program Support Providers, an amount equal to any other Obligations (other than principal, Yield or Step-Up Fees of any Class A Notes) which are accrued and owing as of the close of business on the last day of the immediately preceding Settlement Period;

(xiii) pay to the Administrative Agent for the benefit of each Exiting Facility Group, to the extent not paid in clause (viii) or (ix) above, *pro rata*, an amount up to the Aggregate Note Balance of each Exiting Facility Group's Class A Note until each Class A Note of each Exiting Facility Group has been paid in full;

(xiv) pay to the Administrator, reimbursements of any out-of-pocket costs and expenses relating to the administration of the Trust or paid on behalf of the Trust, including fees paid to the Rating Agencies on behalf of the Trust, to the extent not previously paid;

(xv) *pro rata*, pay to SLM Corporation in repayment of any SLM Indemnified Amounts paid by it pursuant to Section 8.02(b) and pay to the Administrator in repayment of any amounts paid by it pursuant to Section 10.08;

(xvi) pay to the Master Servicer, for the benefit of the Master Servicer and any Subservicers, an amount equal to any other amounts due and payable to them including Carryover Servicing Fees, if any, which are accrued and unpaid as of the close of business on the last day of the immediately preceding Settlement Period;

(xvii) so long as no Amortization Period or Termination Event exists or would result therefrom, pay to the Administrative Agent for deposit into the Administration Account to fund new purchases of Eligible FFELP Loans;

(xviii) during a Revolving Period, solely to the extent requested by the Administrator as a prepayment of the Class A Notes in an amount up to the Aggregate Note Balance, pay to the Administrative Agent for the account of the applicable Note Purchasers in accordance with their Pro Rata Shares until the Aggregate Note Balance of the Class A Notes is paid in full;

(xix) pay to SLM Corporation in repayment of accrued interest on and the unpaid principal balance borrowed under the Revolving Credit Agreement;

(xx) if the Administrative Agent has received written notice that any amounts are owed to a former Facility Group under the Guaranty and Pledge Agreement, to pay to the Managing Agent for such former Facility Group any remaining funds up to the amounts then owed under the Guaranty and Pledge Agreement;

(xxi) pay to the applicable parties, for any contingent amounts due and owing under the Churchill Town Center Note Purchase Agreement due to the application of the survival provisions of Section 10.05 of the Churchill Town Center Note Purchase Agreement; and

(xxii) if so requested by the Administrator (and so long as (A) no Valuation Step-Up Event, Amortization Event or Termination Event has occurred and is continuing and no Potential Termination Event described in Section 7.02(f) or (g) has occurred and is continuing and (B) there is no unresolved dispute as described in Section 2.25(e) as to the Applicable Percentage to be applied with respect to such Settlement Period), to pay to the holder of the Excess Distribution Certificate, any Available Funds remaining after the payment in full of each of the foregoing items.

(c) Any funds deposited into the Administration Account for the purpose of purchasing or financing Eligible FFELP Loans or prepayment of the Class A Notes shall be disbursed pursuant to a written direction of the Administrator, on behalf of the Trust, or to the Administrative Agent, as applicable.

(d) In the event that there are insufficient Available Funds to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) due and payable on such date and if no Servicer Advance has been made and no funds withdrawn from the Reserve Account or the Capitalized Interest Account to pay such amounts, and an Excess Collateral Advance could be made in accordance with the terms hereof, then the Trust shall request an Excess Collateral Advance in the amount necessary to pay such amounts.

(e) On each Settlement Date, prior to making the deposits and distributions specified in Section 2.05(b), the Administrative Agent shall pay, from funds on deposit in the Collection Account, any accrued and unpaid amounts due and owing to the Department or any Guarantor, including, without limitation, any Floor Income Rebate Fees and Monthly Rebate Fees, as directed by the Administrator on behalf of the Trust (or if the Administrator fails to provide such direction, as provided by the Administrative Agent) pursuant to the Monthly Report, on which the Administrative Agent may conclusively rely.

Section 2.06. Capitalized Interest Account and Reserve Account.

(a) On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Capitalized Interest Account. The Capitalized Interest Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Capitalized Interest Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Capitalized Interest Account. If at any time a Capitalized Interest Account Funding Event occurs, the Trust shall request a Capitalized Interest Advance in an amount equal to the applicable Maximum Advance Amount for such Advance and deposit the proceeds thereof into the Capitalized Interest Account. In the event that a Capitalized Interest Account Funding Event occurs solely with respect to one or more Maturity Non-Renewing Facility Groups, such Advance shall be requested solely from such Maturity Non-Renewing Facility Groups. Thereafter, on each Settlement Date, the Administrator shall cause to be deposited into the Capitalized Interest Account from Available Funds pursuant to Section 2.05(b)(vi) such additional amounts as are necessary to cause the amount on deposit in the Capitalized Interest Account to be equal to the Required Capitalized Interest Account Balance calculated as of the last day of the related Settlement Period. Funds on deposit in the

Capitalized Interest Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. The Administrative Agent shall apply funds on deposit in the Capitalized Interest Account as described in Section 2.07(a).

(b) On or prior to the Closing Date, the Administrator shall establish and maintain, or cause to be established and maintained, the Reserve Account by depositing into the Reserve Account cash or Eligible Investments equal to the Reserve Account Specified Balance as of the date of the initial Advance hereunder. The Reserve Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Reserve Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Reserve Account. On each Advance Date, the Trust shall deposit into the Reserve Account from proceeds of each Advance the amount, if any, necessary to bring the balance in such account up to the Reserve Account Specified Balance. Thereafter, on each Settlement Date, the Administrator shall cause to be deposited into the Reserve Account from Available Funds pursuant to Section 2.05(b)(vi) such additional amounts as are necessary to cause the amount on deposit in the Reserve Account to be equal to the Reserve Account Specified Balance calculated as of the last day of the related Settlement Period. Funds on deposit in the Reserve Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. The Administrative Agent shall apply funds on deposit in the Reserve Account as described in Section 2.07(b).

Section 2.07. Transfers from the Capitalized Interest Account and Reserve Account.

(a) To the extent there are insufficient Available Funds in the Collection Account to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in accordance with the provisions of Section 2.05 on any Settlement Date (without giving effect to any amounts owing under clause (iv)(B) of Section 2.05(b) to any Defaulting Lender which has failed to fund its Pro Rata Share of any Capitalized Interest Advance), the Administrative Agent shall transfer to the Collection Account moneys held by the Administrative Agent in the Capitalized Interest Account, to the extent available for distribution on the specified day, to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) (other than amounts owing under clause (iv)(B) of Section 2.05(b) to any Defaulting Lender which has failed to fund its Pro Rata Share of any Capitalized Interest Advance) in the priority set forth in Section 2.05.

(b) To the extent there are insufficient Available Funds in the Collection Account to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in accordance with the provisions of Section 2.05 on any Settlement Date (after taking into account any amounts transferred to the Collection Account pursuant to Section 2.07(a)), the Administrative Agent shall transfer to the Collection Account moneys held by the Administrative Agent in the Reserve Account, to the extent available for distribution on the specified day, to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in the priority set forth in Section 2.05.

(c) To the extent, as of the end of any Settlement Period, there are funds on deposit in the Reserve Account in excess of the Reserve Account Specified Balance calculated as of the

end of such Settlement Period (giving effect to any purchase of Additional Student Loans between the end of such Settlement Period and the related Settlement Date) or there are funds on deposit in the Capitalized Interest Account in excess of the Required Capitalized Interest Account Balance calculated as of the end of such Settlement Period, then the Administrative Agent shall withdraw such excess funds from the relevant account and deposit it into the Collection Account to be used as Available Funds on the related Settlement Date. In addition, the Administrative Agent shall withdraw and apply funds from the Capitalized Interest Account as and when required in accordance with Section 2.21(b).

Section 2.08. Management of Trust Accounts.

(a) All funds held in the Trust Accounts, including investment earnings thereon, shall be invested at the direction of the Administrator in Eligible Investments having a maturity date not later than the next date on which any distributions are to be made from funds on deposit in such Trust Accounts; provided, however, that from and after the Termination Date, the Administrative Agent shall have the sole right to restrict the maturities of any investments held in the Trust Accounts and to direct the withdrawal of any such investments for the purposes of paying the amounts described in Section 2.05(b), including, without limitation, any unpaid principal and Financing Costs on the Class A Notes. All investment earnings (net of losses) on such Eligible Investments shall be credited to the applicable Trust Accounts. In the event that the Administrator shall have failed to give investment directions to the Administrative Agent by 11:00 a.m. on any Business Day on which there may be uninvested cash deposited in any Trust Account, the Administrative Agent shall have no obligation to invest such funds and shall not be liable for any lost potential investment earnings.

(b) Bank of America, N.A. (*"**Bank of America**"*), in its capacity as Securities Intermediary or depositary bank with respect to each Trust Account, hereby agrees with the Trust and the Administrative Agent that (i) each of the Trust Accounts is either a securities account or deposit account maintained at Bank of America; provided, however, that if, at any time, the rating assigned to Bank of America is downgraded below "A-1" by S&P, the Administrative Agent shall, in cooperation with the Administrator, promptly (but in no event longer that 60 days from the time of such downgrade), at no cost to the Trust, transfer each of the Trust Accounts to another financial institution which has either a long-term senior unsecured debt rating of "A+" or better or a short-term senior unsecured debt or certificate of deposit rating of "A-1" or better by S&P, (ii) each item of property (whether investment property, financial asset, security, cash or instrument) credited to any Trust Account shall be treated as a *"*financial asset*"* within the meaning of Section 8-102(a)(9) of the UCC to the extent any such Trust Account is a securities account, (iii) Bank of America shall treat the Administrative Agent as entitled to exercise the rights that comprise each financial asset credited to the Trust Accounts, (iv) Bank of America shall comply with entitlement orders originated by the Administrative Agent with respect to any of the foregoing accounts that is a securities account and shall comply with instructions directing the disposition of funds originated by the Administrative Agent with respect to any of the foregoing accounts that is a deposit account, in each case without the further consent of any other person or entity, (v) except as otherwise provided in subsection (a) of this Section, Bank of America shall not agree to comply with entitlement orders or instructions directing the disposition of funds originated by any person or entity other than the Administrative Agent, (vi) the Trust Accounts, and all property credited to such accounts shall not be subject to any lien,

security interest, right of set-off or encumbrance in favor of Bank of America in its capacity as Securities Intermediary or depositary bank or anyone claiming through Bank of America as Securities Intermediary or depositary bank (other than the Administrative Agent), and (vii) the agreement herein between Bank of America and the Administrative Agent shall be governed by the laws of the State of New York and the jurisdiction of Bank of America, in its capacity as Securities Intermediary or depositary bank with respect to each Trust Account, shall be the State of New York for purposes of the UCC. Each term used in this Section 2.08(b) and in Section 2.08(c) and defined in the New York UCC shall have the meaning set forth in the New York UCC.

(c) No Eligible Investment held in the Trust Accounts in the form of an instrument or certificated security as defined in the New York UCC in the possession of the Securities Intermediary (i) shall be subject to any other security interest or (ii) shall constitute proceeds of any property subject to such third party's security interest.

(d) The Trust agrees to report as its income for financial reporting and tax purposes (to the extent reportable) all investment earnings on amounts in the Trust Accounts.

(e) Any investment of any funds in the Trust Accounts shall be made under the following terms and conditions:

(i) any such investment of funds shall be made in Eligible Investments which will mature no later than the next Settlement Date (or such shorter periods as the Administrative Agent may direct); and

(ii) with respect to each of the investments credited to any of the Trust Accounts, the Administrative Agent for the benefit of the Secured Creditors shall have a first priority perfected security interest in such investment, perfected by control to the extent permitted under Article 9 of the UCC.

(f) The Administrative Agent shall not in any way be held liable by reason of any insufficiency in the Trust Accounts resulting from losses on investments made in accordance with the provisions of this Agreement (but the institution serving as Administrative Agent shall at all times remain liable for its own debt obligations, if any, constituting part of such investments).

(g) With respect to each of the Trust Accounts that is a "securities account" as defined in Section 8-501(a) of the UCC (each, a "***Securities Account***"), the Securities Intermediary hereby confirms and agrees that:

(i) all securities, financial assets or other property credited to the Securities Accounts shall be registered in the name of the Securities Intermediary by a clearing corporation or other securities intermediary and as to which the Securities Intermediary is entitled to exercise the rights that comprise any financial assets credited to such Securities Account, indorsed to the Securities Intermediary in blank or credited to another Securities Account maintained in the name of the Securities Intermediary, and in no case shall any financial asset credited to any Securities Account be registered in the name of the Trust, payable to the order of the Trust or specially indorsed to the Trust;

(ii) all securities and other property delivered to the Securities Intermediary pursuant to this Agreement shall be promptly credited to the appropriate Securities Account;

(iii) each Securities Account is an account to which financial assets are or may be credited;

(iv) except for the claims and interest of the Administrative Agent and of the Trust in the Securities Accounts and without independent investigation of any kind, the Securities Intermediary does not know of any claim to, or interest in, any Securities Account or in any "financial asset" (as defined in Section 8-102(a)(9) of the UCC) credited thereto; if any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Securities Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Administrative Agent and the Trust thereof upon receiving notice or other actual knowledge thereof.

(h) Each party hereto acknowledges that the Securities Intermediary constitutes a "securities intermediary" within the meaning of Section 8-102(a)(14) of the UCC with respect to each Securities Account and constitutes a "bank" within the meaning of Section 9-102(a)(8) of the New York UCC with respect to each Trust Account that is a "deposit account."

Section 2.09. [Reserved].

Section 2.10. Grant of a Security Interest. To secure the prompt and complete payment when due of the Obligations and the performance by the Trust of all of the covenants and obligations to be performed by it pursuant to this Agreement and each other Transaction Document, the Trust (and the Eligible Lender Trustee, in its capacity as titleholder to the Trust Student Loans) (i) on the Original Closing Date assigned (and hereby reaffirms such assignment) to the Administrative Agent, and Granted (and hereby reaffirms such Grant) to the Administrative Agent a security interest in, all of its right, title and interest in (but none of its obligations under), each of the Transaction Documents, including all rights and remedies thereunder (excluding any rights and remedies of the Trust under the Revolving Credit Agreement); and (ii) on the Original Closing Date further Granted (and hereby reaffirms such Grant) to the Administrative Agent on behalf of the Secured Creditors (and their respective successors and assigns), a security interest in all of the Trust's and the Eligible Lender Trustee's, on behalf of the Trust, right, title and interest in the following property, whether now owned or existing or hereafter arising or acquired and wheresoever located:

(a) all Trust Student Loans;

(b) all Collections from Trust Student Loans, including, without limitation, all Interest Subsidy Payments, Special Allowance Payments, borrower payments and reimbursements of principal and accrued interest on default claims received and to be received from any Guarantor;

(c) all Eligible Investments, funds and accrued earnings thereon held in the Trust Accounts;

(d) all Records relating to any of the foregoing items;

(e) all supporting obligations, liens securing any of the foregoing, money and claims and other rights under insurance policies relating to any of the foregoing;

(f) all accounts, general intangibles, payment intangibles, instruments, investment property, documents, chattel paper, goods, moneys, letters of credit, letter of credit rights, certificates of deposit, deposit accounts and all other property and interests in property of the Trust or the Eligible Lender Trustee, on behalf of the Trust, whether tangible or intangible; and

(g) all proceeds of any of the foregoing (collectively, along with the right and title to and interest of the Trust (and the Eligible Lender Trustee, in its capacity as titleholder to the Trust Student Loans) in the Transaction Documents pursuant to clause (i) above and all proceeds thereof, the *"**Pledged Collateral**"*).

The Trust and the Eligible Lender Trustee agree that the foregoing sentence is intended to grant in favor of the Administrative Agent, on behalf of the Secured Creditors, a first priority continuing lien and security interest in all of the Trust's (and the Eligible Lender Trustee's in its capacity as titleholder to the Trust Student Loans) personal property from and after the Original Closing Date. Each of the Trust and the Eligible Lender Trustee authorizes the Administrative Agent and its counsel to file UCC financing statements in form and substance satisfactory to the Eligible Lender Trustee, describing the collateral as all or any portion of the Pledged Collateral, including describing the collateral as all personal property of the Trust. In addition, at the request of the Administrative Agent, the Trust shall file or cause to be filed, and authorizes the Administrative Agent to file, UCC financing statement assignments assigning to the Administrative Agent any financing statement showing the Trust as secured party with respect to the Pledged Collateral. The Trust further confirms and agrees that the Administrative Agent shall have, following the occurrence or declaration of the Termination Date, the sole right to enforce the Trust's rights and remedies under the Transaction Documents with respect to the Pledged Collateral for the benefit of the Secured Creditors, but without any obligation on the part of the Administrative Agent or any other Secured Creditor or any of their respective Affiliates, to perform any of the obligations of the Trust under the Transaction Documents.

Section 2.11. Evidence of Debt.

Each Managing Agent shall maintain a Note Account (the *"**Note Account**"*) on its books in which shall be recorded (a) all Advances owed to each related Lender in its related Facility Group by the Trust pursuant to this Agreement, (b) the Aggregate Note Balance of the Class A Note held by or on behalf of its related Facility Group, (c) all payments of principal and Financing Costs made by the Trust on such Class A Note, and (d) all appropriate debits and credits with respect to its related Facility Group as provided in this Agreement including, without limitation, all fees, charges, expenses and interest. All entries in each Managing Agent's Note

Account shall be made in accordance with such Managing Agent's customary accounting practices as in effect from time to time. The entries in the Note Account shall be conclusive and binding for all purposes, absent manifest error. Any failure to so record or any errors in doing so shall not, however, limit or otherwise affect the obligation of the Trust to pay any amount owing with respect to the Class A Notes or any of the other Obligations.

Section 2.12. Payments by the Trust.

All payments to be made by the Trust shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by, or on behalf of, the Trust for the account of a Conduit Lender, a LIBOR Lender, an Alternate Lender or a Program Support Provider, as the case may be, shall be made to the Administrative Agent, for further credit to an account designated by such Conduit Lender, LIBOR Lender, Alternate Lender or Program Support Provider or its related Managing Agent, in United States dollars. Such payments (other than amounts already on deposit in the Collection Account) shall be made in immediately available funds to the Administrative Agent no later than 12:00 noon on the date specified herein and the Administrative Agent shall forward such amounts to such Conduit Lender, LIBOR Lender, Alternate Lender or Program Support Provider no later than 1:00 p.m. on the date specified herein. Payments shall be applied in the order of priority specified in Section 2.05(b). Any payment which is received later than 1:00 p.m. (other than payments from amounts already on deposit in the Collection Account) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue.

Section 2.13. Payment of Stamp Taxes, Etc. Subject to any limitations set forth in Section 2.20, the Trust agrees to pay any present or future stamp, mortgage, value-added, court or documentary taxes or any other excise or property taxes, charges or similar levies imposed by any federal, state or local governmental body, agency or instrumentality (hereinafter referred to as "***Other Applicable Taxes***") relating to this Agreement, any of the other Transaction Documents or any recordings or filings made pursuant hereto and thereto.

Section 2.14. Sharing of Payments, Etc. If, other than as expressly provided elsewhere herein, any Note Purchaser shall obtain on account of the Class A Notes owned by it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Pro Rata Share (or other share contemplated hereunder), such Note Purchaser shall immediately (a) notify the Administrative Agent of such fact and (b) purchase from the other Note Purchasers such participations made by them as shall be necessary to cause such purchasing Note Purchaser to share the excess payment pro rata (based on the Pro Rata Share of each Note Purchaser) with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Note Purchaser, such purchase shall to that extent be rescinded and each other Note Purchaser shall repay to the purchasing Note Purchaser the purchase price paid therefor, together with an amount equal to such paying Note Purchaser's ratable share (according to the proportion of (i) the amount of such paying Note Purchaser's required repayment to (ii) the total amount so recovered from the purchasing Note Purchaser) of any interest or other amount paid or payable by the purchasing Note Purchaser in respect of the total amount so recovered. The Trust agrees that any Note Purchaser so purchasing a participation from another Note Purchaser may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such

participation as fully as if such Note Purchaser was the direct creditor of the Trust in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify each Managing Agent following any such purchases or repayments.

Section 2.15. Yield Protection.

(a) If (i) any Regulatory Change (including a change to Regulation D under the Securities Act):

(A) shall impose, modify or deem applicable any reserve (including, without limitation, any reserve imposed by the Federal Reserve Board), special deposit, insurance assessment, or similar requirement against assets of any Affected Party, deposits or obligations with or for the account of any Affected Party or with or for the account of any Affiliate (or entity deemed by the Federal Reserve Board to be an affiliate) of an Affected Party, or credit extended to or participated in by any Affected Party;

(B) shall change the amount of capital maintained or required or requested or directed to be maintained by any Affected Party;

(C) shall impose any other condition, cost or expense affecting this Agreement or any portion of the Obligations owed or funded in whole or in part by any Affected Party, or its obligations or rights, if any, to pay any portion of its unused Commitment or to provide funding therefor (other than any condition or expense resulting from the gross negligence or willful misconduct of such Affected Party);

(D) shall change the rate for, or the manner in which the Federal Deposit Insurance Corporation (or any successor thereto) assesses deposit insurance premiums or similar charges; or

(E) subject any Affected Party to any tax of any kind whatsoever (except for Other Taxes or Other Applicable Taxes covered by Sections 2.13 and 2.20 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Affected Party) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto,

or (ii) an Accounting Based Consolidation Event shall at any time occur,

and the result of any of the foregoing is or would be:

(A) to increase the cost to or to impose a cost in any material amount on an Affected Party funding or making or maintaining any portion of the Obligations, or any purchases, reinvestments or loans or other extensions of credit under the Program Support Agreement or any Transaction Document or any commitment of such Affected Party with respect to the foregoing;

(B) to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, or under any Program Support Agreement or any Transaction Document with respect thereto;

(C) in the sole determination of such Affected Party, to reduce the rate of return on the capital of an Affected Party as a consequence of its obligations hereunder or under any Program Support Agreement or arising in connection herewith to a level below that which the Affected Party could otherwise have achieved; or

(D) to cause an internal capital charge or other imputed cost upon such Affected Party, which in the sole determination of such Affected Party is allocable to the Trust or the transactions contemplated in this Agreement;

then on or before the 30th day following the date of demand by such Affected Party (which demand shall be accompanied by a statement setting forth in reasonable detail the basis of such demand), the Trust shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost or charge or such reduction; provided, that such additional amount or amounts shall not be payable with respect to any period in excess of 90 days prior to the date of demand by the Affected Party unless (1) the effect of the Regulatory Change or Accounting Based Consolidation Event is retroactive by its terms to a period prior to the date of the Regulatory Change or Accounting Based Consolidation Event, as applicable, in which case any additional amount or amounts shall be payable for the retroactive period but only if the Affected Party provides its written demand not later than 90 days after such Regulatory Change or Accounting Based Consolidation Event; or (2) the Affected Party reasonably and in good faith did not believe the Regulatory Change or Accounting Based Consolidation Event resulted in such an additional or increased cost or charge or such a reduction during such prior period. Each Affected Party agrees that the Trust shall not be asked to pay amounts which the Affected Party's similarly situated customers are not being requested to pay.

(b) Each Affected Party will promptly notify the Administrator and the Administrative Agent of any event of which it has actual knowledge which will entitle such Affected Party to any compensation pursuant to this Section; provided, however, no failure or delay in giving such notification shall adversely affect the rights of any Affected Party to such compensation.

(c) In determining any amount provided for or referred to in this Section, an Affected Party may use any reasonable averaging or attribution methods that it (in its sole discretion exercised in good faith) shall deem applicable and which it applies on a consistent basis. Any Affected Party when making a claim under this Section shall submit to the Administrator and the Administrative Agent a statement as to such increased cost or reduced return (including calculation thereof in reasonable detail), which statement shall, in the absence of manifest error, be conclusive and binding upon the Trust and the Administrative Agent.

(d) If any Affected Party has or anticipates having any claim for compensation from the Trust pursuant to this Section 2.15, and such Affected Party believes that having the Facility

publicly rated by one or more credit rating agencies would reduce the amount of such compensation by an amount deemed by such Affected Party to be material, then such Affected Party or a Managing Agent on its behalf shall provide written notice to the Trust and the Administrator (a "Ratings Request") that such Affected Party intends to request a public rating of the Facility from one or more credit rating agencies selected by such Affected Party and reasonably acceptable to Trust, of at least "AA" or the equivalent (the "Required Ratings"). Unless the Trust has caused the assignment of all of such Affected Parties' rights and obligations under this Agreement pursuant to Section 2.21(a), each of the Trust and the Administrator agrees that it shall cooperate with such Affected Party's efforts to obtain the Required Ratings, including entering into reasonably requested amendments and other modifications to the Transaction Documents, and shall provide the applicable credit rating agencies (either directly or through distribution to the Administrative Agent or such Affected Party) any information reasonably requested by such credit rating agencies for purposes of providing and monitoring the Required Ratings. The relevant Affected Party shall pay the initial fees payable to the credit rating agencies for providing the ratings and the Trust shall pay all ongoing fees payable to the credit rating agencies for their continued monitoring of the ratings. Nothing in this Section 2.15(d) shall preclude any Affected Party from demanding compensation from Issuer pursuant to Section 2.15(a) hereof at any time and without regard to whether the Required Ratings shall have been obtained, or shall require any Affected Party to obtain any ratings on the Facility prior to demanding any such compensation from the Trust.

Section 2.16. Extension of Liquidity Expiration Date and Scheduled Maturity Date.

(a) ***Extension of Liquidity Expiration Date.*** Provided that no Amortization Period or Termination Event shall have occurred and be continuing, the Trust, acting through the Administrator, may, at any time during the period which is no greater than 90 days or less than 45 days immediately preceding the Liquidity Expiration Date (as such date may have been previously extended pursuant to this Section 2.16(a)), request that the then applicable Liquidity Expiration Date be extended for an additional period of 364 days; provided, however, that the Liquidity Expiration Date shall not be extended past the Scheduled Maturity Date. Any such request shall be in writing and delivered to each Managing Agent and the Administrative Agent. None of the Lenders, Managing Agents or Facility Groups shall have any obligation to extend the Liquidity Expiration Date at any time. Any such extension of the Liquidity Expiration Date with respect to a Lender shall be effective only upon the written agreement of the Trust, the Managing Agent for such Lender's Facility Group, such Lender and, if applicable, the related Conduit Lender. Each Managing Agent will (on behalf of its related Note Purchasers) respond to any such request by providing a response to the Trust and the Administrative Agent within the earlier of (i) 30 days of its receipt of such request and (ii) 30 days prior to the then-effective Liquidity Expiration Date; provided, however, that if any Facility Group determines that it will not extend the Liquidity Expiration Date prior to the response date set forth above, the related Managing Agent shall notify the Administrator as soon as practicable after such determination has been made. Any failure by a Managing Agent to respond by the later of the dates set forth in clause (i) and (ii) of the preceding sentence shall be deemed to be a rejection of the requested extension by such Managing Agent and the related Lenders in its Facility Group. If one or more Managing Agents does not extend the Liquidity Expiration Date and the Administrator fails to arrange for the assignment of the Commitment of any Liquidity Non-Renewing Facility Group pursuant to Section 2.21(e) within the time designated therein, the Liquidity Expiration Date

shall not be extended for all Facility Groups and the Non-Renewal Step-Up Rate shall increase as provided in the Lenders Fee Letter. For the avoidance of doubt, in the event that the Liquidity Expiration Date is not extended, each Facility Group, including any Liquidity Non-Renewing Facility Group, shall continue to make Advances in accordance with the terms of this Agreement in an amount not to exceed the amount of each Facility Group's unused Commitment until the earliest of the occurrence of an Amortization Event, a Termination Event or the Scheduled Maturity Date.

(b) ***Extension of Scheduled Maturity Date.*** Provided that no Amortization Event or Termination Event shall have occurred and be continuing, the Trust, acting through the Administrator, may, at any time during the period which is no greater than 90 days or less than 45 days immediately preceding the Scheduled Maturity Date (as such date may have been previously extended pursuant to this Section 2.16(b)), request that the then applicable Scheduled Maturity Date be extended for an additional period of up to 364 days. Any such request shall be in writing and delivered to each Managing Agent and the Administrative Agent. None of the Lenders, Managing Agents or Facility Groups shall have any obligation to extend the Scheduled Maturity Date at any time. Any such extension of the Scheduled Maturity Date with respect to a Lender shall be effective only upon the written agreement of the Trust, the Managing Agent for such Lender's Facility Group, such Lender and, if applicable, the related Conduit Lender. Each Managing Agent will (on behalf of its related Note Purchasers) respond to any such request by providing a response to the Trust and the Administrative Agent within the later of (i) 30 days of its receipt of such request and (ii) 30 days prior to the then-effective Scheduled Maturity Date; provided, however, that if any Facility Group determines that it will not renew its Commitment prior to the response date set forth above, the related Managing Agent shall notify the Administrator as soon as practicable after such determination has been made. Any failure by a Managing Agent to respond by the later of the dates set forth in clause (i) and (ii) of the preceding sentence shall be deemed to be a rejection of the requested extension by such Managing Agent and the related Lenders in its Facility Group. If one or more Managing Agents (but less than all) does not extend the Scheduled Maturity Date, the provisions of Section 2.21(b) shall apply with respect to its Facility Group and the Scheduled Maturity Date shall be extended with respect to the remaining Facility Groups. Notwithstanding the foregoing, in connection with each extension of the Scheduled Maturity Date as provided herein, the Trust shall provide an Opinion of Counsel to the effect that each Advance evidenced under the Class A Notes will constitute indebtedness for United States federal income tax purposes.

Section 2.17. Servicer Advances.

In the event that, on the Settlement Date relating to any Settlement Period, the amount on deposit in the Collection Account which is allocable to the payment of amounts described in Sections 2.05(b)(ii) through (iv) due and payable on such Settlement Date is not sufficient to pay such amounts, the Master Servicer may, if permitted pursuant to its Servicing Agreement, make an advance in an amount equal to such insufficiency to the extent it believes such Servicer Advance will be recoverable.

Section 2.18. Release and Transfer of Pledged Collateral.

(a) The Administrative Agent hereby agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the Depositor or the Servicer as a result of purchases or repurchases (including substitutions) of Trust Student Loans pursuant to the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, any Purchase Agreement or any Servicing Agreement; provided, however, that with respect to a repurchase of a Student Loan pursuant to the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement or a Purchase Agreement that is not a Permitted Release covered by clause (b) below, it shall be a condition to such release that the Administrative Agent shall have received cash into the Administration Account in an amount equal to the sum of (i) the product of the Applicable Percentage (determined as if each Student Loan were an Eligible FFELP Loan) multiplied by the Principal Balance of such Student Loan and (ii) any amount previously drawn under the Revolving Credit Agreement to purchase such Student Loan (as reduced by any payments of principal received on such Student Loan, proportionately, based on the portion of the purchase price of such Student Loan financed under the Revolving Credit Agreement) or, in the case of any substitution, the Trust shall have received new Eligible FFELP Loans with a Principal Balance equal to or greater than the Principal Balance of the Student Loans being released and the tests set forth in Section 2.18(b)(ii)(B) and (C) shall be satisfied; and provided further, that with respect to purchases of Student Loans by a Servicer required or expressly permitted as a result of the related Servicing Agreement that is not a Permitted Release covered by clause (b) below, the Administrative Agent has received cash into the Administration Account in an amount equal to that set forth in Section 3.05(a) of the Servicing Agreement or, in the case of any substitution, the Trust shall have received new Eligible FFELP Loans with a Principal Balance equal to or greater than the Principal Balance of the Student Loans being released and the tests set forth in Section 2.18(b)(ii)(B) and (C) shall be satisfied.

(b) In addition, the Administrative Agent hereby further agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the Depositor or an Affiliate thereof in connection with a Permitted Release. The release of the Administrative Agent's security interest in any Released Collateral pursuant to this Section 2.18(b) shall be subject to the following conditions precedent unless the Required Managing Agents (or following a Termination Event or Amortization Event or with respect to a failure to satisfy condition (ii)(B) below, all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender) have waived such condition (and by transferring the Pledged Collateral the Trust shall be deemed to have certified that all such conditions precedent are satisfied):

(i) such release shall be a Permitted Release,

(ii) before and after giving effect to such release and to any simultaneous acquisition of Trust Student Loans at such time,

(A) there shall not exist any Amortization Event, Servicer Default, Termination Event or Potential Termination Event;

(B) the Asset Coverage Ratio is greater than or equal to 100%; and

(C) the Weighted Average Remaining Term in School shall be less than 24 months,

(iii) three Business Days prior to any such release that is a Take Out Securitization, a Fair Market Auction, a Whole Loan Sale, a Permitted SPE Transfer, a Permitted Seller Buy-Back, a Permitted Excess Collateral Release or a Servicer Buy-Out, the Trust, acting through the Administrator, shall have delivered a notice describing the Trust Student Loans proposed to be released substantially in the form and substance of Exhibit F attached hereto (a *"**Notice of Release**"*) to the Administrative Agent, certifying that the foregoing conditions described in clause (ii) above shall have been satisfied in connection therewith, together with a pro forma report in the form attached hereto as Exhibit G, demonstrating compliance with the conditions described in clause (ii) above,

(iv) on or prior to such Permitted Release, the Trust shall have deposited (I) into the Administration Account cash in an amount equal to the sum of (A) the product of the Applicable Percentage (determined as if each Trust Student Loan proposed to be released were an Eligible FFELP Loan) multiplied by the Principal Balance of each Trust Student Loan proposed to be released and (B) any amount previously drawn under the Revolving Credit Agreement to purchase such Student Loan (as reduced by any payments of principal received on such Student Loan, proportionately, based on the portion of the purchase price of such Student Loan financed under the Revolving Credit Agreement) and (II) into the Collection Account cash in an amount equal to all Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date, and

(v) if such release involves Trust Student Loans with an aggregate Principal Balance of more than $500,000,000, the Trust, acting through the Administrator, shall have made the required deliveries under Section 2.25(f).

(c) Within five Business Days after each release of collateral hereunder in connection with a Take Out Securitization, the Trust, acting through the Administrator, shall deliver to the Administrative Agent a reconciliation statement (the *"**Release Reconciliation Statement**"*) which shall include an updated calculation, based on actual figures, in the form attached as Exhibit H, confirming that the Minimum Asset Coverage Requirement was satisfied before and after giving effect to the related release. If the Release Reconciliation Statement shows that the value of the released Trust Student Loans was greater than the value provided on the Notice of Release, then the Trust shall deposit such difference into the Administration Account.

(d) No more than once per calendar month during a Revolving Period, on any date between the delivery of the monthly Valuation Report during such month and the Settlement Date occurring during such month, so long as the Minimum Asset Coverage Requirement is satisfied and no Exiting Facility Group Amortization Period exists, the Trust shall be permitted to dividend, distribute or otherwise transfer Trust Student Loans to the holder of the Excess Distribution Certificate with an aggregate Principal Balance in an amount that would not cause a failure to satisfy the Minimum Asset Coverage Requirement; provided, however, that (i) if the aggregate Principal Balance of the Trust Student Loans to be transferred exceeds $500,000,000, then the Trust shall only be permitted to transfer such Trust Student Loans on or after the third (3rd) Business Day following the delivery of the information described in Section 2.25(f); and (ii)

the Trust shall have deposited into the Collection Account an amount equal to all Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date. The Administrative Agent hereby agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the holder of the Excess Distribution Certificate as a Permitted Release and the provisions of Section 2.18(b) (excluding clause (iv)(I)(A) thereof) shall apply to such release.

(e) The Administrative Agent hereby further agrees, and is hereby authorized, to release its lien on any remaining portion of the Pledged Collateral upon payment in full of the Aggregate Note Balance of all Class A Notes Outstanding and all other Obligations and termination of all Commitments of the Lenders hereunder.

Section 2.19. Effect of Release.

Upon the satisfaction of the conditions in Section 2.18, all right, title and interest of the Administrative Agent in, to and under such Released Collateral shall terminate and revert to the Trust, its successors and assigns, and the right, title and interest of the Administrative Agent in such Released Collateral shall thereupon cease, terminate and become void; and, upon the written request of the Trust, acting through its Administrator, its successors or assigns, and at the cost and expense of the Trust, the Administrative Agent, acting through the Administrator, shall deliver and, if necessary, execute such UCC-3 financing statements and releases prepared by and submitted to the Administrative Agent for authorization as are necessary or reasonably requested in writing by the Trust, acting through the Administrator, to terminate and remove of record any documents constituting public notice of the security interest in such Released Collateral granted hereunder being released.

Section 2.20. Taxes.

(a) All payments made by the Trust under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding any U.S. federal taxes (other than federal withholding taxes on interest), net income taxes and franchise taxes or branch profit taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent, any Managing Agent, any Lender or any Program Support Provider as a result of a present or former connection between the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any Managing Agent, such Lender or any Program Support Provider and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Transaction Document) (collectively, the *"**Excluded Taxes**"*). If any non-Excluded Taxes, levies, imposts, duties, charges, fees of any kind, deductions, withholdings or assessments (including, but not limited to any current or future stamp as documentary taxes or any other excise or property taxes, charges or similar levies, but excluding Excluded Taxes) (*"**Other Taxes**"*) are required to be withheld from any amounts payable to the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any

Managing Agent, any Lender or any Program Support Provider hereunder, the amounts so payable to the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider shall be increased to the extent necessary to yield to the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any Managing Agent, such Lender or any Program Support Provider (after payment of all Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Trust shall not be required to increase any such amounts payable to any Lender with respect to (i) any Other Taxes that are United States withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement, except to the extent that such Lender's assignor (if any) was entitled, at the time of the assignment, to receive additional amounts from the Trust with respect to such Other Taxes pursuant to this paragraph or (ii) Other Taxes to the extent the Administrative Agent, Managing Agent or Lender will receive a refund or realize the benefit of a credit or reduction in taxes or amount owed to any taxing jurisdiction. To be entitled to receive additional amounts for Other Taxes, the Administrative Agent, Managing Agent or Lender must certify to the Trust that, based upon advice from one of its inside or outside tax advisors, such Administrative Agent, Managing Agent or Lender does not reasonably expect to receive a refund or realize the benefit of a credit or reduction in taxes or amount owed to any taxing jurisdiction as a result of such Other Taxes.

(b) In addition, the Trust shall pay to the relevant Governmental Authority in accordance with applicable law all Other Taxes imposed upon the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider that arise from any payment made hereunder or from the execution, delivery, or registration of or otherwise similarly with respect to, this Agreement.

(c) Whenever any Other Taxes are payable by the Trust, the Administrative Agent or the applicable Managing Agent shall promptly notify the Trust in writing and as soon as practicable, but no later than 30 days thereafter, the Trust shall send to the Administrative Agent for its own account or for the account of the Syndication Agent, any Co-Valuation Agent, any Managing Agent, any Program Support Provider or relevant Lender, as the case may be, a certified copy of an original official receipt received by the Trust showing payment thereof. The Trust agrees to indemnify the Administrative Agent, any Managing Agent, any Program Support Provider and each Lender within 10 days after demand therefor from and against the full amount of the Other Taxes arising out of this Agreement (whether directly or indirectly) imposed upon or paid by the Administrative Agent, any Managing Agent, any Program Support Provider or such Lender and any liability (including penalties, interest, and expenses arising with respect thereto), regardless of whether such Other Taxes were correctly or legally asserted by the relevant Governmental Authority; provided, that such Lender shall have provided the Trust with evidence, setting forth in reasonable detail, of payment of such Other Taxes, and the certification required in clause (a) above.

(d) Each Lender (or transferee) that is not a "U.S. Person" as defined in section 7701(a)(30) of the Code (a "***Non-U.S. Lender***") shall deliver to the Trust and the Administrative Agent and its Managing Agent two copies of either U.S. Internal Revenue Service form W-8BEN or form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from the withholding of U.S. federal income tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," both a form W-8BEN and a certificate substantially in the

form of Exhibit I (a *"**2.20(d) Certificate**"*) or any subsequent versions thereof or successors thereto, in all cases properly completed and duly executed by such Non-U.S. Lender, claiming complete exemption from withholding of U.S. federal income tax on all payments by the Trust under this Agreement. Such forms shall be delivered by each Non-U.S. Lender at least five Business Days before the date of the initial payment to be made pursuant to this Agreement by the Trust to such Lender. In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Trust at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Trust (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision in this paragraph, a Non-U.S. Lender shall not be required to deliver any subsequent form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) For any period with respect to which a Lender has failed to provide the Trust, the Administrative Agent or its Managing Agent with the appropriate form, certificate or other document described in Section 2.20(d) (unless such failure is due to a change in treaty, law or regulation, or any interpretation or administration thereof by any Governmental Authority, occurring after the date on which a form, certificate or other document originally was required to be provided), such Lender shall not be entitled to indemnification of additional amounts under Section 2.20 with respect to Other Taxes by reason of such failure; provided, however, that should a Lender, which is otherwise exempt from or subject to a reduced rate of withholding tax, become subject to Other Taxes because of its failure to deliver a form required hereunder, the Trust shall take such steps as such Lender shall reasonably request to recover such Other Taxes.

(f) A Lender which is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Trust is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Trust (with a copy to the Administrative Agent), at the time or times prescribed by the applicable law or reasonably requested by the Trust, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate; provided, that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(g) In cases in which the Trust makes a payment under this Agreement to a U.S. Person with knowledge that such U.S. Person is acting as an agent for a foreign person, the Trust will not treat such payment as being made to a U.S. Person for purposes of Treas. Reg. § 1.1441-1(b)(2)(ii) (or a successor provision) without the express written consent of such U.S. Person.

(h) Each Lender hereby agrees that, upon the occurrence of any circumstances entitling such Lender to indemnification or additional amounts pursuant to this Section 2.20, such Lender shall use reasonable efforts to designate a different lending office if the making of such a change would avoid the need for, or materially reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be materially disadvantageous to such Lender.

(i) If a Lender receives a refund or realizes the benefit of a credit or reduction in respect of any Other Taxes as to which the Lender has been indemnified by the Trust, or with respect to which the Trust has paid an additional amount hereunder, the Lender shall, within 30 days after the date of such receipt or realization, pay over the amount of such refund or credit (to the extent so attributable, but only to the extent of indemnity payments made, or additional amounts paid, by the Trust under this Section with respect to the taxes or Other Taxes giving rise to such refund or credit) to the Trust, net of all out-of-pocket expenses of such Lender related to claiming such refund or credit, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit); provided, however, that (i) the Lender, acting in good faith, will be the sole judge of the amount of any such refund, credit or reduction and of the date on which such refund, credit or reduction is received, (ii) the Lender, acting in good faith, shall have absolute discretion as to the order and manner in which it employs or claims tax refunds, credits, reductions and allowances available to it and (iii) the Trust agrees to repay the Lender, upon written request from the Lender, as the case may be, the amount of such refund, credit or reduction received by the Trust, plus any penalties, interest or other charges imposed by the relevant Governmental Authority, in the event and to the extent, the Lender is required to repay such refund, credit or reduction to any relevant Governmental Authority.

(j) Notwithstanding any other provision of this Agreement, in the event that a Lender is party to a merger or consolidation pursuant to which such Lender no longer exists or is not the surviving entity (but excluding any change in the ownership of such Lender), any taxes payable under applicable law as a result of such change shall be considered Excluded Taxes to the extent such taxes are in excess of the taxes that would have been payable had such change not occurred.

(k) Within 30 days of the written request of the Trust therefor, the applicable Lender shall execute and deliver to the Trust such certificates, forms or other documents which can be furnished consistent with the facts and which are reasonably necessary to assist the Trust in applying for refunds of taxes remitted hereunder; provided, that nothing in this Section 2.20 shall be construed to require any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Trust or any other Person.

(l) The Trust and each Lender will treat the Class A Notes as debt for U.S. federal income tax purposes.

(m) If a payment made to a Note Purchaser under this Agreement would be subject to U.S. federal withholding tax imposed by FATCA if such Note Purchaser were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), the Managing Agent for such Note Purchaser shall deliver to the Trust and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Trust or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Trust or the Administrative Agent as may be necessary for the Trust and the Administrative Agent to comply with its obligations under FATCA, to determine that such Note Purchaser has or has not complied with such Note Purchaser's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment.

(n) The agreements in this Section shall survive the termination of this Agreement and the payment of all amounts payable hereunder.

Section 2.21. Replacement or Repayment of Facility Group.

(a) ***Departing Facility Group.*** In the event that (i) the Trust is required to pay amounts under Section 2.15, 2.20 or 10.08 or Article VIII of this Agreement that are particular to an individual Lender, a Program Support Provider or its Managing Agent, (ii) the Administrator reasonably determines that, as a result of a Conduit Lender issuing CP outside the United States commercial paper market, the funding costs for such Conduit Lender are materially higher than for other Lenders, (iii) a Program Support Termination Event occurs with respect to a Program Support Provider, (iv) a Lender becomes a Distressed Lender or (v) any Affected Party or a Managing Agent on its behalf delivers a Ratings Request, then the Trust may require, at its sole expense and effort, upon notice to such Lender, Program Support Provider or other Affected Party or to the applicable Managing Agent, that the Managing Agent for such Lender, Program Support Provider or other Affected Party assign, without recourse, to one or more financial institutions designated by the Administrator, on behalf of the Trust, all of the rights and obligations hereunder of all, or with the consent of the related Managing Agent, the applicable, Lenders, Program Support Providers or other Affected Parties within such Facility Group in accordance with Section 10.04; provided, that in the case of any such assignment resulting from a claim for compensation or a Ratings Request under Section 2.15 or payments required to be made pursuant to Section 2.20, such assignment will result in a reduction in such compensation or payments thereafter or a Ratings Request no longer being outstanding, as the case may be; and provided, further that all amounts owing to any member of the Departing Facility Group shall have been paid in full immediately upon the effectiveness of such assignment.

A Managing Agent shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by the affected Lender, Program Support Provider, or Managing Agent or otherwise, the circumstances entitling the Trust to require such assignment and delegation cease to apply. Each member of the Departing Facility Group shall cooperate fully with the Trust in effecting any such assignment.

(b) ***Maturity Non-Renewing Facility Group.*** In the event that one or more Managing Agents (but less than all) gives notice that its Facility Group will not extend the Scheduled Maturity Date pursuant to Section 2.16(b), then the Trust, acting through the Administrator, may request that each such Managing Agent arrange for an assignment to one or more entities and financial institutions designated by the Administrator, acting on behalf of the Trust, of all of the rights and obligations hereunder of such Maturity Non-Renewing Facility Group in accordance with Section 10.04. If the Managing Agent does not comply with such request within ten Business Days of such request, then the Administrator, on behalf of the Trust, may arrange for an assignment to one or more existing Facility Groups or replacement Facility Groups of all of the rights and obligations hereunder of the Maturity Non-Renewing Facility Group in accordance with Section 10.04. Each member of the Maturity Non-Renewing Facility Group shall cooperate fully with the Administrator in effecting any such assignment. If the Administrator is unable to arrange such an assignment prior to the Scheduled Maturity Date, then the Commitment of the Maturity Non-Renewing Facility Group to make new Advances hereunder shall terminate on the relevant Scheduled Maturity Date; provided, that the Maturity

Non-Renewing Facility Group shall make a Capitalized Interest Advance in an amount equal to the lesser of (i) its Pro Rata Share of the Capitalized Interest Account Unfunded Balance and (ii) such Maturity Non-Renewing Facility Group's unused Commitment on the Business Day prior to its Scheduled Maturity Date, for deposit into the Capitalized Interest Account; provided further, that the Maturity Non-Renewing Facility Group will continue to make Advances in an amount not to exceed the amount of such Maturity Non-Renewing Facility Group's unused Commitment until its Scheduled Maturity Date. The Exiting Facility Group Amortization Period for the Maturity Non-Renewing Facility Group shall begin on its Scheduled Maturity Date. So long as the Exiting Facility Group Amortization Period for such Maturity Non-Renewing Facility Group has not terminated pursuant to clause (i) or (ii) of the definition thereof, at such time as all other Advances made by such Maturity Non-Renewing Facility Group have been paid in full, the aggregate amount of all Capitalized Interest Advances made by the Maturity Non-Renewing Facility Group shall be repaid to such Maturity Non-Renewing Facility Group to reduce its portion of the Aggregate Note Balance to zero.

(c) [Reserved].

(d) ***Termination of the Exiting Facility Group Amortization Period.*** The Exiting Facility Group Amortization Period with respect to any Exiting Facility Group shall terminate upon the occurrence of an Amortization Event or Termination Event. After the occurrence of either such event, the Exiting Facility Group shall be entitled to payment with respect to the Aggregate Note Balance pro rata with other Note Purchasers in accordance with Section 2.05(b) or Section 7.03, as applicable.

(e) ***Liquidity Non-Renewing Facility Group.*** In the event that one or more Managing Agents gives notice that its Facility Group will not extend the Liquidity Expiration Date pursuant to Section 2.16(a), then the Trust, acting through the Administrator, may request that each such Managing Agent arrange for an assignment to one or more entities and financial institutions designated by the Administrator, acting on behalf of the Trust, of all of the rights and obligations hereunder of such Liquidity Non-Renewing Facility Group in accordance with Section 10.04. If the Managing Agent does not comply with such request within ten Business Days of such request, then the Administrator, on behalf of the Trust, may arrange for an assignment to one or more existing Facility Groups or replacement Facility Groups of all of the rights and obligations hereunder of the Liquidity Non-Renewing Facility Group in accordance with Section 10.04. Each member of the Liquidity Non-Renewing Facility Group shall cooperate fully with the Administrator in effecting any such assignment. If the Administrator is unable to arrange such an assignment prior to the Liquidity Expiration Date, then the Liquidity Expiration Date shall not be extended with respect to all Facility Groups. For the avoidance of doubt, in the event that the Liquidity Expiration Date is not extended, each Facility Group, including any Liquidity Non-Renewing Facility Group, shall continue to make Advances in accordance with the terms of this Agreement in an amount not to exceed the amount of each Facility Group's unused Commitment until the earliest of the occurrence of an Amortization Event, a Termination Event or the Scheduled Maturity Date.

Section 2.22. Notice of Amendments to Program Support Agreements.

Each Managing Agent shall provide the Trust and the Administrator with written notice of any amendment to the Program Support Agreements executed in connection with this Agreement if such amendment is reasonably expected by such Managing Agent to result in any material increase in costs or expenses for the Trust or otherwise materially impact the Trust.

Section 2.23. Lender Holding Account.

(a) Each Non-Rated Lender must, at the time such Lender becomes a party hereto (or, if a Lender hereunder subsequently becomes a Non-Rated Lender, within ten Business Days of the time it becomes a Non-Rated Lender), and any other Lender may, in its sole discretion at any time, make an advance (such advance, the *"**Lender Holding Deposit**"*) to the Administrative Agent in an amount equal to its Pro Rata Share of the Capitalized Interest Account Unfunded Balance (such amount, the *"**Required Holding Deposit Amount**"*). Upon receipt of any such Lender Holding Deposit, the Administrative Agent shall deposit such funds into a trust account maintained at a Qualified Institution (each such account, a *"**Lender Holding Account**"*), in the name of such Holding Account Lender and referencing the name of the Trust. The Lender Holding Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the applicable Holding Account Lender and the Trust. The Lender Holding Account shall not be deemed to be a Trust Account for purposes of this Agreement, but shall be deemed to be property of the Holding Account Lender held for the benefit of the Trust as described herein, and neither the Administrator nor the Trust shall have any rights to withdraw funds from such Lender Holding Account or any interest in or rights to the earnings thereon. Thereafter, until the release and termination of such Lender Holding Account under clause (b) below, any Capitalized Interest Advance to be made by such Holding Account Lender shall be made by withdrawing funds from such Lender Holding Account. Each of the applicable Holding Account Lender and the Trust hereby grants to the Administrative Agent full power and authority, on behalf of the Trust and the applicable Holding Account Lender, to withdraw funds from the applicable Lender Holding Account in order to honor such Holding Account Lender's obligations to fund any Capitalized Interest Advance.

(b) Each Lender Holding Account with respect to any Holding Account Lender, once established, shall continue to be maintained until the earliest of (i) the assignment by such Lender of all of its rights pursuant to Section 10.04 hereof, (ii) such Lender receiving a short-term unsecured indebtedness rating of at least "A-1" by S&P and "Prime-1" by Moody's, (iii) such Lender obtaining a guarantee or letter of credit that causes it to cease to be a Holding Account Lender, (iv) the funding of a Capitalized Interest Advance through a withdrawal of funds from such Lender Holding Account that satisfies in full such Holding Account Lender's obligation to fund further Capitalized Interest Advances and (v) the payment in full of the Aggregate Note Balance and the termination of the Commitments hereunder. Upon any of the events described in clauses (i) through (v) of the immediately preceding sentence, the Administrative Agent, at the times and in the manner requested by the Holding Account Lender, shall sell, liquidate or otherwise transfer the investments on deposit in the applicable Lender Holding Account to such accounts as the Holding Account Lender may request, and release to the Holding Account Lender any remaining funds on deposit in such Lender Holding Account. If, due to a reduction in or partial assignment of Commitments of the Holding Account Lender, the amounts on deposit in its Lender Holding Account exceed the applicable Required Holding Deposit Amount, the Administrative Agent shall, at the request of such Holding Account Lender, release such excess to such Holding Account Lender.

(c) From and after the establishment of a Lender Holding Account until one of the events described in clauses (i) through (v) of the first sentence of Section 2.23(b), the Administrative Agent shall continue to maintain such Lender Holding Account and shall, at the direction of the applicable Holding Account Lender, from time to time invest and reinvest the funds on deposit in such Lender Holding Account in Eligible Investments having a maturity not greater than those permitted for funds in the Trust Accounts under Section 2.08(a). The funding of a Lender Holding Deposit shall not be considered an Advance or part of the Aggregate Note Balance for any purpose under this Agreement, including for purposes of calculating any Yield or Non-Use Fees owed to the Facility Groups hereunder or under the Lenders Fee Letter, as applicable. The Administrative Agent shall remit or cause to be remitted to the Managing Agent for each relevant Holding Account Lender, on each Settlement Date or on such other dates on which the Administrative Agent and such Managing Agent mutually agree, all realized investment earnings earned or received in connection with the investment of such funds on deposit in the Lender Holding Account of such Holding Account Lender so long as the release of such earnings would not cause the amount on deposit in the Lender Holding Account to be less than the Required Holding Deposit Amount. Notwithstanding anything contained herein to the contrary, neither the Administrative Agent nor the Trust shall have any liability for any loss arising from any investment or reinvestment made by it in accordance with, and pursuant to, the provisions hereof.

Section 2.24. Deliveries by Administrative Agent.

The Administrative Agent agrees that it will forward to the Managing Agents each of the following, promptly after receipt thereof: (a) the annual Administrator's statement delivered to the Administrative Agent pursuant to Section 3.02(a) of the Administration Agreement and (b) any notice of a change in the location of the records of a Servicer delivered to the Administrative Agent pursuant to Section 2.03 of the Servicing Agreement.

Section 2.25. Mark-to-Market Valuation.

(a) In accordance with the Valuation Agent Agreement, the Administrator shall provide to the Co-Valuation Agents and, upon request, to each Managing Agent, no later than (i) the fifth calendar day of each month, a collateral tape reflecting the portfolio of Trust Student Loans as of the end of the immediately preceding calendar month and (ii) if required under the Valuation Agent Agreement, the fifth calendar day after each Valuation Date, a collateral tape reflecting the portfolio of Trust Student Loans as of such Valuation Date (provided, that portfolio information from subservicers may not be available). Pursuant to the Valuation Agent Agreement, on or before the fifth Business Day after receipt of such collateral tape, each Co-Valuation Agent will deliver to the Administrative Agent two mark-to-market valuations of the Trust Student Loans based on such collateral tape. The Administrative Agent shall deliver to the Administrator, each Managing Agent and the Co-Valuation Agents on or before the Business Day following receipt of the mark-to-market valuations from the Co-Valuation Agents, a Valuation Report setting forth (i) the mark-to-market valuations submitted by the Co-Valuation Agents and (ii) the resulting Applicable Percentage determined in accordance with the Valuation Agent Agreement.

(b) If any Managing Agent disagrees at any time with the mark-to-market valuation stated in the Valuation Report by more than 0.25% (e.g., such Managing Agent believes that a different percentage, which is at least 0.25% less than the mark-to-market valuation set forth in such Valuation Report, should be used to reflect the market value of the Trust Student Loans), such Managing Agent shall submit a notice of such dispute in writing together with such Managing Agent's own good faith valuation to each Co-Valuation Agent, the Administrative Agent and the Administrator within two Business Days after receipt of the related Valuation Report. In such event, the Co-Valuation Agents shall be required to negotiate with such Managing Agent in good faith to determine an agreed upon mark-to-market valuation within three Business Days after receipt of such notice. If the Co-Valuation Agents do not reach an agreement with the Managing Agent within such three Business Day period, the mark-to-market valuation to be used for determining the new Applicable Percentage shall be the average of the mark-to-market valuations submitted by the Co-Valuation Agents and such Managing Agent.

(c) If the Administrator disagrees at any time with the mark-to-market valuation stated in the Valuation Report by more than 0.25% (e.g., the Administrator believes that a different percentage, which is at least 0.25% greater than the mark-to-market valuation set forth in such Valuation Report, should be used to reflect the market value of the Trust Student Loans), the Administrator shall submit a notice of such dispute in writing to the Administrative Agent and each Co-Valuation Agent within two Business Days after receipt of the related Valuation Report. The Co-Valuation Agents shall be required to negotiate with the Administrator in good faith to determine an agreed upon mark-to-market valuation within three Business Days after receipt of such notice. At the end of such period, each Co-Valuation Agent shall resubmit its good faith valuation (adjusted, to the extent applicable, following such negotiation) to the Administrative Agent and the mark-to-market valuation to be used for determining the new Applicable Percentage shall be the average of the mark-to-market valuations submitted by the Co-Valuation Agents.

(d) During the pendency of any dispute described in clause (b) or (c) above, the Applicable Percentage to be applied shall be the disputed Applicable Percentage set forth in the Valuation Report; provided, however, that to the extent the Administrator has disputed the Applicable Percentage, the Administrator, on behalf of the Trust, shall cause to be transferred into the Administration Account amounts, if any, required for the Asset Coverage Ratio to not be less than 100.00% based on the disputed Applicable Percentage, which amounts shall be maintained therein until such dispute is resolved, at which time the Administrator, on behalf of the Trust, may, if the dispute is resolved at a higher valuation, withdraw the portion of such payment that is no longer required to satisfy the condition that the Asset Coverage Ratio not be less than 100.00% and release such amount to the Trust. To the extent an Applicable Percentage changes due to a mark-to-market valuation or otherwise, all new Eligible FFELP Loans shall thereafter be sold to the Trust using such revised Applicable Percentages. With respect to all Eligible FFELP Loans then owned by the Trust, the Administrator, on behalf of the Trust, shall cure any deficiency resulting from the Asset Coverage Ratio being less than 100.00% due to a mark-to-market valuation, by causing cash or Eligible Investments to be contributed, or by causing Eligible FFELP Loans to be transferred, to the Trust by the fifth Business Day following

the date of adjustment of the Applicable Percentage and deliver an updated calculation of the Asset Coverage Ratio on such Business Day demonstrating that the Asset Coverage Ratio will not be less than 100.00% after giving effect to such cure.

(e) No amounts shall be paid to the holder of the Excess Distribution Certificate pursuant to Section 2.05(b)(xxii) until any dispute as to the Applicable Percentage is resolved and, if applicable, any additional amounts required to be deposited into the Administration Account to satisfy the Minimum Asset Coverage Requirement shall have been deposited therein.

(f) In connection with any Permitted Release under Section 2.18 involving a release of Trust Student Loans with an aggregate Principal Balance of more than $500,000,000, the Trust, acting through the Administrator, shall deliver to each Co-Valuation Agent either (i) summary statistics of the Pledged Collateral being released, together with a copy of a collateral tape describing the released assets, to the extent such a tape has been prepared and delivered to any third parties in connection with such release, or (ii) an updated collateral tape reflecting the portfolio of Trust Student Loans after giving effect to such release. The Trust, acting through the Administrator, shall also use commercially reasonable efforts to provide, with reasonable promptness, such other information as may be reasonably requested by any Managing Agent in connection with such release. Any Managing Agent may request that a mark-to-market valuation be conducted in connection with such release in accordance with and subject to the terms of the Valuation Agent Agreement.

(g) The parties agree that, for purposes of this Agreement and the Valuation Agent Agreement, delivery of any collateral tape shall be effective if (i) the same is posted through the Administrator's customary file transfer protocols as in effect on the Closing Date (as such protocols may be modified in a manner mutually acceptable to the Administrator and the Co-Valuation Agents), and (ii) notice of such posting is given to the applicable recipient in accordance with Section 10.02.

Section 2.26. Inability to Determine Rates.

If the Required Managing Agents determine, for any reason in connection with any request for a LIBOR Advance, that (a) dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Tranche Period of such LIBOR Advance, (b) adequate and reasonable means do not exist for determining the LIBOR Base Rate for any requested Tranche Period with respect to a proposed LIBOR Advance, or (c) the LIBOR Base Rate for any requested Tranche Period with respect to a proposed LIBOR Advance does not adequately and fairly reflect the cost to such Lenders of funding such Advance, the Administrative Agent will promptly so notify the Trust and each Lender. Thereafter, the obligation of the Lenders to make or maintain a LIBOR Advance shall be suspended until the Administrative Agent (upon the instruction of the Required Managing Agents) revokes such notice. Upon receipt of such notice, the Trust may revoke any pending request for a LIBOR Advance, or failing that, will be deemed to have converted such request into a request for Base Rate Advances in the amount specified therein.

Section 2.27. Calculation of Monthly Yield.

On or before the fifth calendar day after the last day of any Settlement Period, each Managing Agent shall notify the Administrator and the Administrative Agent of the Yield payable to its Facility Group on the succeeding Settlement Date together with, (i) if interest for any portion of any Class A Note for any portion of such Settlement Period is determined by reference to the CP Rate, the applicable CP Rate for such Settlement Period for the applicable Conduit Lender and if such CP Rate is calculated based on match-funding rather than pool funding, the Related LIBOR Rate applicable to such Conduit Lender; (ii) if interest for any portion of any Class A Note for any portion of such Settlement Period is determined by reference to the LIBOR Rate, such Managing Agent's calculation of the applicable LIBOR Rate for such Settlement Period (which rate may be based on such Managing Agent's good faith estimates of the LIBOR Rates to be in effect during the remainder of such Interest Accrual Period) and (iii) any Estimated Interest Adjustments owing in respect of the previous Settlement Date.

ARTICLE III.

THE CLASS A NOTES

Section 3.01. Form of Class A Notes Generally.

(a) The Class A Notes shall be in substantially the form set forth in Exhibit J with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Class A Notes, as evidenced by their execution of the Class A Notes.

(b) The Class A Notes shall be typewritten or printed.

(c) The Class A Notes shall be issuable only in registered form and with a maximum aggregate principal amount that, when aggregated with the maximum aggregate principal amounts of each other Outstanding Class A Note, will not be less than the Maximum Financing Amount. One Class A Note in the maximum aggregate principal amount equal to the Pro Rata Share of the Maximum Financing Amount of each Facility Group shall be registered in the name of the Managing Agent for such Facility Group.

(d) All Class A Notes shall be substantially identical except as to maximum denomination and except as may otherwise be provided in or pursuant to this Section.

Section 3.02. Securities Legend.

Each Note issued hereunder will contain the following legend:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR REGULATORY AUTHORITY OF ANY STATE. THIS NOTE HAS BEEN OFFERED AND SOLD PRIVATELY. THE REGISTERED OWNER HEREOF ACKNOWLEDGES THAT

THESE SECURITIES ARE "RESTRICTED SECURITIES" THAT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND AGREES FOR THE BENEFIT OF THE TRUST AND ITS AFFILIATES THAT THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) TO A PERSON WHOM THE TRANSFEROR REASONABLY BELIEVES IS AN INSTITUTIONAL ACCREDITED INVESTOR TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON REGULATION D, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION OR (II) TO A PERSON IN A TRANSACTION THAT IS REGISTERED UNDER THE SECURITIES ACT OR THAT IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE DEPOSITOR, THE ADMINISTRATOR, THE ADMINISTRATIVE AGENT AND THE ELIGIBLE LENDER TRUSTEE THAT: IT IS AN INSTITUTIONAL ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1)-(3) AND (7) OF REGULATION D UNDER THE SECURITIES ACT) OR AN ENTITY IN WHICH ALL THE EQUITY OWNERS COME WITHIN SUCH PARAGRAPHS; ITS ACQUISITION OF THIS NOTE IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS AND IT IS HOLDING THIS NOTE FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION.

Section 3.03. Priority.

Except as permitted by Section 2.05(b), Section 2.21 or Section 7.03(b), all Class A Notes issued under this Agreement shall be in all respects equally and ratably entitled to the benefits hereof and secured by the Pledged Collateral without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement. All payments of Financing Costs on the Class A Notes shall be made pro rata among all Outstanding Class A Notes based on the amount of Financing Costs owed on such Class A Notes, without preference or priority of any kind. Except as provided in Sections 2.05(b) and 2.21, payments of principal on the Class A Notes shall be made pro rata among all Outstanding Class A Notes, without preference or priority of any kind.

Section 3.04. Execution and Dating.

The Class A Notes shall be executed on behalf of the Trust by any of the Authorized Officers of the Eligible Lender Trustee. The signature of any of these officers on the Class A Notes may be manual or facsimile. Each Note shall be dated the date of its execution.

Section 3.05. Registration, Registration of Transfer and Exchange, Transfer Restrictions.

(a) The Trust shall cause to be kept a register (the *"**Note Register**"*) in which, subject to such reasonable regulations as it may prescribe, the Trust shall provide for the registration of

the Class A Notes and for transfers of the Class A Notes. The Administrative Agent, acting solely for this purpose as agent for the Trust, shall serve as *"**Note Registrar**"* for the purpose of registering the Class A Notes and transfers of the Class A Notes as herein provided.

(b) Upon surrender for registration of transfer of any Note at the address of the Trust referred to in Exhibit M, the Trust shall execute and deliver in the name of the designated transferee or transferees, one or more new Class A Notes of any authorized denominations and of a like tenor and aggregate principal amount.

(c) At the option of the Registered Owner, Class A Notes may be exchanged for other Class A Notes of the same series and of like tenor in a maximum principal amount consistent with Section 3.01(c), upon surrender of the Class A Notes to be exchanged at such office or agency. Whenever any Class A Notes are so surrendered for exchange, the Trust shall execute and deliver the Class A Notes, which the Registered Owner making the exchange is entitled to receive.

(d) All Class A Notes issued upon any registration of transfer or exchange of Class A Notes shall be the valid obligations of the Trust, evidencing the same debt, and entitled to the same benefits under this Agreement, as the Class A Notes surrendered upon such registration of transfer or exchange.

(e) Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Trust or the Administrative Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trust and the Note Registrar duly executed, by the Registered Owner thereof or his attorney duly authorized in writing with such signature guaranteed by a commercial bank or trust company, or by a member firm of a national securities exchange, and such other documents as the Administrative Agent may require. The Trust shall notify the Administrative Agent, as the Note Registrar, of each transfer or exchange of Class A Notes.

(f) No service charge shall be made for any registration of transfer or exchange of Class A Notes, but the Trust or the Administrative Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Class A Notes.

Section 3.06. Mutilated, Destroyed, Lost and Stolen Class A Notes.

(a) If any mutilated Class A Note is surrendered to the Administrative Agent, the Trust shall execute and deliver in exchange therefor a new Class A Note of the same series and of like tenor and maximum principal amount and bearing a number not contemporaneously outstanding. If there shall be delivered to the Trust (i) evidence to the Trust's satisfaction of the destruction, loss or theft of any Class A Note and (ii) such security or indemnity as may be required by them to hold the Trust and any of its agents, including the Administrative Agent and the Eligible Lender Trustee, harmless, then, in the absence of notice to the Trust that such Class A Note has been acquired by a bona fide purchaser, the Trust shall execute and deliver, in lieu of any such destroyed, lost or stolen Class A Note, a new Class A Note of the same series and of like tenor and principal amount and maximum principal amount and bearing a number not contemporaneously outstanding.

(b) In case any such mutilated, destroyed, lost or stolen Class A Note has become or is about to become due and payable, the Trust in its discretion may, instead of issuing a new Class A Note, pay such Class A Note.

(c) Upon the issuance of any new Class A Note under this Section, the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Note Registrar) connected therewith.

(d) Every new Class A Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Class A Note shall constitute an original additional contractual obligation of the Trust, whether or not the destroyed, lost or stolen Class A Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Class A Notes duly issued hereunder.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Class A Notes.

Section 3.07. Persons Deemed Owners.

Prior to due presentment of a Class A Note for registration of transfer, the Trust, the Administrative Agent and any agent of the Trust or the Administrative Agent may treat the Person in whose name such Class A Note is registered as the absolute owner of such Class A Note for the purpose of receiving payment of principal of and Financing Costs on such Class A Note and for all other purposes whatsoever, whether or not such Class A Note be overdue, and none of the Trust, the Administrative Agent or any agent of the Trust or the Administrative Agent shall be affected by notice to the contrary.

Section 3.08. Cancellation.

Subject to Section 3.05(b), all Class A Notes surrendered for payment, prepayment in whole, registration of transfer or exchange shall, if surrendered to any Person other than the Trust, be delivered to the Trust and shall be promptly cancelled by the Trust. The Trust may at any time cancel any Class A Notes previously delivered hereunder which the Trust may have acquired in any manner whatsoever, and may cancel any Class A Notes previously executed hereunder which the Trust has not issued and sold. No Class A Notes shall be executed and delivered in lieu of or in exchange for any Class A Notes cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Class A Notes held by the Trust shall be held or destroyed by the Trust in accordance with its standard retention or disposal policy as in effect at the time.

Section 3.09. CUSIP/DTC Listing.

Each of the Administrator, SLM Corporation and the Trust hereby covenants and agrees, at the request of any Lender, to take any actions reasonably requested by any such requesting Lender in order to obtain a CUSIP number for such Lender's Class A Notes or to list such Lender's Class A Notes on The Depository Trust Company (*"**DTC**"*); provided, however, that the Trust shall not be required to pay amounts under Section 2.15, 2.20 or 10.08 as a result of such action. The requesting Lender agrees to pay all costs and expenses (other than legal expenses) associated with obtaining any such CUSIP number or making such listing on DTC, and the Administrator agrees to pay all costs and expenses associated with any amendments to be made to this Agreement as determined to be reasonably necessary to accomplish the foregoing; provided further, that the parties hereto agree that no amendment fee in connection therewith will apply.

Section 3.10. Legal Final Maturity Date.

The Class A Notes shall be due and payable in full on the Legal Final Maturity Date.

ARTICLE IV.

CONDITIONS TO CLOSING DATE AND ADVANCES

Section 4.01. Conditions Precedent to Closing Date.

The parties hereto agree that the following conditions precedent to the purchase of the Class A Notes under the Initial Note Purchase Agreement on the Closing Date were represented by the Trust to have been satisfied on or prior to the Closing Date:

(a) the Administrative Agent shall have received on or before the Closing Date, the following documents and opinions, in form and substance satisfactory to the Administrative Agent and each Managing Agent:

(i) executed copies of the Transaction Documents and each Class A Note; provided, however, that the Servicing Agreement with Pennsylvania Higher Education Assistance Agency shall be approved as to form and legality and executed by all parties thereto on the Closing Date except for the Office of Attorney General of the Commonwealth of Pennsylvania, and shall be executed by the Office of Attorney General of the Commonwealth of Pennsylvania within 90 days after the Closing Date (or such later date that is consented to in writing by the Required Managing Agents); provided, further, that if such approval by the Office of Attorney General of the Commonwealth of Pennsylvania is not received within such 90 day (or longer) period, the Administrator shall take such further action as necessary to obtain such approval;

(ii) UCC-1 Financing Statements and UCC-3 amendments to Financing Statements;

(iii) Officer's Certificates of each of the Eligible Lender Trustee, the Administrator, the Master Servicer, SLM Corporation, the Sellers, the Master Depositor, and the Depositor certifying, in each case, the articles of incorporation or equivalent organization document, certificate of formation, by-laws or the equivalent, board resolutions, good standing certificates and the incumbency and specimen signature of

each officer authorized to execute the Transaction Documents to which it is a party (on which certificates the Administrative Agent, Managing Agents and Note Purchasers may conclusively rely until such time as the Administrative Agent and the Managing Agents shall receive from the applicable Person a revised certificate meeting the requirements of this clause);

(iv) Officer's Certificates of the Administrator and the Eligible Lender Trustee certifying that each of the Guarantee Agreements that have been provided to the Administrative Agent are true and correct copies thereof and remain in full force and effect;

(v) Opinions of counsel to the Trust, the Depositor, the Master Depositor, each Seller, the Administrator, the Master Servicer, SLM Corporation, and the Eligible Lender Trustee in form and substance acceptable to the Administrative Agent, with respect to, among other things: (A) the due organization, good standing and power and authority of each of the Transaction Parties; (B) the due authorization, execution and delivery of each of the Transaction Documents by the Transaction Parties party thereto; (C) the enforceability of each of the transaction documents against each of the Transaction Parties party thereto (in the case of the Servicing Agreement with Pennsylvania Higher Education Assistance Agency, upon the Office of Attorney General of the Commonwealth of Pennsylvania executing and delivering the same); (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the Transaction Documents have been made; (E) the absence of conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Transaction Parties of the Transaction Documents; (F) the exemption from registration of the Notes under the Securities Act; (G) the exemption of the Trust and the Depositor from registration under the Investment Company Act; (H) the validity and perfection of the security interests created under the Transaction Documents; (I) that each transfer of assets under the Purchase Agreements, the Conveyance Agreement and the Tri-Party Transfer Agreement constitutes a "true sale" in the event of the bankruptcy of the applicable Seller or, in the case of the Conveyance Agreement, the Master Depositor; (J) the priority of any security interests created under the Transaction Documents; (K) the non-consolidation of the assets and liabilities of the Depositor and the Trust with the Sellers, the Master Depositor, Sallie Mae, Inc. and SLM Corporation in the event of the bankruptcy of any such entity; and (L) the treatment of the Class A Notes as debt for federal income tax purposes and the classification of the Trust not as an association or otherwise taxable as a corporation for federal income tax purposes;

(vi) a schedule of all Trust Student Loans as of the Closing Date;

(vii) UCC search report results dated a date reasonably near the Closing Date listing all effective financing statements which name the Trust, any Seller, the Master Depositor, the Depositor or the Eligible Lender Trustee (under its present name or any previous names) in any jurisdictions where filings are to be made under clause (ii) above (or similar filings would have been made in the past five years);

(viii) financing statement terminations on Form UCC-3, if necessary, to release any liens;

(ix) evidence of establishment of the Trust Accounts;

(x) evidence of any required certification from S&P and Moody's with respect to pre-review Conduit Lenders;

(xi) such powers of attorney as the Administrative Agent or any Managing Agent shall reasonably request to enable the Administrative Agent to collect all amounts due under any and all of the Pledged Collateral;

(xii) a list of any pre-approved Lockbox Bank arrangements and copies of all related documentation;

(xiii) a letter from Moody's stating that the Class A Notes have received a long term definitive rating of "Aaa", subject to customary surveillance procedures; and

(xiv) a letter from S&P stating that the Class A Notes have received a long term definitive rating of "AAA", subject to customary surveillance procedures;

(b) all fees due and payable to the Lead Arrangers, the Co-Valuation Agents, the Lenders, the Managing Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee on the Closing Date shall have been paid;

(c) the Managing Agents shall have completed satisfactory due diligence on SLM Corporation and its Affiliates;

(d) the other FFELP Loan Facilities shall have closed contemporaneously;

(e) all outstanding obligations under the Churchill Note Purchase Agreements shall have been paid in full and the Churchill Note Purchase Agreements shall have terminated; and

(f) such other information, certificates, documents and actions as the Required Managing Agents and the Administrative Agent may reasonably request have been received or performed.

Section 4.02. Conditions Precedent to Advances.

(a) ***Conditions Precedent to All Advances.*** Each Advance (excluding any Capitalized Interest Advances) shall be subject to the further conditions precedent, unless waived by the Required Managing Agents (or, in the case of clauses (iv)(B)(1), (iv)(B)(2), (iv)(B)(4), (iv)(C), (iv)(D), (iv)(F), (v), (x) and (xi) below, waived by all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender), that on the date of such Advance (and the Trust, by accepting the proceeds of such Advance, shall be deemed to have certified that all such conditions unless waived are satisfied on the date of such Advance):

(i) with respect to any Purchase Price Advance, the Eligible FFELP Loans are being (A) purchased by the Master Depositor from an Ongoing Seller pursuant to a Purchase Agreement, (B) then purchased by the Depositor or a Related SPE Seller from the Master Depositor pursuant to the Conveyance Agreement, (C) then, if applicable, purchased by the Depositor from a Related SPE Seller pursuant to the Tri-Party Transfer Agreement and (D) subsequently purchased by the Trust from the Depositor pursuant to the Sale Agreement;

(ii) with respect to any Purchase Price Advance, on or prior to the Advance Date, the Trust shall cause to be delivered to the Administrative Agent copies of the relevant Purchase Agreement (except to the extent previously delivered), Conveyance Agreement (except to the extent previously delivered), Tri-Party Transfer Agreement (except to the extent previously delivered), Sale Agreement (except to the extent previously delivered), bills of sale and blanket endorsements, together with a Schedule of Trust Student Loans, and copies of all schedules, financing statements and other documents required to be delivered by the applicable Seller, the Master Depositor, the Related SPE Seller (if applicable) and the Depositor as a condition of purchase thereunder;

(iii) with respect to any Advance, on or prior to the Advance Date, the Trust shall cause to be delivered to the Administrative Agent an Advance Request at the time required in Section 2.02(b);

(iv) on the Advance Date, the following statements shall be true, and the Trust by accepting the amount of such Advance shall be deemed to have certified that:

(A) the representations and warranties contained in Article V are correct on and as of such day as though made on and as of such date, both before and after giving effect to such Advance (or, to the extent such representations and warranties speak as of a specific date, were true and correct on and as of such date);

(B) no event has occurred and is continuing, or would result from such Advance, which constitutes (1) a Termination Event, (2) a Servicer Default, (3) a Potential Termination Event, or (4) an Amortization Event;

(C) the Requested Advance Amount does not exceed the Maximum Advance Amount;

(D) there has occurred no event which could reasonably be determined to have a Material Adverse Effect with respect to the Trust;

(E) no law or regulation shall prohibit, and no order, judgment or decree of any Official Body shall prohibit or enjoin, the making of such Advances in accordance with the provisions hereof;

(F) the amount of money equal to any shortfall in the Reserve Account Specified Balance on such date shall be deposited into the Reserve Account on such date from the proceeds of such Advance; and

(G) all covenants and agreements contained in the Transaction Documents, including the delivery of all reports required to be delivered thereunder, shall have been complied with by the Trust, subject to any applicable grace periods or waivers granted;

(v) the Termination Date shall not have been declared;

(vi) with respect to any Purchase Price Advance, the related Servicer, as bailee for the Administrative Agent for the benefit of the Secured Creditors, shall be in possession of the original Student Loan Notes or certified copies thereof, to the extent more than one loan is evidenced by such Student Loan Note, representing the Student Loans being financed with the proceeds of such Advance;

(vii) with respect to any Purchase Price Advance, all conditions precedent to the Trust's acquisition of the Student Loans to be financed with the proceeds of such Advance (other than the payment of the purchase price therefor) shall have been satisfied;

(viii) no suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court or governmental agency, seeking to restrain or prohibit or to obtain damages or other relief in connection with any of the Transaction Documents or the consummation of the transactions contemplated hereby;

(ix) no statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the transactions contemplated by any of the Transaction Documents illegal or otherwise prevent the consummation thereof;

(x) after giving effect to such Advance, the Asset Coverage Ratio shall be greater than or equal to 100%;

(xi) [reserved];

(xii) the amount of such Advance, together with any amounts drawn under the Revolving Credit Agreement in connection with the purchase of the related Student Loans, shall, in the aggregate, be reasonably equal to the fair market value of such Student Loans;

(xiii) with respect to any Purchase Price Advance, after giving effect to the purchase by the Trust of the related additional Eligible FFELP Loans, the Weighted Average Remaining Term in School shall not be more than 24 months;

(xiv) except with respect to the initial Advance hereunder, the Requested Advance Amount for such Advance Date, together with the aggregate amount of all advances to be made under the other FFELP Loan Facilities on such Advance Date, shall not exceed $1,500,000,000;

(xv) except with respect to the initial Advance hereunder, the sum of (A) the Requested Advance Amount on such Advance Date, (B) the aggregate amount of all advances to be made under the other FFELP Loan Facilities on such Advance Date, (C) the amount of all Advances already made during such calendar week and (D) the aggregate amount of all advances already made under the other FFELP Loan Facilities during such calendar week, shall not exceed $5,000,000,000; and

(xvi) there were no Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date.

(b) ***Conditions Precedent to Capitalized Interest Advances.*** Each Capitalized Interest Advance shall be subject to the following conditions precedent, unless waived by each of the Managing Agents, that on the date of such Advance (and the Trust, by accepting the proceeds of such Advance, shall be deemed to have certified that all such conditions unless waived are satisfied on the date of such Advance):

(i) the Trust shall cause to be delivered to the Administrative Agent an Advance Request (and, if the Trust fails to deliver such Advance Request, the Administrative Agent shall prepare and deliver to the Managing Agents on the Trust's behalf) at the time required in Section 2.02(b); and

(ii) on the Advance Date, the following statements shall be true, and the Trust by accepting the amount of such Advance shall be deemed to have certified that:

(A) the Requested Advance Amount for the Capitalized Interest Advance does not, in the aggregate, exceed the Maximum Advance Amount;

(B) no law or regulation shall prohibit, and no order, judgment or decree of any Official Body shall prohibit or enjoin, the making of such Advances in accordance with the provisions hereof;

(C) no Event of Bankruptcy shall have occurred with respect to the Trust; and

(D) the Scheduled Maturity Date shall not have occurred.

Section 4.03. Condition Subsequent to Advances (other than the Initial Advance).

Within five Business Days after each Advance other than the initial Advance, the Trust shall cause to be delivered to the Administrative Agent a reconciliation statement (the *"**Advance Reconciliation Statement**"*) which shall include an updated calculation, based on actual figures, and certification in the form attached as Exhibit L confirming that the Minimum Asset Coverage Requirement was satisfied after giving effect to the related Advance. If the Advance Reconciliation Statement shows that the actual value of the Trust Student Loans was less than the value provided on the pro forma certification or that the Minimum Asset Coverage Requirement was not satisfied as of the Advance Date, then the Trust shall deposit into the Administration Account an amount for each Trust Student Loan equal to the product of (a) the Applicable Percentage for such Trust Student Loan multiplied by (b) such difference in value. If

the Advance Reconciliation Statement shows that the value of the Trust Student Loans was greater than the value provided on the pro forma certification, then the Administrative Agent shall release funds to the Depositor in an amount, for each Trust Student Loan, equal to the product of (x) the Applicable Percentage for such Trust Student Loan multiplied by (y) such difference in value from the following accounts in order and to the extent available: *first,* from the Administration Account and *second,* from the Collection Account. Before funds from the Collection Account may be used for this purpose, the Administrator must determine that the amounts on deposit in the Collection Account as of the date of payment (excluding any Special Allowance Payments or Interest Subsidy Payments received during the current Settlement Period) after any withdrawal for this purpose are sufficient to pay items (i) through (iv) in Section 2.05(b) of this Agreement due and payable on the next Settlement Date.

Section 4.04. Conditions Precedent to Addition of New Seller.

The addition of any new Seller to a Purchase Agreement shall be subject to the prior written consent of the Administrative Agent and the further conditions precedent that at least five Business Days prior to the first transfer of Eligible FFELP Loans from such Seller, the Trust or the Administrator shall have delivered copies of the following documents to the Administrative Agent and the Managing Agents in form acceptable to the Administrative Agent and the Required Managing Agents:

(i) Executed agreements adding the Seller (and, if applicable, the eligible lender trustee for such Seller) to a Purchase Agreement;

(ii) If applicable, an executed trust agreement with respect to the Seller and the Seller's "Eligible Lender Trustee" (as defined in such trust agreement), to the extent the Seller will be transferring Student Loans with respect to which legal title is held by such trustee;

(iii) UCC, tax lien, pending suit and judgment searches against the Seller in the appropriate jurisdictions;

(iv) A good standing certificate and organizational documents certified by the Secretary of State of such Seller's jurisdiction of organization, together with an officer's certificate with respect to such Seller's organizational documents and incumbency of officers in the form prepared for the initial Sellers;

(v) Evidence of filing of UCC financing statements reflecting the Seller and, to the extent applicable, its eligible lender trustee, in the form prepared for the initial Sellers in the appropriate jurisdiction; and

(vi) To the extent not already covered by a legal opinion of outside legal counsel given to the Administrative Agent, a legal opinion in form reasonably acceptable to the Administrative Agent with respect to true sale, non-consolidation, enforceability and security interest issues.

Section 4.05. Conditions Precedent to A&R Closing Date. The amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement on the A&R

Closing Date is subject to the conditions precedent, unless waived in writing by each of the Managing Agents (and the Trust and the Administrator, by executing this Agreement, shall be deemed to have certified that all such conditions precedent unless waived are satisfied on the A&R Closing Date), that:

(a) the Administrative Agent shall have received on or before the A&R Closing Date the following documents and opinions, in form and substance satisfactory to each Managing Agent:

(i) duly executed copies of the A&R Transaction Documents;

(ii) Officer's Certificates of the Eligible Lender Trustee, the Administrator, the Master Servicer, SLM Corporation, each Seller, the Master Depositor, and the Depositor certifying, in each case the articles of incorporation or equivalent organization document, certificate of formation, by-laws or the equivalent (to the extent any of the foregoing has been amended or otherwise modified since the Original Closing Date), board resolutions with respect to the A&R Transaction Documents (and reconfirming that the resolutions delivered pursuant to Section 4.01(a)(iii) of the Initial Note Purchase Agreement have not been modified or revoked and are otherwise in full force and effect), good standing certificates and the incumbency and specimen signature of each officer authorized to execute the A&R Transaction Documents (on which certificates the Administrative Agent, the Managing Agents and the Note Purchasers may conclusively rely until such time as the Administrative Agent and the Managing Agents shall receive from the applicable Person a revised certificate meeting the requirements of this clause);

(iii) a pro forma calculation and certification by the Administrator establishing that the Minimum Asset Coverage Requirement is satisfied as of January 13, 2012 after giving effect to the amendments to the definition of "Applicable Percentage" reflected in the Side Letter on the A&R Closing Date;

(iv) Officer's Certificates of the Administrator and (except in the case of subclause (B)) the Eligible Lender Trustee certifying a listing of each of the (A) Guarantee Agreements, (B) Servicing Agreements and (C) the Interim Trust Agreements relating to the Trust Student Loans as being true, correct and complete and that each such agreement remains in full force and effect, has not been amended or otherwise modified since the Original Closing Date and has been delivered to the Administrative Agent;

(v) Opinions of Counsel to the Trust, the Depositor, the Master Depositor, each Seller, the Administrator, the Master Servicer and SLM Corporation in form and substance acceptable to the Administrative Agent, with respect to: (A) the due organization, good standing and power and authority of each of the Transaction Parties; (B) the due authorization, execution and delivery of each of the A&R Transaction Documents by the Transaction Parties party thereto; (C) the enforceability of each of the A&R Transaction Documents against each of the Transaction Parties party thereto; (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the A&R Transaction Documents have been made or obtained; (E) the absence of

conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Transaction Parties of the A&R Transaction Documents; (F) the exemption from registration of the Class A Notes under the Securities Act; (G) the exemption of the Trust and the Depositor from registration under the Investment Company Act; and (H) the treatment of the Class A Notes as debt for federal income tax purposes and the classification of the Trust not as an association or otherwise taxable as a corporation for federal income tax purposes;

(vi) a schedule of all Trust Student Loans as of December 31, 2011; and

(vii) Opinion of Counsel to the Eligible Lender Trustee in form and substance acceptable to the Administrative Agent with respect to, among other things: (A) the due organization, good standing and power and authority of the Eligible Lender Trustee; (B) the due authorization, execution and delivery by the Eligible Lender Trustee of each of the A&R Transaction Documents to which it is a party; (C) the enforceability against the Eligible Lender Trustee of each of the A&R Transaction Documents to which it is a party; (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the A&R Transaction Documents by the Eligible Lender Trustee have been made; (E) the status of the Eligible Lender Trustee as an "Eligible Lender" under the FFELP Program; (F) the absence of conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Eligible Lender Trustee of the A&R Transaction Documents and (G) the absence of any pending or threatened proceedings that would have a material adverse effect on the obligations of the Eligible Lender Trustee under the A&R Transaction Documents;

(b) the Minimum Asset Coverage Requirement shall be satisfied;

(c) all fees due and payable to the Lead Arrangers, the Co-Valuation Agents, the Lenders, the Managing Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee on or prior to the A&R Closing Date shall have been paid;

(d) the Managing Agents shall have completed satisfactory due diligence on the status of SLM Corporation's current litigation and legal and regulatory compliance issues;

(e) after giving effect to any changes to the Aggregate Note Balance, the Capitalized Interest Account Specified Balance and the Maximum Financing Amount on the A&R Closing Date, the sum of (i) the Aggregate Note Balance and (ii) the Capitalized Interest Account Unfunded Balance shall not exceed the Maximum Financing Amount;

(f) the other FFELP Loan Facilities shall have closed contemporaneously;

(g) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing pursuant to the provisions of the Initial Note Purchase Agreement and after giving effect to the provisions of this Agreement, pursuant to this Agreement;

(h) the Administrator has withdrawn its request for Moody's to rate the Class A Notes; and

(i) such other information, certificates, documents and actions as the Required Managing Agents and the Administrative Agent may reasonably request have been received or performed.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

Section 5.01. General Representations and Warranties of the Trust. The Administrator (on behalf of the Trust) represents and warrants for the benefit of the Secured Creditors as follows on the Closing Date, on the A&R Closing Date, on the date of each Advance and on each Reporting Date that:

(a) The Trust is a statutory trust duly organized, validly existing and in good standing solely under the laws of the State of Delaware and is duly qualified to do business, and is in good standing, in every jurisdiction in which the nature of its business requires it to be so qualified.

(b) The execution, delivery and performance by the Trust of this Agreement and all Transaction Documents to be delivered by it in connection herewith or therewith, including the Trust's use of the proceeds of Advances,

(i) are within the Trust's organizational powers,

(ii) have been duly authorized by all necessary organizational action,

(iii) do not contravene (A) the Trust's organizational documents; (B) any law, rule or regulation applicable to the Trust; (C) any contractual restriction binding on or affecting the Trust or its property; or (D) any order, writ, judgment, award, injunction or decree binding on or affecting the Trust or its property,

(iv) do not result in a breach of or constitute a default under any indenture, agreement, lease or other instrument to which the Trust is a party,

(v) do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties (other than in favor of the Administrative Agent, for the benefit of the Secured Creditors, with respect to the Pledged Collateral), and

(vi) no transaction contemplated hereby or by the other Transaction Documents to which it is a party requires compliance with any bulk sales act or similar law.

(c) This Agreement and the other Transaction Documents to which it is named as a party have each been duly executed and delivered by the Eligible Lender Trustee, on behalf of the Trust. The Class A Notes have been duly and validly authorized and, when executed and paid for in accordance with the terms of this Agreement, will be duly and validly issued and Outstanding, and will be entitled to the benefits of this Agreement.

(d) No permit, authorization, consent, license or approval or other action by, and no notice to or filing with, any Official Body is required for the due execution, delivery and performance by the Trust of this Agreement or any other Transaction Document to which it is a party, except for the filing of UCC financing statements which shall have been filed on or prior to the date of the initial Advance and except as may be required under non-U.S. law in connection with any future transfer of the Class A Notes.

(e) This Agreement and each other Transaction Document to which the Trust is a party constitute the legal, valid and binding obligations of the Trust, enforceable against the Trust in accordance with their respective terms, subject to (i) applicable bankruptcy, insolvency, moratorium, or other similar laws affecting the rights of creditors and (ii) general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

(f) No Amortization Event, Termination Event, Servicer Default, or, to the best of the Trust's knowledge, Potential Termination Event has occurred and is continuing.

(g) No Monthly Report, Valuation Report (but only to the extent that information contained therein is supplied by the Administrator on behalf of the Trust or by the Trust), information, exhibit, financial statement, document, book, record or report furnished or to be furnished by or on behalf of the Trust to the Affected Parties in connection with this Agreement is or will be incorrect in any material respect as of the date it is or shall be dated.

(h) The Class A Notes will be characterized as debt for federal income tax purposes. The Trust has or has caused to be (i) timely filed all tax returns (federal, state and local) required to be filed, (ii) paid or made adequate provision for the payment of all taxes, assessments and other governmental charges and (iii) accounted for the sale and pledge of the Trust Student Loans in its books consistent with GAAP.

(i) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Trust, overtly threatened in writing against or affecting the Trust (x) asserting the invalidity of this Agreement or any other Transaction Document, (y) seeking to prevent the consummation of any of the transactions contemplated by this Agreement and the other Transaction Documents, or (z) wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect on the Trust or which affects, or purports to affect, the validity or enforceability against the Trust of any Transaction Document.

(j) The Trust is not required to register as an *"*investment company*"* or a company controlled by an *"*investment company*"* under the Investment Company Act.

(k) The Trust is Solvent on the Closing Date and at the time of (and immediately after) each Advance and each purchase of Eligible FFELP Loans made by the Trust. The Trust has given reasonably equivalent value to the Depositor in consideration for the transfer to it of the Trust Student Loans from the Depositor and each such transfer shall not have been made for or on account of an antecedent debt owed by the Depositor to it. No Event of Bankruptcy has occurred with respect to the Trust.

(l) The principal place of business and chief executive office of the Trust and the office where the Trust keeps any Records in its possession are located at the addresses of the Trust referred to in Section 10.02 or such other location as the Trust shall have given notice of to the Administrative Agent pursuant to this Agreement.

(m) The Trust has no trade names, fictitious names, assumed names or "doing business as" names or other names under which it has done or is doing business.

(n) All representations and warranties of the Trust set forth in the Transaction Documents to which it is a party are true and correct in all material respects as of the date made the Trust is hereby deemed to have made each such representation and warranty, as of the date made, to, and for the benefit of, the Secured Creditors as if the same were set forth in full herein.

(o) The Trust is not in violation of, or default under, any material law, rule, regulation, order, writ, judgment, award, injunction or decree binding upon it or affecting the Trust or its property or any indenture, agreement, lease or instrument.

(p) The Trust has incurred no Debt and has no other obligation or liability (except for any contingent liabilities arising out of events which occurred prior to the Closing Date and which survive the termination of the Churchill Town Center Note Purchase Agreement), other than normal trade payables and the Liabilities. The Trust is not aware of any liabilities, contingent or otherwise, that are outstanding under the Churchill Town Center Note Purchase Agreement as of the Closing Date (other than those liabilities which have been satisfied in full on the Closing Date).

(q) The sale of the Class A Notes to the initial Note Purchasers pursuant to this Agreement will not require the registration of the Class A Notes under the Securities Act.

(r) (i) No Reportable Event has occurred during the six year period prior to the date on which this representation is made or deemed made with respect to any Benefit Plan; (ii) no steps have been taken by any Person to terminate any Benefit Plan subject to Title IV of ERISA; (iii) no contribution failure or other event has occurred with respect to any Benefit Plan which is sufficient to give rise to a lien on the assets of the Trust or any ERISA Affiliate in favor of the PBGC, during such six-year period; (iv) each Benefit Plan has been administered in all material respects in compliance with its terms and the applicable provisions of ERISA and the Code; (v) neither the Trust nor any ERISA Affiliate maintains or contributes to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA which provides benefits to employees after termination of employment and which is unfunded by a material amount, except as specifically required by the continuation requirements of Part 6 of Title I of ERISA; (vi) the present value of all accrued benefits under each Benefit Plan subject to Title IV of ERISA (based on those assumptions used to fund such Benefit Plans) did not, as of the last valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Benefit Plan allocable to such accrued benefits; (vii) neither the Trust nor any ERISA Affiliate has had a complete or partial withdrawal from any Multiemployer Plan and neither the

Trust nor any ERISA Affiliate would become subject to any liability under ERISA if the Trust or any such ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made; and (viii) no such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA or in reorganization within the meaning of Section 4241 of ERISA; provided, that this subsection (r) shall not apply to events which could not reasonably be expected to have a Material Adverse Effect on the Trust or on SLM Corporation.

(s) No proceeds of any Advances will be used by the Trust for any purpose that violates applicable law, including Regulation U of the Federal Reserve Board. The Trust does not own any "margin stock" within the meaning of Regulation T, U and X of the Federal Reserve Board.

(t) Each Student Loan to be financed with the proceeds of any Advance constitutes an Eligible FFELP Loan as of the date of such Advance and is purchased, or was previously purchased by the Trust, from the Depositor pursuant to the Sale Agreement. Each Trust Student Loan represented as an Eligible FFELP Loan in a Monthly Report, in fact satisfied as of the last day of the related Settlement Period the definition of "Eligible FFELP Loan". Each Trust Student Loan represented to be an Eligible FFELP Loan on any other date or included in the calculation of Asset Coverage Ratio on any other date in fact satisfied as of such date the definition of "Eligible FFELP Loan".

(u) Since the date of its formation, no event has occurred which has had a Material Adverse Effect on the Trust.

(v) The information provided to the Administrative Agent and the Managing Agents with respect to the Trust Student Loans is accurate in all material respects.

(w) Each payment of interest on and principal of the Class A Notes will have been (i) in payment of a debt incurred in the ordinary course of business or financial affairs on the part of the Trust and (ii) made in the ordinary course of business or financial affairs of the Trust.

(x) At all times from and after February 29, 2008, the Administrator has caused and will cause the Trust to comply with the factual assumptions set forth in the opinion letters issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors relating to the issues of substantive consolidation and true sale and with the covenants set forth in Section 6.01(b) and 6.01(c).

Section 5.02. Representations and Warranties of the Trust Regarding the Administrative Agent's Security Interest. The Administrator (on behalf of the Trust) hereby represents and warrants for the benefit of the Secured Creditors as follows on the Closing Date, on the A&R Closing Date, on the date of each Advance and on each Reporting Date that:

(a) This Agreement creates a valid and continuing security interest (as defined in the New York UCC) in the Pledged Collateral in favor of the Administrative Agent, which security interest is both perfected and prior to all other liens, charges, security interests, mortgages or other encumbrances, and is enforceable as such as against creditors of and purchasers from the Trust.

(b) The Trust, by and through the Eligible Lender Trustee as its Eligible Lender, owns and has good and marketable title to the Trust Student Loans and other Pledged Collateral free and clear of any Adverse Claim.

(c) The Trust has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Pledged Collateral granted to the Administrative Agent hereunder.

(d) All executed originals (or certified copies thereof to the extent more than one loan is evidenced by such Student Loan Note) of each Student Loan Note that constitute or evidence the Trust Student Loans have been delivered to the applicable Servicer, as bailee for the Administrative Agent for the benefit of the Secured Creditors.

(e) Other than the security interest granted to the Administrative Agent pursuant to this Agreement, the Trust has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Pledged Collateral. The Trust has not authorized the filing of and is not aware of any financing statements against the Trust that include a description of collateral covering the Pledged Collateral other than any financing statement relating to the security interest granted to the Administrative Agent hereunder or any financing statement that has been terminated. There are no judgments or tax lien filings against the Trust.

(f) The Trust is a "registered organization" (as defined in §9-102(a)(70) of the UCC) organized exclusively under the laws of the State of Delaware and, for purposes of Article 9 of the UCC, the Trust is located in the State of Delaware.

(g) The Trust's exact legal name is the name set forth for it on the signature page hereto.

Section 5.03. Particular Representations and Warranties of the Trust.

The Administrator (on behalf of the Trust) further represents and warrants to each of the parties hereto on the Closing Date, on the A&R Closing Date, on the date of each Advance, on each Reporting Date and on each other date specified below that, with respect to each of the Trust Student Loans included in the Pledged Collateral:

(a) Such Trust Student Loans constitute "accounts," "promissory notes" or "payment intangibles" within the meaning of the applicable UCC and are within the coverage of Sections 432(m)(1)(E) and 439(d)(3) of the Higher Education Act;

(b) Such Trust Student Loans are Eligible FFELP Loans as of the date they become Pledged Collateral and as of any other date upon which they are declared by the Trust or the Administrator to be Eligible FFELP Loans and the description of such Eligible FFELP Loans set forth in the Transaction Documents or the Schedule of Trust Student Loans and in any other documents or written information provided to any of the parties hereunder (other than documents or information stated to be preliminary which have subsequently been replaced by definitive documents or information), as applicable, is true and correct in all material respects;

(c) The Trust is authorized to pledge such Trust Student Loans and the other Pledged Collateral; and the sale, assignment and transfer of such Trust Student Loans has been made pursuant to and consistent with the laws and regulations under which the Trust operates, and will not violate any decree, judgment or order of any court or agency, or conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which the Trust is a party or by which the Trust or its property is bound, or constitute a default (or an event which could constitute a default with the passage of time or notice or both) thereunder;

(d) No consents or approvals are required for the consummation of the pledge of the Pledged Collateral hereunder to the Administrative Agent for the benefit of the Secured Creditors;

(e) Any payments on such Trust Student Loans received by the Trust which have been allocated to the reduction of principal and interest on such Trust Student Loans have been allocated on a simple interest basis;

(f) Due diligence and reasonable care have been exercised in making, administering, servicing and collecting the Trust Student Loans and, with respect to any Trust Student Loan for which repayment terms have been established, all disclosures of information required to be made pursuant to the Higher Education Act have been made;

(g) Except for Trust Student Loans executed electronically or Trust Student Loans evidenced by a master promissory note, there is only one original executed copy of the Student Loan Note evidencing each such Trust Student Loan. For such Trust Student Loans that were executed electronically, the Master Servicer has possession of the electronic records evidencing the Student Loan Note. Each applicable Servicer has in its possession a copy of the endorsement and each Loan Transmittal Summary Form identifying the Student Loan Notes that constitute or evidence the Trust Student Loans. The Student Loan Notes that constitute or evidence the Trust Student Loans do not have any marks or notations indicating that they are currently pledged, assigned or otherwise conveyed to any Person other than the Administrative Agent. All financing statements filed or to be filed against the Eligible Lender Trustee and the Trust in favor of the Administrative Agent in connection herewith describing the Pledged Collateral contain a statement to the following effect: *"*A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Secured Party*"*; and

(h) The applicable parties shall have performed, satisfied and complied with the conditions set forth in Section 3 of the Purchase Agreement, the Conveyance Agreement (or the Tri-Party Transfer Agreement, as applicable) and the Sale Agreement as of the date of the related bill of sale.

Section 5.04. Repurchase of Student Loans; Reimbursement.

The Trust shall cause the obligations of each of the Depositor, the Master Depositor, the Master Servicer and the Sellers (or any guarantor on its respective behalf) to purchase, repurchase, make reimbursement or substitute Trust Student Loans to be enforced to the extent such obligations are set forth in the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, the applicable Purchase Agreement and the Servicing Agreement. The Trust shall cause any

such repurchase amount or reimbursement to be remitted to the Collection Account. Any substitute Trust Student Loan obtained by the Trust from the Master Depositor, the Depositor, any Servicer or Seller shall constitute Pledged Collateral hereunder.

Section 5.05. Administrator Actions Attributable to the Trust.

Any action required to be taken by the Trust hereunder may be taken by the Administrator on behalf of the Trust, to the extent permitted under the Administration Agreement. The Trust shall be fully responsible for each of the representations, warranties, certifications and other statements made herein, in any other Transaction Document, any Advance Request, any Notice of Release or any other communication hereunder or thereunder by the Administrator on its behalf as if such representations, warranties, certifications or statements had been made directly by the Trust. In addition, the Trust shall be fully responsible for all actions of the Administrator taken on its behalf under this Agreement or any other Transaction Document as if such actions had been taken directly by the Trust. Nothing in this Section shall limit the responsibility of the Administrator, or relieve the Administrator from any liability for exceeding its authority under the Administration Agreement.

ARTICLE VI.

COVENANTS OF THE TRUST

From and after the Closing Date until all of the Obligations hereunder and under the other Transaction Documents have been satisfied in full:

Section 6.01. Preservation of Separate Existence.

(a) **Nature of Business**. The Trust will engage in no business other than (i) purchases, sales and financings of Trust Student Loans, (ii) the other transactions permitted or contemplated by this Agreement and the other Transaction Documents, and (iii) any other transactions permitted or contemplated by its organizational documents as they exist on the Closing Date, or as amended as such amendments may be permitted pursuant to the terms of this Agreement. The Trust will incur no other Debt except as expressly contemplated by the Transaction Documents.

(b) **Maintenance of Separate Existence**. The Trust will do all things necessary to maintain its existence as a Delaware statutory trust separate and apart from all Affiliates of the Trust, including complying with the provisions described in Section 9j(iv) of the Limited Liability Company Agreement of the Depositor.

(c) **Transactions with Affiliates**. The Trust will not enter into, or be a party to, any transaction with any of its respective Affiliates, except (i) the transactions permitted or contemplated by this Agreement (including the sale and purchase of Eligible FFELP Loans to or from Affiliates) or the other Transaction Documents; and (ii) other transactions (including, without limitation, the lease of office space or computer equipment or software by the Trust to or from an Affiliate) (A) in the ordinary course of business, (B) pursuant to the reasonable requirements of the Trust's business, (C) upon fair and reasonable terms that are no less favorable to the Trust than could be obtained in a comparable arm's-length transaction with a

Person not an Affiliate of the Trust, and (D) not inconsistent with the factual assumptions set forth in (1) the opinion letter issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors, (2) the opinion letter issued as of April 16, 2010 by Bingham McCutchen LLP to the Secured Creditors, or (3) the opinion letter issued as of January 14, 2011 by Bingham McCutchen LLP to the Secured Creditors, each relating to the issues of substantive consolidation.

Section 6.02. Notice of Termination Event, Potential Termination Event or Amortization Event.

As soon as possible and in any event within three Business Days after the occurrence of each Termination Event, each Potential Termination Event, each Amortization Event and each Potential Amortization Event (or, to the extent the Trust does not have knowledge of a Termination Event, Potential Termination Event, Amortization Event or Potential Amortization Event, promptly upon obtaining such knowledge), the Trust will provide (or shall cause the Administrator to provide) to the Administrative Agent a statement setting forth details of such Termination Event, Potential Termination Event, Amortization Event or Potential Amortization Event and the action which the Trust has taken or proposes to take with respect thereto. The Administrative Agent shall promptly forward such notice to the Managing Agents.

Section 6.03. Notice of Material Adverse Change.

As soon as possible and in any event within three Business Days after becoming aware of an event which could reasonably be expected to have a Material Adverse Effect on the Trust, the Trust will provide to the Administrative Agent written notice thereof. The Administrative Agent shall promptly forward such notice to the Managing Agents.

Section 6.04. Compliance with Laws; Preservation of Corporate Existence; Code of Conduct.

(a) The Trust will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its legal existence, and will preserve and maintain its rights, franchises, qualifications and privileges in all material respects.

(b) Sallie Mae, Inc. agrees to comply in all material respects with the Student Loan Code of Conduct that it entered into with the New York Attorney General on April 11, 2007 and agrees to comply in all material respects with any other similar codes of conduct that it may expressly agree to after the Closing Date.

Section 6.05. Enforcement of Obligations.

(a) ***Enforcement of Trust Student Loans.*** The Trust shall cause to be diligently enforced and taken all steps, actions and proceedings reasonably necessary for the enforcement of all terms, covenants and conditions of all Trust Student Loans and agreements in connection therewith (except as otherwise permitted pursuant to the Transaction Documents), including the prompt payment of all principal and interest payments and all other amounts due the Trust or the Eligible Lender Trustee, as applicable thereunder.

(b) ***Enforcement of Servicing Agreements and Administration Agreement.*** The Trust shall cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Servicing Agreements and the Administration Agreement, including all Interest Subsidy Payments, Special Allowance Payments and all defaulted payments Guaranteed by any Guarantor and/or by the Department of Education which relate to any Trust Student Loans. Except as otherwise permitted under any Transaction Document, the Trust shall not permit the release of the obligations of any Servicer under any Servicing Agreement or of the Administrator under the Administration Agreement and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Trust, the Eligible Lender Trustee and the Secured Creditors under or with respect to each Servicing Agreement and the Administration Agreement. The Trust shall not consent or agree to or permit any amendment or modification of any Servicing Agreement or of the Administration Agreement, except (i) as required by the Higher Education Act; (ii) solely for the purpose of extending the term thereof; or (iii) in any other manner, if such modification, amendment or supplement is made pursuant to the terms of that agreement. Upon the occurrence of a Servicer Default and during the continuation thereof, the Trust shall replace the Servicer subject to such Servicer Default if instructed to do so by the Administrative Agent. Upon the occurrence of an Administrator Default and during the continuation thereof, the Trust shall replace the Administrator if instructed to do so by the Administrative Agent.

(c) ***Enforcement of Purchase Agreements, Conveyance Agreement, Tri-Party Transfer Agreement and Sale Agreement.*** The Trust shall cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of each Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement and the Sale Agreement. Except as otherwise permitted under any Transaction Document, the Trust shall not permit the release of the obligations of any Seller under any Purchase Agreement, of the Master Depositor under the Conveyance Agreement, of any Related SPE Seller under the Tri-Party Transfer Agreement or of the Depositor under the Sale Agreement (or in each case any guarantor of the obligations thereof) and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Trust, the Depositor, the Master Depositor, the Eligible Lender Trustee and the Secured Creditors under or with respect to each Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement and the Sale Agreement. Except as otherwise permitted under any Transaction Document, the Trust shall not consent or agree to or permit any amendment or modification of any Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement or the Sale Agreement which will in any manner materially adversely affect the rights or security of the Administrative Agent, the Eligible Lender Trustee or the Secured Creditors. To the extent such action is required under the terms of the Sale Agreement, upon a determination that a Trust Student Loan sold pursuant to a Purchase Agreement was not an Eligible FFELP Loan at the time it was represented to be as such, the Trust shall require the Depositor to repurchase such Trust Student Loan from the Trust pursuant to the Sale Agreement.

(d) ***Enforcement and Amendment of Guarantee Agreements.*** So long as any Class A Notes are Outstanding and each Trust Student Loan is guaranteed by a Guarantee, the Administrator on behalf of the Trust shall (i) from and after the date on which the Eligible Lender Trustee on its behalf shall have entered into any Guarantee Agreement covering Trust

Student Loans, cause the Eligible Lender Trustee to maintain such Guarantee Agreement and diligently enforce the Eligible Lender Trustee's rights thereunder; (ii) cause the Eligible Lender Trustee to enter into such other similar or supplemental agreements as shall be required to maintain benefits for all Trust Student Loans covered thereby; and (iii) not voluntarily consent to or permit any rescission of or consent to any amendment to or otherwise take any action under or in connection with any such Guarantee Agreement or any similar or supplemental agreement in any manner which would materially and adversely affect the ability of the Trust to perform its obligations under this Agreement or cause a Material Adverse Effect with respect to the Trust without the prior written consent of the Administrative Agent.

Section 6.06. Maintenance of Books and Records.

The Administrator on behalf of the Trust shall maintain and implement or cause to be maintained and implemented administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Pledged Collateral in the event of the destruction of the originals thereof), and keep and maintain, or cause to be kept and maintained, all documents, books, records and other information reasonably necessary or advisable for the collection of all the Pledged Collateral.

Section 6.07. Fulfillment of Obligations.

The Trust shall fulfill its obligations pursuant to the Transaction Documents. The Trust shall cause each of its Affiliates to fulfill its respective obligations pursuant to the Transaction Documents.

Section 6.08. Notice of Material Litigation.

As soon as possible and in any event within three Business Days of the Trust's actual knowledge thereof, the Trust shall cause the Administrative Agent to be provided with written notice of (a) any litigation, investigation or proceeding which may exist at any time which could be reasonably likely to have a Material Adverse Effect on the Trust; and (b) to the extent reasonably requested by the Administrative Agent in connection with the delivery of each Monthly Report, a monthly update of material adverse developments in previously disclosed litigation, including in each case, if known to the Trust, including any of the same against a Servicer.

Section 6.09. Notice of Relocation.

The Administrator on behalf of the Trust shall cause the Administrative Agent to be provided notice of any change in the location of the Trust's principal offices or any change in the location of the Trust's books and records within thirty days before any such change.

Section 6.10. Rescission or Modification of Trust Student Loans and Transaction Documents.

(a) Except as expressly permitted in the Servicing Agreement, the Trust shall not permit the release of the obligations of any Obligor under any Trust Student Loan and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected

the rights and privileges of the Trust and the Secured Creditors under or with respect to each Trust Student Loan and each agreement in connection therewith. The Trust shall not consent or agree to or permit any modification, extension or renegotiation in any way of any Trust Student Loan or agreement in connection therewith unless such modification, extension or renegotiation is (i) required under the Higher Education Act or other applicable laws, rules and regulations and the applicable Guarantee Agreement, (ii) provided for in the applicable underwriting guidelines or Servicing Policies, if such modification, extension or renegotiation does not materially adversely affect the value or collectability thereof or (iii) expressly provided for or permitted in the Transaction Documents. Nothing in this Agreement shall be construed to prevent the Trust, the Eligible Lender Trustee or the Administrative Agent, as applicable, from offering any Obligor any borrower benefit to the extent permissible by this Agreement or the Servicing Agreement or settling a default or curing a delinquency on any Trust Student Loan on such terms as shall be permitted by law and shall be consistent with the applicable underwriting guidelines or Servicing Policies.

(b) Unless otherwise specified pursuant to clause (a) above or in any Transaction Document, without the written consent of the Required Managing Agents (and the written consent of the Administrative Agent or the Syndication Agent to the extent any of the following would require the Administrative Agent or the Syndication Agent to take any action or amend, modify or waive the duties or responsibilities of the Administrative Agent or the Syndication Agent hereunder), the Trust will not (nor will it permit any of its agents to):

(i) cancel, terminate, extend, amend, modify or waive (or consent to or approve any of the foregoing) any provision of any Transaction Document (other than any cancellation or termination of a Guarantee Agreement that does not apply at such time to any Trust Student Loans or any extension, amendment, modification or waiver of a Guarantee Agreement that would not have a Material Adverse Effect on the Trust); or

(ii) take or consent to any other action that may impair the rights of any Secured Creditor to any Pledged Collateral or modify, in a manner adverse to any Secured Creditor, the right of such Secured Creditor to demand or receive payment under any of the Transaction Documents (other than any action with regard to a Guarantee Agreement that does not apply at such time to any Trust Student Loans or any extension, amendment, modification or waiver of a Guarantee Agreement that would not have a Material Adverse Effect on the Trust).

Section 6.11. Liens.

(a) ***Transaction Documents.*** The Trust (i) will cause to be taken all action necessary to perfect, protect, keep in full force and effect and more fully evidence the ownership interest of the Trust (or of the Eligible Lender Trustee, acting on behalf of the Trust) and the first priority perfected security interest of the Administrative Agent in favor of the Secured Creditors in the Trust Student Loans, Collections with respect thereto and in the other Pledged Collateral and the Transaction Documents including, without limitation, (A) filing and maintaining effective financing statements (Form UCC-1) in all necessary or appropriate filing offices; (B) filing continuation statements, amendments or assignments with respect thereto in such filing offices; (C) filing amendments, releases and terminations with respect to filed financing statements, as

necessary; and (D) executing or causing to be executed such other instruments or notices as may be necessary or appropriate; and (ii) will cause to be taken all additional actions to perfect, protect, keep in full force and effect and fully evidence the first priority security interest of the Administrative Agent, for the benefit of the Secured Creditors, in the Trust Student Loans and other Pledged Collateral related thereto reasonably requested by the Administrative Agent.

(b) ***UCC Matters; Protection and Perfection of Pledged Collateral; Delivery of Documents.*** Unless the Trust has complied with Section 6.09, the Trust will keep its principal place of business and chief executive office, and the office where it keeps any Records in its possession, at the address of the Trust referred to in Exhibit M. The Trust will not make any change to its name unless prior to the effective date of any such name change or use, the Trust delivers to the Administrative Agent such financing statements necessary, or as the Administrative Agent may request, to reflect such name change, together with such other documents and instruments as the Administrative Agent may request in connection therewith. The Trust will not change its jurisdiction of formation or its corporate structure.

The Trust agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action necessary, or that the Administrative Agent may reasonably request, in order to maintain the Administrative Agent's first priority perfected security interest in the Pledged Collateral for the benefit of the Secured Creditors, or to enable the Administrative Agent or the Secured Creditors to exercise or enforce any of their respective rights hereunder (provided, however, that the foregoing sentence shall not be deemed to require the Trust or the Master Servicer to relocate or deliver any Student Loan Notes to or at the direction of the Administrative Agent prior to the Termination Date). Without limiting the generality of the foregoing, the Trust will: (i) authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate (or as the Administrative Agent may request); and (ii) mark their master data processing records evidencing such Pledged Collateral with a legend or numeric code acceptable to the Administrative Agent, evidencing that the Administrative Agent, for the benefit of the Secured Creditors, has acquired an interest therein as provided in this Agreement. The Trust hereby authorizes the Administrative Agent, or any Secured Creditor on behalf of the Trust, to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Pledged Collateral now existing or hereafter arising without the signature of the Trust where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Pledged Collateral, or any part thereof, shall be sufficient as a financing statement. If the Trust fails to perform any of its agreements or obligations under this Section, the Administrative Agent or any Secured Creditor may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the expenses of the Administrative Agent or such Secured Creditor incurred in connection therewith shall be payable by the Trust upon the Administrative Agent's or such Secured Creditor's demand therefor.

For purposes of enabling the Administrative Agent or any such Secured Creditor to exercise their respective rights described in the preceding sentence and elsewhere in this Agreement, the Trust and the Eligible Lender Trustee hereby authorize, and irrevocably grant a Power of Attorney, exercisable only after the occurrence and during the continuation of a Termination Event, to the Administrative Agent and its respective successors and assigns to take

any and all steps in the Trust's and the Eligible Lender Trustee's name and on behalf of the Trust and/or the Eligible Lender Trustee necessary or desirable, in the determination of the Administrative Agent, as the case may be, to collect all amounts due under any and all Trust Student Loans and other Pledged Collateral, including, without limitation, (i) endorsing the promissory notes to the Administrative Agent or its designee, such that the Administrative Agent or such designee becomes the holder of the promissory notes and has the rights and powers of a holder under applicable law, (ii) endorsing the Trust's and/or the Eligible Lender Trustee's name on checks and other instruments representing Collections and (iii) enforcing such Trust Student Loans and other Pledged Collateral.

Section 6.12. Sales of Assets; Consolidation/Merger.

(a) ***Sales, Liens, Etc.*** Except as otherwise provided herein or in any other Transaction Document, the Trust will not (nor will it permit the Eligible Lender Trustee to) sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any Pledged Collateral.

(b) ***Merger, Etc.*** The Trust will not merge or consolidate with any other entity. The Trust will not convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired), or acquire all or substantially all of the assets or capital stock or other ownership interest of any Person, other than with respect to asset acquisitions or dispositions permitted under the Transaction Documents. The Trust shall not form or create any subsidiary without the consent of each Managing Agent.

Section 6.13. Change in Business.

The Trust will not make any change in the character of its business, which change could reasonably be expected to impair the collectability of any Pledged Collateral or otherwise materially adversely affect the interests or remedies of the Administrative Agent or the Note Purchasers under this Agreement or any other Transaction Document.

Section 6.14. Residual Interest.

The Trust will not issue any Excess Distribution Certificates (other than replacement Excess Distribution Certificates) to any Person other than the Depositor; provided, however, that, except as otherwise provided in this Section 6.14, the Excess Distribution Certificate may be transferred to and owned by an Affiliate of the Depositor and the Depositor or such Affiliate may pledge the Excess Distribution Certificate to the Administrative Agent for the benefit of the Secured Creditors to secure the obligations under the Transaction Documents; provided further, however, that if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then (x) at all times after the relevant acquisition date, the Excess Distribution Certificate shall be owned by the Depositor free and clear of any Lien or other interest (other than the Lien in favor of the Administrative Agent) and (y) at no time after the relevant acquisition date shall the Excess Distribution Certificate be subject to any CRD Prohibited Hedge.

Section 6.15. General Reporting Requirements.

The Trust shall provide to the Administrative Agent (and, as applicable, will cause the Master Servicer to provide) the following:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Trust, the Depositor and the Master Servicer, an annual statement of compliance with the Transaction Documents and applicable law together with an agreed upon procedures letter delivered by an independent public accountant with respect to the Transaction Documents, all in form acceptable to the Administrative Agent;

(b) as soon as available and in any event within 90 days after the end of each fiscal year of SLM Corporation, a copy of the balance sheet of SLM Corporation and its consolidated subsidiaries and the related statements of income, stockholders' equity and cash flows for such year, each prepared in accordance with GAAP consistently applied and duly certified by nationally recognized independent certified public accountants selected by SLM Corporation, together with a certificate of an officer certifying that such financial statements fairly present in all material respects the financial condition of SLM Corporation and its consolidated subsidiaries;

(c) as soon as available and in any event within 60 days after the end of each fiscal quarter of SLM Corporation, a copy of an unaudited balance sheet of SLM Corporation and its consolidated subsidiaries and the related statements of income, stockholders' equity and cash flows for such fiscal quarter, each prepared in accordance with GAAP consistently applied, together with a certificate of an officer certifying that such financial statements fairly present in all material respects the financial condition of SLM Corporation and its consolidated subsidiaries;

(d) promptly following the Administrative Agent's or any Managing Agent's request therefor, copies of all financial statements, settlement statements, portfolio and other material reports, notices, disclosures, certificates and other written material delivered or made available to the Trust by any Person pursuant to the terms of any Transaction Document;

(e) promptly following the Administrative Agent's or any Managing Agent's request therefor, such other information respecting the Trust Student Loans and the other Pledged Collateral or the conditions or operations, financial or otherwise, of the Trust as the Administrative Agent or any Managing Agent may from time to time reasonably request;

(f) with respect to each Guarantor, promptly after receipt thereof as made available to the Trust after request therefor, copies of any audited financial statements of such Guarantor certified by an independent certified public accounting firm;

(g) with respect to each Servicer and promptly after receipt thereof after a good faith effort to obtain such material is made by the Trust, (i) copies of any annual audited financial statements of such Servicer other than the Master Servicer for so long as the Master Servicer is a consolidated subsidiary of SLM Corporation, to the extent available, certified by an independent certified public accounting firm, (ii) on an annual basis within 30 days after receipt thereof, copies of SAS 70 or SSAE 16 reports, as applicable, for such Servicer, or, if not available, the annual compliance audit for each Servicer required by Section 428(b)(1)(U) of the Higher

Education Act and (iii) to the extent not included in the financial information provided pursuant to clauses (i) and (ii) above and to the extent available, such Servicer's net dollar loss for the year due to servicing errors;

(h) promptly following the Administrative Agent's or any Managing Agent's request therefor, a Schedule of Trust Student Loans;

(i) promptly and in any event within 45 days after the filing or receiving thereof, copies of all reports and notices with respect to (A) any "Reportable Event," relating to a Benefit Plan (B) the institution of proceedings or the taking of any other action regarding the termination of, withdrawal from, reorganization within the meaning of Section 4241 of ERISA or insolvency within the meaning of Section 4245 of ERISA, any Benefit Plan subject to Title IV of ERISA which the Trust or any of its ERISA Affiliates files under ERISA with the Internal Revenue Service, the PBGC or the U.S. Department of Labor or which the Trust or any of its ERISA Affiliates receives from the PBGC, (C) a failure to make any required contribution to a Benefit Plan or (D) the creation of any lien against the assets of the Trust or an ERISA Affiliate in favor of the PBGC or a Benefit Plan under ERISA;

(j) promptly after the occurrence thereof, written notice of changes in the Higher Education Act or any other law of the United States that could reasonably have a probability of having a Material Adverse Effect on the Trust or could materially and adversely affect (i) the ability of a Servicer to perform its obligations under its Servicing Agreement, (ii) the ability of a Subservicer to perform its obligations under its Servicing Agreement, or (iii) the collectability or enforceability of a material amount of the Trust Student Loans, or any Guarantee Agreement or Federal Reimbursement Contract with respect to a material amount of Trust Student Loans;

(k) promptly, notice of any change in the accountants of the Trust or SLM Corporation;

(l) promptly, after the occurrence thereof or if sooner upon any executive officer of the Administrator having direct or primary responsibility for ABS trust administration obtaining knowledge of any pending change, notice of any change in the accounting policy of the Trust or SLM Corporation to the extent such change could reasonably be seen to have a material and adverse impact on the transactions contemplated herein;

(m) promptly, copies of any written notices received by SLM Corporation or any of its Affiliates from the Department or any other Governmental Authority regarding any material non-compliance by SLM Corporation or any of its Affiliates with any government sponsored facility for the financing of FFELP Loans;

(n) any information made available to the Eligible Lender Trustee pursuant to Section 11.05(b) of the Trust Agreement to the extent such information was not previously delivered to the Administrative Agent; and

(o) such other information, documents, tapes, data, records or reports respecting the Pledged Collateral, the Trust, the Depositor, the Master Depositor, any Seller, any Related SPE Seller, any Related SPE Trust, the Administrator, the Master Servicer or SLM Corporation which is in its possession or under its control, as the Administrative Agent may from time to time reasonably request, or that any Affected Party may reasonably require in order to comply with their respective obligations under Article 122a(4) and (5) of CRD.

Section 6.16. Inspections.

The Administrative Agent and the Managing Agents may, upon reasonable notice and from time to time during regular business hours, once per calendar year (or, after the occurrence and during the continuation of an Amortization Event or a Termination Event, as frequently as requested by the Administrative Agent on behalf of any Managing Agent) (i) examine and make copies of and take abstracts from all books, records and documents (including computer tapes and disks) relating to the Pledged Collateral and (ii) visit the offices and properties of the Trust (or the Master Servicer or Subservicer, as applicable) for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Pledged Collateral or the Trust's (or the Master Servicer's or Subservicer's) performance hereunder and under the other Transaction Documents with any of the officers, directors, employees or independent public accountants of the Trust (to the extent available), the Master Servicer or Subservicer having knowledge of such matters. Any reasonable expenses related to such inspections shall be reimbursable directly by the Master Servicer. In addition, from time to time during the year, the Administrative Agent and the Managing Agents may, at their own expense, conduct any other inspections as they may deem necessary or appropriate, provided such inspections occur upon reasonable notice and during regular business hours.

Section 6.17. ERISA.

The Trust will not adopt, maintain, contribute to or incur by any of its own actions or assume any legal obligation with respect to any Benefit Plan or Multiemployer Plan.

Section 6.18. Servicers.

Except as permitted by any Servicing Agreement, the Trust will not permit any Person other than the Master Servicer or a Subservicer to collect, service or administer the Trust Student Loans.

Section 6.19. Acquisition, Financing, Collection and Assignment of Student Loans.

The Trust shall acquire or finance only Eligible FFELP Loans with proceeds of the Advances and shall cause to be collected all principal and interest payments on all the Trust Student Loans and all sums to which the Trust or Administrative Agent is entitled pursuant to the Sale Agreement, and all Interest Subsidy Payments, Special Allowance Payments and all defaulted payments Guaranteed by any Guarantor which relate to such Trust Student Loans as more fully set forth in the Servicing Agreement. The Trust shall assign or direct the assignment of such Trust Student Loans for payment of guarantee benefits as required by applicable law and regulations. The Trust shall comply in all material respects with any Guarantor's rules and regulations which apply to such Trust Student Loans. From and after the Closing Date, the Trust shall purchase only Student Loans from the Depositor pursuant to the Sale Agreement that have been sold by (i) an Ongoing Seller to the Master Depositor pursuant to a Purchase Agreement and by the Master Depositor to the Depositor pursuant to the Conveyance Agreement or (ii) a Related SPE Seller to the Depositor pursuant to the Tri-Party Transfer Agreement.

Section 6.20. Administration and Collection of Trust Student Loans.

All Trust Student Loans shall be administered and collected either by the Trust or by the Master Servicer or a Subservicer on behalf of the Trust in accordance in all material respects with the Servicing Agreements.

Section 6.21. Obligations of the Trust With Respect to Pledged Collateral.

The Trust will (a) at its expense, regardless of any exercise by any Secured Creditor of its rights hereunder, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Transaction Documents included in the Pledged Collateral to the same extent as if the Pledged Collateral had not been pledged hereunder; and (b) pay when due any taxes, including without limitation, sales and excise taxes, payable in connection with the Pledged Collateral. In no event shall any Secured Creditor have any obligation or liability with respect to any Trust Student Loans or other instrument document or agreement included in the Pledged Collateral, nor shall any of them be obligated to perform any of the obligations of the Trust or any of its Affiliates thereunder. The Trust will timely and fully comply in all respects with each Transaction Document to which it is a party.

Section 6.22. Asset Coverage Requirement.

The Trust shall at all times, to the best of its actual knowledge, cause the Asset Coverage Ratio to not be less than 100.00%.

Section 6.23. Amendment of Organizational Documents.

The Trust shall cause the Administrative Agent to be notified in writing of any proposed amendments to the Trust's organizational documents. No such amendment shall become effective unless and until the Required Managing Agents have consented in writing thereto, which consent shall not be unreasonably withheld or delayed.

Section 6.24. Amendment of Underwriting Guidelines or Servicing Policies.

Promptly after the occurrence thereof, the Trust shall cause the Administrative Agent to be notified of any material changes to the underwriting guidelines or Servicing Policies. The Trust shall not permit or implement any change in the underwriting guidelines or Servicing Policies applicable to any Trust Student Loan which would materially and adversely affect the collectability of any Trust Student Loan, the performance of the portfolio of Trust Student Loans or the Administrative Agent's security interest in such Trust Student Loans without the prior written consent of the Required Managing Agents, and unless such changes are made with respect to all FFELP Loans serviced by the Servicer for its own portfolio and for securitization trusts sponsored by SLM Corporation.

Section 6.25. No Payments on Excess Distribution Certificate.

Except as expressly permitted by Section 2.05(b) or Section 2.18(d) of this Agreement, the Trust shall not make any payments or distributions with respect to the Excess Distribution Certificate without the prior written consent of the Required Managing Agents.

Section 6.26. Borrower Benefit Programs.

(a) The Trust shall cause the Servicer to maintain any rate reduction programs or other borrower benefit programs in effect at the time the Trust purchased such Trust Student Loan. The Trust shall not permit any Servicer to apply any additional rate reduction programs with respect to the Trust Student Loans unless (i) such borrower benefit program is required under the Higher Education Act, (ii) the Master Servicer, the Depositor or the applicable Seller has deposited funds into the Borrower Benefit Account in an amount sufficient to offset any effective yield reductions in accordance with Section 3.12 of the Servicing Agreement or (iii) the Administrative Agent has consented to the Trust's participation in that borrower benefit program or other rate reduction program.

(b) With respect to each Advance Date for a Purchase Price Advance, if any Eligible FFELP Loans (excluding any Eligible FFELP Loans that were owned by the Trust or any Related SPE Trusts on the Closing Date) to be sold to the Trust on such Advance Date are subject to a Borrower Benefit Program, the Master Servicer, the Depositor or the applicable Seller shall deposit any Borrower Benefit Amount relating to such Eligible FFELP Loans into the Borrower Benefit Account. On each Settlement Date, based on information provided by the Servicer, the Administrative Agent shall withdraw funds on deposit in the Borrower Benefit Account in excess of the expected net present value of the aggregate maximum amount of borrower benefits (including Borrower Benefit Amounts) that could be payable on all related Trust Student Loans for which Required Borrower Benefit Amounts were previously deposited and shall deposit such excess amount into the Collection Account and treat such excess amount as Available Funds for such Settlement Date. In addition, on each date that the advance rates under clause (a) of the definition of "Applicable Percentage" are amended, the Administrative Agent shall withdraw all funds on deposit in the Borrower Benefit Account on such date and shall deposit such amount into the Collection Account for application as Available Funds on the next Settlement Date.

ARTICLE VII.

AMORTIZATION EVENTS AND TERMINATION EVENTS

Section 7.01. Amortization Events.

Each of the following events (each, an *"**Amortization Event**"*) shall be an Amortization Event under this Agreement:

(a) the Aggregate Note Balance and all other Obligations due under the Transaction Documents are not repaid in full on the Scheduled Maturity Date (as such date may be extended from time to time); or

(b) any settlement or one or more judgments or orders for the payment of money or adverse rulings shall be rendered against any Seller, the Depositor, the Master Depositor, any Related SPE Seller, the Administrator or the Master Servicer in excess of $50,000,000 on an individual basis or on an aggregate basis that relates to the student loan origination or servicing practices of such Person and such settlement, judgment or ruling shall remain unsatisfied or unstayed for a period in excess of 30 days; or

(c) the filing of any judgment or adverse ruling against any Seller, the Depositor, the Master Depositor, the Master Servicer, the Administrator, any Related SPE Seller or SLM Corporation that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on such Person and such judgment or ruling shall remain unsatisfied or unstayed for a period in excess of 30 days; or

(d) any material adverse development in any federal or state litigation, investigation or proceeding against the Trust, the Depositor, the Administrator, any Seller, the Master Servicer, the Master Depositor, any Related SPE Seller, or SLM Corporation shall occur that could reasonably be expected to have a Material Adverse Effect on such Person or on the Pledged Collateral which continues for 30 days after the earlier to occur of knowledge thereof or written notice thereof shall have been received by the Trust; or

(e) the filing of any actions or proceedings against the Trust, the Depositor, the Administrator, any Seller, the Master Servicer, any Related SPE Seller, the Master Depositor or SLM Corporation that involves the Transaction Documents or any material portion of the Pledged Collateral as to which the Administrative Agent reasonably believes there is likely to result a materially adverse determination which remains unsettled, unsatisfied or unstayed for a period in excess of 30 days; or

(f) (i) the Internal Revenue Service shall file notice of a lien involving a sum in excess of $50,000,000 pursuant to Section 6323 of the Code with regard to any assets of the Trust and such lien shall not have been released within two Business Days, (ii) any Person shall institute steps to terminate any Benefit Plan if the assets of such Benefit Plan are insufficient to satisfy all of its benefit liabilities in excess of $50,000,000 (as determined under Title IV of ERISA), or a contribution failure in excess of $50,000,000 occurs with respect to any Benefit Plan, which is sufficient to give rise to a lien under Section 302(f) or 303(k), as applicable, of ERISA or where the PBGC shall, or shall indicate its intention to, file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Trust and in each case such lien shall not have been released within two Business Days, or (iii) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving a Benefit Plan; or any Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, a Benefit Plan subject to Title IV of ERISA, which Reportable Event is likely to result in termination of such Benefit Plan; or the Trust or any ERISA Affiliate is likely to incur any liability in connection with the withdrawal from, or the insolvency within the meaning of Section 4245 of ERISA or reorganization within the meaning of Section 4241 of ERISA of, a Multiemployer Plan; provided, that an event described in this subsection (f) shall not be an Amortization Event unless such event could reasonably be expected to have a Material Adverse Effect on the Trust or on SLM Corporation; or

(g) any material provision of this Agreement or any other Transaction Document (other than a Guarantee Agreement that does not apply at such time to any Trust Student Loans) to which the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the

Master Servicer is a party shall cease to be in full force and effect for a period of 30 days subject to any other applicable cure period under this Agreement or any other Transaction Documents; or

(h) any amendment to the Higher Education Act or any other federal law becomes effective that materially adversely affects the interests of the Administrative Agent or the Note Purchasers in the Pledged Collateral; or

(i) the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance shall exceed the Maximum Financing Amount; provided, that an Amortization Period caused solely by this clause (i) shall terminate and the Revolving Period shall be reinstated if the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance no longer exceeds the Maximum Financing Amount; or

(j) the Asset Coverage Ratio shall be less than 100.00% and such deficiency shall not have been cured within five Business Days following the earlier to occur of actual knowledge or receipt of such notice by the Administrator (it being understood that, without limitation, the Administrator's receipt of a Valuation Report shall constitute notice for purposes hereof); provided, that an Amortization Period caused solely by this clause (j) shall terminate and the Revolving Period shall be reinstated if the Asset Coverage Ratio subsequently ceases to be less than 100.00%; or

(k) the Consolidated Tangible Net Worth of SLM Corporation shall be less than $1,380,000,000; or

(l) at the last day of any fiscal quarter of SLM Corporation, both (i) the Interest Coverage Ratio shall be less than 1.15:1.00 and (ii) the Net Adjusted Revenue shall be less than $400,000,000, in each case for the period of four consecutive fiscal quarters then ended.

Section 7.02. Termination Events.

Each of the following events (each, a *"**Termination Event**"*) shall be a Termination Event under this Agreement:

(a) (i) the Trust shall fail to pay the Aggregate Note Balance or any other Obligations in full on the last day of the Amortization Period (other than an Amortization Period ending as a result of the reinstatement of the Revolving Period), (ii) the Trust shall fail to make any payment under Sections 2.05(b)(i) through 2.05(b)(iv) within five Business Days of the due date thereof, or (iii) the Trust, the Depositor, the Master Servicer, the Master Depositor, any Material Subservicer, SLM Corporation or the Eligible Lender Trustee shall fail to make any other payment, transfer or deposit (unless waived by the payee or in the case of a failure to make a payment by a Material Subservicer, such failure was cured by the Master Servicer within the permissible grace period) on the date first required of such party under the Transaction Documents and such failure shall remain uncured following the expiration of any applicable payment or grace period provided for in the Transaction Documents (including the Amortization Period, if applicable); provided, however, that failure by the Trust to make a required payment on a Settlement Date under Sections 2.05(b)(vi) through (xxi) solely due to insufficient Available

Funds on such Settlement Date shall not by itself constitute a Termination Event (other than with respect to all amounts due and owing on the Termination Date or as expressly specified below); or

(b) any material representation, warranty, certification or statement made or deemed to be made by the Trust, the Administrator, the Eligible Lender Trustee, any Seller, the Depositor, the Master Depositor, the Master Servicer or any Material Subservicer (to the extent such entity remains a Subservicer after the 30-day cure period noted below) under or in connection with this Agreement or any other Transaction Document, or other information, report or document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made, deemed made or delivered (except for representations and warranties concerning Eligible FFELP Loans with respect to which the applicable Seller, the Depositor, the Master Depositor or the Servicer has repurchased the related Student Loans) and shall remain unremedied (if such default can be remedied) for the greater of (i) 30 days or (ii) the time period expressly provided for the cure of such representation or warranty in the related Transaction Document, in each case after written notice thereof shall have been received by the Trust; or

(c) the Trust, the Administrator, the Eligible Lender Trustee, any Seller, the Depositor, the Master Depositor, the Master Servicer, any Material Subservicer or SLM Corporation shall materially default in the performance or observance of any term, covenant or undertaking to be performed or observed herein (except for the obligation to cure a mark-to-market valuation deficiency described in the last sentence of Section 2.25(d), which shall instead first result in an Amortization Event as provided in Section 7.01(j)), or in any other Transaction Document on its part and any such failure shall remain unremedied (if such default can be remedied) for 30 days after the earlier to occur of actual knowledge by an Authorized Officer of the Trust, the Administrator or the Master Servicer and written notice thereof shall have been received by the Trust (or, if the obligation in question arises under another Transaction Document, within the cure period, if any, provided in such Transaction Document); provided, however, such 30-day cure period shall not apply to defaults under Section 6.01, 6.11, 6.12, or 6.25; or

(d) a Servicer Default shall have occurred with respect to the Master Servicer or the Servicing Agreement of the Master Servicer shall not be in full force and effect for any reason and the Master Servicer shall not have been replaced within 30 days after notification from the Administrative Agent; or

(e) an Event of Bankruptcy shall have occurred with respect to the Trust, the Eligible Lender Trustee, the Depositor, the Master Depositor, any Seller, the Administrator, the Master Servicer, SLM Corporation or any Material Subservicer (to the extent such entity remains a Subservicer after the 30-day period provided in the definition of an Event of Bankruptcy); or

(f) [reserved]; or

(g) the Trust shall fail to deposit, (i) for two consecutive Settlement Periods, into the Reserve Account, such additional amounts, if any, as are necessary to cause the amount on deposit in the Reserve Account to be at least equal to the Reserve Account Specified Balance,

(ii) into the Borrower Benefit Account, any amount required to be deposited therein under the Transaction Documents on or prior to the first Settlement Date for such deposit as described in the Transaction Documents or (iii) into the Floor Income Rebate Account, amounts required to be deposited therein when and as such amounts are required to be deposited pursuant to the Transaction Documents; or

(h) the filing of any judgment or adverse ruling against the Trust that could reasonably be expected to have a Material Adverse Effect on the Trust and such judgment or ruling shall continue unsatisfied or unstayed for a period in excess of 30 days; or

(i) the Administrative Agent, for the benefit of the Secured Creditors, shall, for any reason, cease to have a valid and perfected first priority security interest in the Pledged Collateral, or the Trust shall, for any reason, cease to have a valid and perfected first priority ownership interest in any of the Pledged Collateral, in each case for a period of two Business Days following the date the Administrator acquired such knowledge or its receipt of such notice; or

(j) a Change of Control has occurred with respect to the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer; or

(k) the Depositor shall fail to maintain its status as a limited purpose bankruptcy remote limited liability company or the Trust shall fail to maintain its status as a single purpose bankruptcy remote Delaware statutory trust; or

(l) the Excess Spread Test is not satisfied; or

(m) the Trust shall be required to register as an *"*investment company*"* or a company controlled by an *"*investment company*"* under the Investment Company Act; or

(n) any Seller, the Depositor, the Master Depositor, the Master Servicer, any Material Subservicer (to the extent such Material Subservicer has not been removed as a Subservicer prior to the expiration of any related cure period), the Administrator or any Affiliate thereof (other than the Trust) shall default with respect to any outstanding financing arrangement (other than in connection with this Agreement and the Transaction Documents) representing indebtedness in excess of $50,000,000 and either (i) such indebtedness is incurred with respect to any other financing comprising part of the FFELP Loan Facilities or (ii) the result of such default is to cause the acceleration of such indebtedness; or

(o) the Asset Coverage Ratio (calculated without giving effect to clauses (b) and (c) of the definition of "Applicable Percentage") shall be less than 100% and such deficiency shall not have been cured within one Business Day; or

(p) **[**reserved**]**

(q) **[**reserved**]**

(r) the Trust shall fail to pay to any Exiting Facility Group its Pro Rata Share of the Aggregate Note Balance within 90 days of the commencement of the Exiting Facility Group Amortization Period with respect to such Exiting Facility Group; or

(s) [reserved]; or

(t) any failure by the Trust to pay amounts required to be paid under Section 2.15, 8.01 or 10.08 on or before the 30th day following the date of demand for payment thereof; or

(u) (1) SLM Education Credit Finance Corporation shall fail to comply with clause (u) of Section 10.01(a) in connection with the amendment, alteration, change or deletion of the definition of "Independent Manager" or any of the "Special Purpose Provisions" (each as defined in the related organizational document), or (2) any Person shall be appointed as an "Independent Manager" (as defined in the related organizational document) of the Depositor other than in strict compliance with the requirements therefor set forth in the Depositor's Amended and Restated Limited Liability Company Operating Agreement, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

Section 7.03. Remedies.

(a) ***Amortization Event.*** After the occurrence of an Amortization Event and during the continuation of the Amortization Period, the Yield Rate shall be increased as provided in clause (b) of the definition thereof and any increase in amounts owed shall be payable as Step-Up Fees subject to the priority of payments set forth in Section 2.05(b). In addition, following the occurrence of an Amortization Event and during the continuation of the Amortization Period, no further Advances (other than Capitalized Interest Advances) shall be made. During the Amortization Period, the Administrative Agent or any party acting on its behalf shall not have the right to seize or sell the Pledged Collateral. Upon the expiration of the Amortization Period (other than by reason of the reinstatement of the Revolving Period), the Administrative Agent may, by notice to the Trust, declare that the Termination Date has occurred and may sell the Pledged Collateral to the extent required in order to repay in full all outstanding Advances and all other amounts due and owing under this Agreement and the other Transaction Documents in accordance with the procedures set forth in subsection (b) below.

(b) ***Termination Event.*** After the occurrence of a Termination Event, the Yield Rate shall be increased as set forth in clause (d) of the definition thereof and any increase in amounts owed shall be payable as Step-Up Fees subject to the priority of payments set forth in Section 2.05(b). In addition, after the occurrence of a Termination Event, the Administrative Agent may, and shall, at the direction of the Required Managing Agents, by notice to the Trust, declare that a Termination Date shall have occurred (except that, in the case of any event described in Section 7.02(e) above, the Termination Date shall be deemed to have occurred automatically). Upon the declaration of the Termination Date or the automatic occurrence thereof, no further Advances will be made and all of the Obligations due and owing to the Affected Party shall become immediately due and payable. Upon any such declaration or automatic occurrence, the Administrative Agent (for the benefit of the Secured Creditors) shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided to a secured party under the UCC of the applicable jurisdiction and

other applicable laws, which rights shall be cumulative. The rights and remedies of a secured party which may be exercised by the Administrative Agent pursuant to this Article shall include, without limitation, the right, without notice except as specified below, to solicit and accept bids for and sell the Pledged Collateral or any part thereof in one or more parcels at a public or private sale, at any exchange, broker's board or at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable, including selling Trust Student Loans on a servicing released basis; provided, that the Administrative Agent may not, without the prior written consent of the Required Managing Agents, sell the entire corpus of the Trust Student Loans unless the net proceeds of such sale will be sufficient to pay in full all interest and principal owing on the Class A Notes. Any sale or transfer by the Administrative Agent of Trust Student Loans shall only be made to an Eligible Lender. The Trust agrees that, to the extent notice of sale shall be required by law, ten Business Days' notice to the Trust and the Administrator of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and that it shall be commercially reasonable for the Administrative Agent to sell the Pledged Collateral to an Eligible Lender on an *"*as is*"* basis, without representation or warranty of any kind. The proceeds of any such sale shall be deposited into the Collection Account and shall be distributed pursuant to Section 2.05(b). The Administrative Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given and may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

Section 7.04. Setoff.

Each of the Secured Creditors and the Administrative Agent on behalf of all the Secured Creditors is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date due to the occurrence of a Termination Event or during the continuation of a Potential Termination Event to set off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Secured Creditor or all the Secured Creditors, as applicable, to, or for the account of, the Trust against the amount of the Outstanding Class A Notes and other Obligations owing by the Trust to such Secured Creditor or to the Administrative Agent on behalf of such Secured Creditor (even if contingent or unmatured).

ARTICLE VIII.

INDEMNIFICATION

Section 8.01. Indemnification by the Trust.

(a) Without limiting any other rights which the Affected Parties or any of their respective Affiliates may have hereunder or under applicable law, the Trust hereby agrees to indemnify the Affected Parties and each of their respective members, investors, officers, directors, employees, agents, advisors, attorneys-in-fact and Affiliates (each, an *"**Indemnified Party**"*) from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (except as may be expressly

limited by Section 10.08) awarded against or incurred by any of the Indemnified Parties arising out of or as a result of the purchase of any Class A Notes, the funding of Advances, this Agreement, the other Transaction Documents or the Pledged Collateral; excluding, however (i) any indemnified amounts to the extent determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification and (ii) any recourse for Defaulted Student Loans or Delinquent Student Loans or losses attributable to changes in the market value of the Trust Student Loans because of changes in market interest rates or in rate of prepayment (the foregoing, being collectively referred to as *"**Trust Indemnified Amounts**"*).

(b) Any amounts subject to the indemnification provisions of this Section 8.01 shall be paid by the Trust, to the extent not already paid by the Seller, the Depositor or the Servicer under any other Transaction Documents, to the related Indemnified Party on or before the 30th day following the date of demand therefor accompanied by reasonable supporting documentation with respect to such amounts.

Section 8.02. Indemnification and Limited Guaranty by SLM Corporation.

(a) Without limiting any other rights that any such Person may have hereunder or under applicable law (including, without limitation, the right to recover damages for breach of contract), SLM Corporation hereby agrees to indemnify each Indemnified Party, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements awarded against or incurred by any of them arising out of or relating to (i) the Transaction Documents, the transactions contemplated under the Transaction Documents or the Trust Student Loans, or (ii) use of proceeds hereunder, including indemnified amounts arising out of or relating to any Regulatory Change that results in any Other Tax, all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of the purchases hereunder, or any security interest in the Trust Student Loans or any item of the Trust Student Loans; excluding, however, (A) indemnified amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of such Indemnified Party, (B) any amounts payable as indemnification by the Trust for which the Indemnified Party has a claim against the Depositor, the Master Depositor, a Seller or the Master Servicer under the indemnification provisions in the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, any Purchase Agreement or the Servicing Agreement, unless such claim has not been paid within the applicable timeframe provided therein, (C) recourse for Defaulted Student Loans or Delinquent Student Loans or losses attributable to changes in the market value of the Trust Student Loans because of changes in market interest rates or in rate of prepayment, or (D) indemnified amounts to the extent that such indemnified amounts, together with any amounts paid by SLM Corporation pursuant to Section 8.02(c), exceed in the aggregate the least of (1) 5% of the highest Aggregate Note Balance at any time during the immediately preceding 12-month period, (2) $133,333,333, and (3) 10% of the then applicable Maximum Financing Amount (the foregoing being collectively referred to as *"**SLM Indemnified Amounts**"*).

(b) Any Trust Indemnified Amounts which are also SLM Indemnified Amounts and are not paid by the Trust on or before the 30th day following the date of demand pursuant to

Section 8.01, shall be paid by SLM Corporation to the related Indemnified Party within five Business Days following demand therefor accompanied by reasonable supporting documentation with respect to such amounts.

(c) SLM Corporation further agrees that, to the extent there are insufficient Available Funds in the Collection Account on any Settlement Date to pay any Non-Use Fee due and owing on such Settlement Date in accordance with Section 2.05(b), SLM Corporation shall pay to the Managing Agent for each Facility Group on such Settlement Date the portion of such Facility Group's Non-Use Fee that would otherwise not be paid; provided, however, that SLM Corporation shall not be obligated to pay any amounts under this Section 8.02(c) to the extent that the aggregate amounts paid under Section 8.02(a) and this Section 8.02(c) exceed the least of (1) 5% of the highest Aggregate Note Balance at any time during the immediately preceding 12-month period, (2) $133,333,333, and (3) 10% of the then applicable Maximum Financing Amount. Any failure by SLM Corporation to pay its obligations under this Section 8.02(c) (other than by reason of the proviso in the immediately preceding sentence) that remains uncured for five (5) Business Days after SLM Corporation receives notice from the Administrative Agent or any Managing Agent of any such obligation being due and payable shall constitute a Termination Event under Section 7.02(a) of this Agreement. SLM Corporation hereby subordinates (to the rights of the Secured Creditors to receive payment of the Obligations in full in immediately available funds) and releases any and all rights and claims it may now or hereafter have or acquire against the Trust in connection with this Section 8.02(c) that would constitute it a "creditor" of the Trust for purposes of the Bankruptcy Code, including all rights of subrogation against the Trust and its property and all rights of indemnification, contribution and reimbursement from the Trust and its property, all of which are hereby waived.

ARTICLE IX.

ADMINISTRATIVE AGENT, SYNDICATION AGENT AND MANAGING AGENTS

Section 9.01. Authorization and Action of Administrative Agent and Syndication Agent.

(a) The Conduit Lenders, the LIBOR Lenders, the Managing Agents and the Alternate Lenders, as of the Closing Date, accept the appointment of and authorize the Administrative Agent and the Syndication Agent to take such action as agent on their behalf and to exercise such powers as are delegated to the Administrative Agent and the Syndication Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Each of the Administrative Agent and the Syndication Agent reserves the right, in its sole discretion, to take any actions and exercise any rights or remedies under this Agreement and any related agreements and documents. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent and the Syndication Agent shall not have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall the Administrative Agent or the Syndication Agent have or be deemed to have any fiduciary relationship with any Lender or Managing Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent and the Syndication Agent. Without limiting the generality of the foregoing sentence, the use of the

terms "Administrative Agent" and "Syndication Agent" in this Agreement with reference to the Administrative Agent and the Syndication Agent, respectively, are not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such terms are used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Each of the Administrative Agent and the Syndication Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each of the Administrative Agent and the Syndication Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care. The Administrative Agent agrees to give the Managing Agents notice of each notice and determination and a copy of each certificate and report (if such notice, report, determination, or certificate is not given by the applicable Person to such Managing Agent) given to it by the Trust, the Administrator, any Seller, the Master Depositor, the Depositor, any Servicer, any Co-Valuation Agent or the Eligible Lender Trustee pursuant to the terms of the Transaction Documents within five Business Days of receipt thereof. Except for actions which each of the Administrative Agent and the Syndication Agent is expressly required to take pursuant to this Agreement, neither the Administrative Agent nor the Syndication Agent shall be required to take any action which exposes the Administrative Agent or the Syndication Agent to personal liability or which is contrary to applicable law unless the Administrative Agent or the Syndication Agent shall receive further assurances to its satisfaction from the Managing Agents that it will be indemnified against any and all liability and expense which may be incurred in taking or continuing to take such action.

Section 9.02. Authorization and Action of Managing Agents.

(a) Each Lender hereby accepts the appointment of and authorize its related Managing Agent to take such action as agent on its behalf and to exercise such powers as are delegated to such Managing Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Each Managing Agent reserves the right, in its sole discretion, to take any actions and exercise any rights or remedies under this Agreement and any related agreements and documents. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, no Managing Agent shall have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall any Managing Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against any Managing Agent. Without limiting the generality of the foregoing sentence, the use of the term "Managing Agent" in this Agreement with reference to any Managing Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Each Managing Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be

entitled to advice of counsel concerning all matters pertaining to such duties. No Managing Agent shall be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care. Each Managing Agent agrees to give to its related Lenders prompt notice of each notice and determination and a copy of each certificate and report (if such notice, report, determination, or certificate is not given by the applicable Person to such Lender) given to it by the Administrative Agent, the Syndication Agent, the Trust, the Administrator, any Seller, the Depositor, any Servicer, any Co-Valuation Agent or the Eligible Lender Trustee pursuant to the terms of this Agreement. Except for actions which each Managing Agent is expressly required to take pursuant to this Agreement, such Managing Agent shall not be required to take any action which exposes such Managing Agent to personal liability or which is contrary to applicable law unless such Managing Agent shall receive further assurances to its satisfaction from its related Lenders that it will be indemnified against any and all liability and expense which may be incurred in taking or continuing to take such action.

Section 9.03. Agency Termination.

The appointment and authority of the Administrative Agent, the Syndication Agent and the Managing Agents hereunder shall terminate upon the payment by the Trust of all Obligations hereunder unless sooner terminated pursuant to Sections 9.07 and 9.08, as applicable.

Section 9.04. Administrative Agent's, Syndication Agent's and Managing Agent's Reliance, Etc.

None of the Administrative Agent, the Syndication Agent, any Managing Agent or any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it as Administrative Agent, the Syndication Agent, or Managing Agent, as applicable, under or in connection with this Agreement or any related agreement or document, except for its own gross negligence or willful misconduct. Without limiting the foregoing, each of the Administrative Agent, the Syndication Agent and each Managing Agent:

(a) may consult with legal counsel (including counsel for the Trust or any Affiliate of the Trust), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(b) makes no warranty or representation to any Lender, any Managing Agent or any Program Support Provider and shall not be responsible to any Lender, any Managing Agent or any Program Support Provider for any statements, warranties or representations made by the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Seller, the Depositor, any Servicer, any Guarantor or any Co-Valuation Agent in connection with this Agreement or any other Transaction Document;

(c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Transaction Document on the part of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Seller, the Depositor, any Guarantor or any Co-Valuation Agent or to inspect the property (including the books and records) of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Seller, the Depositor, any Guarantor or any Co-Valuation Agent;

(d) shall not be responsible to any Lender, any Managing Agent, or any Program Support Provider, as the case may be, for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any Transaction Document or any other instrument or document furnished pursuant hereto; and

(e) shall incur no liability under or in respect of this Agreement by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile or other electronic means) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

Section 9.05. Administrative Agent, Syndication Agent, Managing Agents and Affiliates.

The Administrative Agent, the Syndication Agent, the Managing Agents and their Affiliates may generally engage in any kind of business with the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Guarantor, any Seller, the Depositor, any of their respective Affiliates and any Person who may do business with or own securities of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Guarantor, any Seller, the Depositor, or any of their respective Affiliates, all as if such entities were not the Administrative Agent, the Syndication Agent or a Managing Agent and without any duty to account therefor to any Lender, any Managing Agent or any Program Support Provider.

Section 9.06. Decision to Purchase Class A Notes and Make Advances.

The Lenders acknowledge that each has, independently and without reliance upon the Administrative Agent or any Managing Agent, and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and to make Advances hereunder. The Lenders also acknowledge that each will, independently and without reliance upon the Administrative Agent, any Managing Agent or any of their Affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement or any related agreement, instrument or other document. Furthermore, each of the Lenders and Managing Agents acknowledges and agrees that although it may have received modeling and other structural information (including cash flow analysis) from the Administrative Agent or a Managing Agent, neither the Administrative Agent nor any Managing Agent assumes any responsibility for the accuracy or completeness of such information and such information is not intended to be relied upon as a prediction of performance or for any other reason.

Section 9.07. Successor Administrative Agent or Syndication Agent.

(a) The Administrative Agent or the Syndication Agent may resign at any time by giving five days' written notice thereof to the Syndication Agent or the Administrative Agent, as applicable, each Conduit Lender, each Managing Agent, each LIBOR Lender, each Alternate Lender, the Trust, the Administrator and the Eligible Lender Trustee. Upon any such resignation, the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate

Lenders shall have the right to appoint a successor Administrative Agent or Syndication Agent approved by the Administrator (which approval will not be unreasonably withheld or delayed and will not be required after the occurrence and during the continuation of a Termination Event). If no successor Administrative Agent or Syndication Agent shall have been so appointed and shall have accepted such appointment within sixty days after the retiring Administrative Agent's or Syndication Agent's giving of notice of resignation, then the retiring Administrative Agent or Syndication Agent may, on behalf of the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate Lenders, appoint a successor Administrative Agent or Syndication Agent. If the successor Administrative Agent or Syndication Agent is not an Affiliate of the resigning Administrative Agent or Syndication Agent, a LIBOR Lender or an Alternate Lender, such successor Administrative Agent or Syndication Agent shall be subject to the Administrator's prior written approval (which approval will not be unreasonably withheld or delayed). Upon the acceptance of any appointment as Administrative Agent or Syndication Agent hereunder by a successor Administrative Agent or Syndication Agent, such successor Administrative Agent or Syndication Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent or Syndication Agent, and the retiring Administrative Agent or Syndication Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's or Syndication Agent's resignation hereunder as Administrative Agent or Syndication Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Administrative Agent or Syndication Agent under this Agreement.

(b) The *"*Administrative Agent*"* and *"*Syndication Agent*"* shall include any successors to the Administrative Agent or Syndication Agent as a result of a merger, consolidation, combination, conversion, reorganization or any other transaction (or series of related transactions) in which shares of the Administrative Agent's or the Syndication Agent's capital stock are sold or exchanged for or converted or otherwise changed into other stock or securities, cash and/or any other property, or the sale, lease, assignment, transfer or other conveyance of a majority of the assets of the Administrative Agent or the Syndication Agent in any transaction (or series of related transactions). Notwithstanding anything to the contrary in this Agreement, no consent of the Lenders, the Managing Agents or the Trust shall be required in connection with the succession of the Administrative Agent or the Syndication Agent as a result of any of the foregoing transactions.

Section 9.08. Successor Managing Agents.

Any Managing Agent may resign at any time by giving five days' written notice thereof to its related Lenders, the Trust, the Administrator, the Administrative Agent and the Eligible Lender Trustee. Upon any such resignation, the applicable Lenders shall have the right to appoint a successor Managing Agent approved by the Administrator (which approval will not be unreasonably withheld or delayed and will not be required (x) after the occurrence and during the continuation of a Termination Event or (y) if the successor is a Lender (including a Conduit Assignee) or a Program Support Provider within the resigning Managing Agent's Facility Group). If no successor Managing Agent shall have been so appointed and shall have accepted such appointment, within sixty days after the retiring Managing Agent's giving of notice of resignation, then the retiring Managing Agent may, on behalf of its related Lenders, appoint a

successor Managing Agent. If the successor Managing Agent is not an Affiliate of the resigning Managing Agent or a Lender (including a Conduit Assignee) or a Program Support Provider within the resigning Managing Agent's Facility Group, such successor Managing Agent shall be subject to the Administrator's prior written approval (which approval will not be unreasonably withheld or delayed and will not be required after the occurrence and during the continuation of a Termination Event). Upon the acceptance of any appointment as a Managing Agent hereunder by a successor Managing Agent, such successor Managing Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Managing Agent, a new Class A Note will be issued in the name of the successor Managing Agent as Registered Owner in exchange for the retiring Managing Agent's Class A Note pursuant to Section 3.05(c) and the retiring Managing Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Managing Agent's resignation hereunder as a Managing Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was a Managing Agent under this Agreement.

Section 9.09. Reimbursement.

Each Managing Agent, Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to reimburse and indemnify the Administrative Agent, the Syndication Agent and its officers, directors, employees, representatives, counsel and agents (to the extent the Administrative Agent or the Syndication Agent is not paid or reimbursed by the Trust, the Administrator, SLM Corporation, the Master Servicer, the Sellers or the Depositor), ratably according to the amounts owed to each such Person hereunder, from and against such Lender's ratable share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent or the Syndication Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by the Administrative Agent or the Syndication Agent under this Agreement or any Transaction Document; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Syndication Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to reimburse the Administrative Agent and the Syndication Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent and the Syndication Agent in connection with the due diligence, negotiation, preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Transaction Document, in each case to the extent that the Administrative Agent or the Syndication Agent is not reimbursed for such expenses by the Trust, the Administrator, SLM Corporation, the Master Servicer, the Sellers, the Master Depositor or the Depositor.

Section 9.10. Notice of Amortization Events, Termination Events, Potential Amortization Events, Potential Termination Events or Servicer Defaults.

Neither the Administrative Agent nor the Syndication Agent shall be deemed to have knowledge or notice of the occurrence of an Amortization Event, a Termination Event, a Potential Amortization Event, a Potential Termination Event or a Servicer Default, unless the Administrative Agent or the Syndication Agent has received written notice from a Note Purchaser, a Managing Agent or the Trust referring to this Agreement, describing such Amortization Event, Termination Event, Potential Amortization Event, Potential Termination Event or Servicer Default and stating that such notice is a *"*Notice of Termination Event or Potential Termination Event*,"* *"*Notice of Amortization Event or Potential Amortization Event*"* or *"*Notice of Servicer Default*,"* as applicable. The Administrative Agent or the Syndication Agent will notify the Managing Agents of its receipt of any such notice.

Section 9.11. Compliance with Rule 17g-5. Each of the Lenders, the Managing Agents, the Lead Arrangers, the Syndication Agent, the Co-Valuation Agents and the Administrative Agent agrees that (i) each such Person shall be responsible for its own compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission, including, without limitation, any requirement to provide information regarding any CP to any Rating Agency or any other nationally recognized statistical rating organization, and (ii) neither this Agreement nor any other Transaction Document shall constitute a contract by or with any other party hereto or its Affiliates to provide information to a nationally recognized statistical rating organization on behalf of any such Person or its Affiliates.

ARTICLE X.

MISCELLANEOUS

Section 10.01. Amendments, Etc.

(a) Unless otherwise specified herein, no amendment to or waiver of any provision of this Agreement or the Side Letter nor consent to any departure by the Trust or any other Person therefrom shall in any event be effective unless the same shall be in writing and signed by the Trust, the Eligible Lender Trustee and the Required Managing Agents and the Rating Agency Condition has been satisfied; provided, however, that (v) SLM Education Credit Finance Corporation agrees that it shall notify the Administrative Agent in writing of any proposed amendments or other modifications to the organizational documents of any Seller, any Related SPE Seller, the Master Depositor or the Depositor and will not effect any such amendment or other modification without the prior written consent of the Required Managing Agents, not to be unreasonably withheld; (w) any waiver of the Termination Event set forth in Section 7.02(r) shall also require the consent of the applicable Exiting Facility Group; (x) no such amendment, waiver or consent shall, without the consent of the Administrative Agent or the Syndication Agent, require the Administrative Agent or the Syndication Agent, as applicable, to take any action or amend, modify or waive the duties, responsibilities or rights of the Administrative Agent or the Syndication Agent, as applicable, hereunder or under any other Transaction Document; (y) the consent of the applicable Alternate Lender, LIBOR Lender or Committed Conduit Lender, shall be required to increase the amount of its Commitment or extend the Scheduled Maturity Date; and (z) no such amendment, waiver or consent shall, without the consent of each affected Managing Agent exclusive (except in the case of clauses (ii)(A), (ii)(B), (iii), (v), (vi) and (vii) below) of any Managing Agent for any Distressed Lender (unless such amendment, waiver or

consent is (A) necessary to correct a mistake or cure any ambiguity or (B) made solely to satisfy the Rating Agency Condition, in each case as reasonably determined by the Required Managing Agents):

(i) amend Section 7.01, Section 7.02 or Article VIII or the definitions of Adjusted Pool Balance, Amortization Period, Applicable Percentage (including as set forth in the Side Letter), Asset Coverage Ratio, Defaulted Student Loan, Eligible FFELP Loan, Excess Concentration Amount (including as set forth in the Side Letter), Excess Spread, Excess Spread Test, Floor (including as set forth in the Side Letter), Maximum Advance Amount, Minimum Asset Coverage Requirement, or Required Managing Agents or any other provision hereof specifying the percentage of Managing Agents required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder contained in this Agreement or modify the then existing Excess Concentration Amount;

(ii) amend, modify or waive any provision of this Agreement in any way which would (A) reduce the amount of principal or Financing Costs payable on account of any Note or delay any scheduled date for payment thereof, (B) reduce fees payable by the Trust to the Administrative Agent, the Managing Agents or the Lenders or delay the dates on which such fees are payable or (C) modify any provisions relating to the Asset Coverage Ratio or any required reserves so as to reduce such reserves;

(iii) agree to the payment of a different rate of interest on the Class A Notes pursuant to this Agreement;

(iv) waive the Termination Events set forth in Section 7.02(e) (with respect to the Trust, the Administrator, the Master Servicer or SLM Corporation), Section 7.02(j), Section 7.02(o) and Section 7.02(s);

(v) amend this Section 10.01 in any way other than expanding the list of amendments, waivers or consents that require the consent of each Managing Agent;

(vi) release all or substantially all of the Pledged Collateral except as expressly permitted by this Agreement;

(vii) amend Section 2.14 in a manner that would alter the pro rata sharing of payments required thereby; or

(viii) amend, modify or waive any provision of the Side Letter.

(b) Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. To the extent the consent of any of the parties hereto (other than the Trust) is required under any of the Transaction Documents, the determination as to whether to grant or withhold such consent shall be made by such party in its sole discretion without any implied duty toward any other Person, except as otherwise expressly provided herein or therein. The parties acknowledge that, before entering into such an amendment or granting such a waiver or consent, Lenders may be entitled to receive an amount as may be mutually agreed upon between the Trust and the Managing Agents and, in addition,

may be required to obtain the approval of some or all of the Program Support Providers. If any Conduit Lender is required pursuant to its program documents to provide notice of an amendment to the Transaction Documents to any Rating Agency rating the CP of such Conduit Lender, such Conduit Lender's related Managing Agent shall provide such Rating Agency with notice of such amendment to the Transaction Documents.

(c) The Administrative Agent covenants and agrees not to consent to any amendment or waiver to the Administration Agreement or the Servicing Agreement referred to in clause (a) of the definition thereof or any Servicing Agreement with a Material Subservicer without receiving the consent of the Required Managing Agents (or, in the case of any amendment to Section 5.01 of the Servicing Agreement in clause (a) of the definition of Servicing Agreement, all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender).

Section 10.02. Notices; Non-Public Information, Etc.

(a) ***Notices.*** All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy or other electronic means) and mailed, delivered by nationally recognized overnight courier service, transmitted or delivered by hand, as to each party hereto, at its address set forth on Exhibit M hereto or at such other address as shall be designated by such party in a written notice to the other parties hereto. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the specified facsimile number and an appropriate confirmation is received, (ii) if given by e-mail, when sent to the specified e-mail address and an appropriate confirmation is received, (iii) if given by mail, five days after being deposited in the United States mails, first class postage prepaid (except that notices and communications pursuant to Article II shall not be effective until received), (iv) if given by nationally recognized courier guaranteeing overnight delivery, the Business Day following such day after such communication is delivered to such courier or (v) if given by any other means, when delivered at the address (electronic or otherwise) specified in this Section. Notwithstanding the foregoing, with respect to any Transaction Document, any recipient may designate what it deems to be appropriate confirmation and that notification by e-mail to it shall not be effective without such confirmation.

(b) ***MNPI.*** The Trust hereby acknowledges that (i) the Administrative Agent and/or the Syndication Agent will make available to the Lenders materials and/or information provided by or on behalf of the Trust hereunder (collectively, *"**Trust Materials**"*) by posting the Trust Materials on IntraLinks or another similar electronic system (the *"**Platform**"*) and (ii) certain of the Lenders may be *"*public-side*"* Lenders (each, a *"**Public Lender**"*) which may have personnel who do not wish to receive material non-public information (within the meaning of the United States federal securities laws) with respect to the Trust or its Affiliates, or the respective securities of any of the foregoing (*"**MNPI**"*), and who may be engaged in investment and other market-related activities with respect to the Trust's or its Affiliate's securities or debt. The Trust hereby agrees that (w) all Trust Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked *"*PUBLIC*"* which, at a minimum, shall mean that the word *"*PUBLIC*"* shall appear prominently on the first page thereof; (x) by marking Trust Materials *"*PUBLIC,*"* the Trust shall be deemed to have authorized the Administrative Agent, the Syndication Agent and the Lenders to treat such Trust Materials as not containing any MNPI

with respect to the Trust, its Affiliates or their respective securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Trust Materials constitute confidential information, they shall be treated as set forth in Section 10.12); (y) all Trust Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Syndication Agent shall be entitled to treat any Trust Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

(c) ***The Platform.*** THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE TRUST MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE TRUST MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE TRUST MATERIALS OR THE PLATFORM. In no event shall any of the Administrative Agent, the Syndication Agent or any of its Related Parties (collectively, the ***"Agent Parties"***) have any liability to the Trust, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Trust's, the Administrative Agent's or the Syndication Agent's transmission of Trust Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party.

(d) ***Private Side Information.*** Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender at all times to have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States federal and state securities laws, to make reference to Trust Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain MNPI with respect to the Trust or its securities for purposes of United States federal or state securities laws.

Section 10.03. No Waiver; Remedies; Limitation of Liability.

No failure or delay by any party hereto in exercising any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No claim may be made by any Transaction Party or any other Person against any Lender, Managing Agent, the Administrative Agent, the Syndication Agent or any of their Related Parties for any indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages) in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any act, omission or event occurring in connection therewith; and each party hereto hereby waives, releases and agrees not to sue upon

any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor. No claim may be made by any Lender, Managing Agent, the Administrative Agent, the Syndication Agent or any other Person against any Transaction Party or any of their Related Parties for any indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages) in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any act, omission or event occurring in connection therewith; and each party hereto hereby waives, releases and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 10.04. Successors and Assigns; Binding Effect.

(a) This Agreement shall be binding on the parties hereto and their respective successors and permitted assigns; provided, however, that neither the Trust nor the Administrator may assign or otherwise transfer any of its rights or obligations or delegate any of its duties hereunder or under any of the other Transaction Documents to which it is a party without the prior written consent of the Administrative Agent. Except as provided in clauses (b), (d), (f) and (g) below and except as provided in Article III, no provision of this Agreement shall in any manner restrict the ability of any Lender to assign, participate, grant security interests in, or otherwise transfer any portion of its Note.

(b) ***Lenders***. Any Alternate Lender, LIBOR Lender or Committed Conduit Lender may assign all or any portion of its Commitment and any Lender may assign all or any portion of its interest in its Facility Group's Class A Notes, the Pledged Collateral and its other rights and obligations hereunder to any Person with the prior written approval of the Administrator and the Administrative Agent (which approvals shall not be unreasonably withheld or delayed and shall not be required after the occurrence and during the continuation of a Termination Event) and the approval of the Managing Agent of such Lender's Facility Group; provided, however, such consent of the Administrator or the Administrative Agent shall not be required in the case of an assignment to a Lender, an Affiliate of an existing Lender, an Approved Fund or a commercial paper conduit managed or administered by an Affiliate of an existing Lender or Managing Agent (it being understood that in the case of an assignment to a commercial paper conduit that does not become a Committed Conduit Lender, the related Commitment must be assigned to or retained by, as applicable, an Alternate Lender within such conduit's Facility Group); provided further, that (x) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and interest in its Facility Group's Class A Notes at the time owing to it or in the case of any assignment to a Lender, an Affiliate of a Lender an Approved Fund or a commercial paper conduit managed by an Affiliate of an existing Lender or Managing Agent, no minimum amount need be assigned; and (y) in any case not described in clause (x) of this proviso, the aggregate minimum amount of the Commitment or interest in a Facility Group's Class A Notes to be assigned determined as of the date of the assignment and assumption agreement shall not be less than $10,000,000, unless each of the Administrative Agent and, so long as no Amortization Event or Termination Event has occurred and is continuing, the Administrator otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignment from members of an Assignee Group to a single assignee (or to an assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

In connection with any such assignment, the assignor shall deliver to the assignee(s) an assignment and assumption agreement, duly executed, assigning to such assignee a pro rata interest in such assignor's Commitment and other obligations hereunder and in its interest in its Facility Group's Class A Notes and the Pledged Collateral and other rights hereunder, and such assignor shall promptly execute and deliver all further instruments and documents, and take all further action, that the assignee may reasonably request, in order to protect, or more fully evidence the assignee's right, title and interest in and to such interest and to enable the Administrative Agent, on behalf of such assignee, to exercise or enforce any rights hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party. Upon any such assignment, (i) the assignee shall have all of the rights and obligations of the assignor hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party with respect to such assignor's Commitment and interest in its Facility Group's Class A Notes and the Pledged Collateral for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party and (ii) the assignor shall have no further obligations with respect to the portion of its Commitment which has been assigned and shall relinquish its rights with respect to the portion of its interest in its Facility Group's Class A Notes and Pledged Collateral which has been assigned for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party. No such assignment shall be effective until a fully executed copy of the related assignment and assumption agreement has been delivered to the Administrative Agent, the applicable Managing Agent and the Administrator, together with an assignment processing and recordation fee in the amount of $3,500.00 (which fee includes all costs and expenses of the Administrative Agent, assignor and assignee for which the Trust is responsible in connection with such assignment); provided, however, that the Administrative Agent may, in its sole discretion elect to waive such processing recordation fee in the case of any assignment.

(c) The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. No such assignment shall be made to the Trust or any of the Trust's Affiliates, except as otherwise explicitly permitted by this Agreement.

(d) ***Conduit Lenders***. Without limiting the foregoing, each Conduit Lender may, from time to time, with prior or concurrent notice to the Trust, the Administrator, the Managing Agent for such Conduit Lender's Facility Group, and the Administrative Agent, in one transaction or a series of transactions, assign all or a portion of its interest in its Facility Group's Class A Notes and its rights and obligations under this Agreement and any other Transaction Documents to which it is a party to a Conduit Assignee. Upon and to the extent of such assignment by a Conduit Lender to a Conduit Assignee:

(i) such Conduit Assignee shall be the owner of the assigned portion of the related Facility Group's Class A Notes and the right to make Advances;

(ii) unless otherwise provided for in an agreement among the Conduit Assignee, the Administrative Agent and the Trust, the Managing Agent for the Conduit Lender assignor will act as the Managing Agent for such Conduit Assignee, with all corresponding rights and powers, express or implied, granted to the Managing Agent hereunder or under the other Transaction Documents;

(iii) such Conduit Assignee (and any related commercial paper issuer, if such Conduit Assignee does not itself issue commercial paper) and their respective Program Support Providers and other Related Parties shall have the benefit of all the rights and protections provided to the Conduit Lender and its Program Support Provider(s) herein and in the other Transaction Documents (including any limitation on recourse against such Conduit Assignee or Related Parties, any agreement not to file or join in the filing of a petition to commence an insolvency proceeding against such Conduit Assignee, and the right to assign to another Conduit Assignee as provided in this paragraph);

(iv) such Conduit Assignee shall assume all (or the assigned or assumed portion) of the Conduit Lender's obligations, if any, hereunder or any other Transaction Document, and the Conduit Lender shall be released from such obligations, in each case to the extent of such assignment, and the obligations of the Conduit Lender and such Conduit Assignee shall be several and not joint;

(v) all distributions in respect of the Class A Notes shall be made to the applicable agent or Managing Agent, as applicable, on behalf of the Conduit Lender and such Conduit Assignee on a pro rata basis according to their respective interests;

(vi) the defined terms and other terms and provisions of this Agreement and the other Transaction Documents shall be interpreted in accordance with the foregoing; and

(vii) if requested by the Administrative Agent or the Managing Agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such Managing Agent may reasonably request to evidence and give effect to the foregoing.

No assignment by a Conduit Lender to a Conduit Assignee of all or any portion of its interest in its Facility Group's Class A Notes shall in any way diminish its related Alternate Lenders' obligation under this Agreement to fund any Advances not previously funded by the Conduit Lender or such Conduit Assignee.

(e) In the event that a Conduit Lender makes an assignment to a Conduit Assignee in accordance with clause (d) above, the Alternate Lenders in such Conduit Lender's Facility Group:

(i) if requested by the related Managing Agent, shall terminate their participation in the applicable Program Support Agreement related to the assigning Conduit Lender to the extent of such assignment;

(ii) if requested by the related Managing Agent, shall execute (either directly or through a participation agreement, as determined by such Managing Agent) the program support agreement related to such Conduit Assignee, to the extent of such assignment, the terms of which shall be substantially similar to those of the participation or other agreement entered into by such Alternate Lender with respect to the applicable Program Support Agreement (or which shall be otherwise reasonably satisfactory to the related Managing Agent and the Alternate Lenders);

(iii) if requested by the Conduit Assignee, shall enter into such agreements as requested by the Conduit Assignee pursuant to which they shall be obligated to provide funding to the Conduit Assignee on substantially the same terms and conditions as is provided for in this Agreement in respect of the Conduit Lender (or which agreements shall be otherwise reasonably satisfactory to the Conduit Assignee and the Alternate Lenders); and

(iv) shall take such actions as the Administrative Agent shall reasonably request in connection therewith.

(f) Notwithstanding the foregoing, each of the Administrator and the Trust hereby agrees and consents to the assignment by any Conduit Lender from time to time of all or any part of its rights under, interest in and title to the Advances, the Pledged Collateral, this Agreement, and the other Transaction Documents to any Program Support Provider.

(g) If its related Managing Agent so elects, a Conduit Lender shall assign (and each of the Administrator and the Trust consents to such assignment), effective on the Assignment Date referred to below, all or such portions as may be elected by the Conduit Lender of its interest in its Facility Group's Note, at such time to its related Alternate Lender(s); provided, however, that no such assignment shall take place pursuant to this paragraph at a time when an Event of Bankruptcy with respect to such Conduit Lender exists. No further documentation or action on the part of the Conduit Lender shall be required to exercise the rights set forth in the immediately preceding sentence, other than the giving of notice by its related Managing Agent on behalf of the Conduit Lender referred to above and the delivery by such related Managing Agent of a copy of such notice to each related Alternate Lender (the date of the receipt by the applicable Managing Agent of any such notice being the ***"Assignment Date"***). Each related Alternate Lender hereby agrees, unconditionally and irrevocably and under all circumstances, without setoff, counterclaim or defense of any kind, to pay the full amount of its Assignment Amount on such Assignment Date to its related Conduit Lender or Conduit Lenders in immediately available funds to an account designated by the related Managing Agent. Upon payment of its Assignment Amount, each such Alternate Lender shall acquire an interest in such Facility Group's Class A Notes equal to that transferred by the Conduit Lender. In the event that the aggregate of the Assignment Amounts paid by any Facility Group's Alternate Lenders pursuant to this paragraph on any Assignment Date occurring is less than the principal balance of the Class A Notes of the applicable Conduit Lender on such Assignment Date, then to the extent payments are therefore received by the applicable Managing Agent hereunder in respect of such Class A Notes in excess of the aggregate of the unrecovered Assignment Amounts funded by the related Alternate Lenders, such excess shall be remitted by the applicable Managing Agent to the applicable Conduit Lenders.

(h) By executing and delivering an assignment and assumption agreement, the assignor and assignee thereunder confirm to and agree with each other and the other parties hereto as follows:

(i) other than as provided in such assignment and assumption agreement, the assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value or this Agreement, the other Transaction Documents or any such other instrument or document;

(ii) the assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Administrator, SLM Corporation, the Trust or any Affiliate thereof or the performance or observance by the Administrator, SLM Corporation, the Trust or any Affiliate thereof of any of their respective obligations under this Agreement or the other Transaction Documents or any other instrument or document furnished pursuant hereto;

(iii) such assignee confirms that it has received a copy of this Agreement and each other Transaction Document and such other instruments, documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such assignment and assumption agreement and to purchase such interest;

(iv) such assignee will, independently and without reliance upon the Administrative Agent, any Managing Agent, any other Lender, or any of their respective Affiliates, or the assignor and based on such agreements, documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Transaction Documents;

(v) such assignee appoints and authorizes the Administrative Agent and its applicable Managing Agent to take such action as agent on its behalf and to exercise such powers under this Agreement, the other Transaction Documents and any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent or its applicable Managing Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto and to enforce its respective rights and interests in and under this Agreement, the other Transaction Documents and the Pledged Collateral;

(vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Transaction Documents are required to be performed by it as the assignee of the assignor; and

(vii) such assignee agrees that it will not institute against the Conduit Lenders any proceeding of the type referred to in Section 10.15 prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after the payment in full of all CP issued by the Conduit Lender (or any related commercial paper issuer, if the Conduit Lender does not itself issue CP).

(i) From and after the effective date specified in each assignment and acceptance, (i) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such assignment and acceptance, have the rights and obligations of the assigning Lender under this Agreement, (ii) the assigning Lender shall, to the extent of the interest so assigned, be relieved from its obligations hereunder and (iii) in the case of an assignment of all of a Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, that such Lender shall continue to be entitled to the benefits of Sections 2.02(c), 2.15, 2.20 and 10.08 and Article VIII, in each case solely with respect to facts and circumstances occurring prior to the effective date of such assignment.

(j) The Administrative Agent shall, acting solely for this purpose as an agent of the Trust, maintain a register (the *"**Register**"*) on which it will record the Lenders' rights hereunder, and each assignment and acceptance and participation. The Register shall include the names and addresses of the Lenders (including all assignees, successors and participants). Failure to make any such recordation, or any error in such recordation, shall not affect the Lenders' obligations in respect of such rights. If a Lender assigns or sells a participation in its rights hereunder, it shall provide the Trust and the Administrative Agent with the information described in this paragraph and permit the Trust to review such information as reasonably needed for the Trust and the Administrative Agent to comply with its obligations under this Agreement or to maintain the Obligations at all times in *"*registered form*"* within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations. The entries in the Register shall be conclusive, and the Trust, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Trust and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(k) Each Lender may at any time pledge or Grant a security interest in all or any portion of its rights under this Agreement (including, without limitation, rights to payment of principal and Yield) to secure its obligations, including without limitation any pledge, grant, or assignment to secure obligations to a Federal Reserve Bank, without notice to or consent of SLM Corporation, the Administrator, the Trust or the Administrative Agent; provided, that no such pledge or Grant of a security interest shall release a Lender from any of its obligations under this Agreement, or substitute any such pledgee or grantee for such Lender as a party to this Agreement.

(l) [Reserved].

(m) Any Lender may, without the consent of, or notice to, the Trust or the Administrative Agent, sell participations to any Person (other than a natural person or the Trust or any of the Trust's Affiliates) (each, a *"**Participant**"*) in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or its interest in its Facility Group's Class A Notes owing to it); provided, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely

responsible to the other parties hereto for the performance of such obligations; (iii) the Trust and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; and (iv) such Lender shall obtain from the Participant, on behalf of the Administrator, a confidentiality agreement consistent with the restrictions set forth in Section 10.12 or a written agreement to comply with the provisions of Section 10.12.

Section 10.05. Termination and Survival.

This Agreement shall remain in full force and effect until the Aggregate Note Balance of all Class A Notes Outstanding and all other Obligations are paid in full; provided, that the rights and remedies with respect to any breach of a representation and warranty made by or on behalf of the Trust pursuant to Article V and the indemnification and payment provisions of Articles VIII and IX and Sections 2.14, 2.15, 2.20, 10.06, 10.07, 10.08, 10.09, 10.10, 10.12, 10.14, 10.15, 10.16 and 10.17 shall be continuing and shall survive the termination of this Agreement and, with respect to the Administrative Agent's, the Syndication Agent's, each Managing Agent's and the Eligible Lender Trustee's rights under Articles VIII, IX and X, the removal or resignation of the Administrative Agent, the Syndication Agent, such Managing Agent or the Eligible Lender Trustee.

Section 10.06. Governing Law.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 10.07. Submission to Jurisdiction; Waiver of Jury Trial; Appointment of Service Agent.

(a) EACH OF THE PARTIES HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS SECTION 10.07 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT, THE SYNDICATION AGENT, THE MANAGING AGENTS OR THE NOTE PURCHASERS TO BRING ANY ACTION OR PROCEEDING AGAINST THE TRUST OR THE ADMINISTRATOR OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

(b) EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

(c) The Trust and the Administrator each hereby appoint CT Corporation located at 111 Eighth Avenue, New York, New York 10011 as the authorized agent upon whom process may be served in any action arising out of or based upon this Agreement, the other Transaction Documents to which such Person is a party or the transactions contemplated hereby or thereby that may be instituted in the United States District Court for the Southern District of New York and of any New York State court sitting in The City of New York by the Administrative Agent or the Note Purchasers or any successor or assignee of any of them.

Section 10.08. Costs and Expenses.

The Trust agrees to pay, on or before the 30th day following the date of demand, all reasonable and customary costs, fees and expenses of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers incurred in connection with the due diligence, negotiation, preparation, execution, delivery, renewal or any amendment or modification of, or any waiver or consent issued in connection with, this Agreement, any Program Support Agreement or any other Transaction Document, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers with respect thereto and all costs, fees and expenses, if any (including the applicable Rating Agency fees (except as specified in Section 2.15(d)) and reasonable auditors' and counsel fees and expenses), incurred by the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers in connection with the enforcement of this Agreement and the other Transaction Documents. Notwithstanding the foregoing, each of the Managing Agents, the Lenders and the Program Support Providers agrees that the Trust shall only be required to pay amounts for legal fees and expenses of not more than one law firm engaged by the Administrative Agent or the Syndication Agent, as applicable, on behalf of the Secured Creditors, unless otherwise agreed to by the Trust in its sole discretion. Each of SLM Education Credit Finance Corporation and the Administrator agrees to pay such required payments on behalf of the Trust on the Closing Date to the extent such expenses are properly invoiced prior to the Closing Date.

Section 10.09. Bankruptcy Non-Petition and Limited Recourse.

Notwithstanding any other provision of this Agreement, each party hereto (other than the Trust) covenants and agrees that it shall not, prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after payment in full of the Class A Notes, institute against, or join any other Person in instituting against, the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or any similar proceeding

under any federal or state bankruptcy or similar law; provided, that nothing in this provision shall preclude or be deemed to stop any party hereto (a) from taking any action prior to the expiration of the aforementioned one year and one day period in (i) any case or proceeding voluntarily filed or commenced by the Trust or (ii) any involuntary insolvency proceeding filed or commenced against the Trust by any Person other than a party hereto or (b) from commencing against the Trust or the Pledged Collateral any legal action which is not a bankruptcy, reorganization, arrangement, insolvency or a liquidation proceeding. The obligations of the Trust under this Agreement are limited recourse obligations payable solely from the Pledged Collateral and, following realization of the Pledged Collateral and its application in accordance with the terms hereof, any outstanding obligations of the Trust hereunder shall be extinguished and shall not thereafter revive. In addition, no recourse shall be had for any amounts payable or any other obligations arising under this Agreement against any officer, member, director, employee, partner or security holder of the Trust or any of its successors or assigns. The provisions of this Section shall survive the termination of this Agreement.

Section 10.10. Recourse Against Certain Parties.

No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or any incorporator, Affiliate, stockholder, officer, employee or director of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders and the Program Support Providers contained in this Agreement and all of the other agreements, instruments and documents entered into by the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers, as applicable. No personal liability whatsoever shall attach to or be incurred by any administrator of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or any incorporator, stockholder, Affiliate, officer, employee or director thereof or any such administrator, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers contained in this Agreement or in any other such instruments, documents or agreements, or which are implied therefrom, and any and all personal liability of every such administrator and each incorporator, stockholder, Affiliate, officer, employee or director of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or of any such administrator, or any of them, for breaches by the

Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section shall survive the termination of this Agreement and, with respect to the rights of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents, the resignation or removal of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents.

Section 10.11. Execution in Counterparts; Severability.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Agreement or any other Transaction Document shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 10.12. Confidentiality.

(a) Each of the Administrative Agent, the Syndication Agent, the Managing Agents and the Lenders agrees to keep confidential and not disclose any non-public information or documents related to the Trust or any Affiliate of the Trust delivered or provided to such Person in connection with this Agreement, any other Transaction Document or the transactions contemplated hereby or thereby and which are clearly identified in writing by the Trust or such Affiliate as being confidential; provided, however, that each of the foregoing may disclose such information:

(i) to the extent required or deemed necessary and/or advisable by such Person's counsel in any judicial, regulatory, arbitration or governmental proceeding or under any law, regulation, order, subpoena or decree;

(ii) to its officers, directors, employees, accountants, auditors and outside counsel, in each case, provided they are informed of the confidentiality thereof and agree to maintain such confidentiality;

(iii) to any Program Support Provider, any potential Program Support Provider, or any assignee or participant or potential assignee or participant of any Program Support Provider, provided they are informed of the confidentiality thereof and agree to maintain such confidentiality;

(iv) to any assignee, participant or potential assignee or participant of or with any of the foregoing;

(v) in connection with the enforcement of its rights and remedies under this Agreement or of any of the other Transaction Documents or any Program Support Agreement;

(vi) to any Rating Agency rating the Class A Notes, the CP of the Conduit Lenders or rating SLM Corporation, or any nationally recognized statistical rating organization in connection with any Conduit Lender's compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission;

(vii) to any administrative agent, sub-administrative agent, administrator, sub-administrator, administrative trustee, sub-administrative trustee or any entity serving in a similar capacity for any Conduit Lender; and

(viii) to such other Persons as may be approved by the Trust.

Notwithstanding the foregoing, the foregoing obligations shall not apply to any such information, documents or portions thereof that (x) were of public knowledge or literature generally available to the public at the time of such disclosure; or (y) have become part of the public domain by publication or otherwise, other than as a result of the failure of such party or any of its respective employees, directors, officers, advisors, accountants, auditors, or legal counsel to preserve the confidentiality thereof.

(b) Each of the Trust and the Administrator hereby agrees that it will not disclose the contents of this Agreement or any other Transaction Document or any other proprietary or confidential information of or with respect to any Note Purchaser, any Managing Agent, the Administrative Agent, the Syndication Agent or any Program Support Provider to any other Person except (i) its auditors and attorneys, employees or financial advisors (other than any commercial bank) and any nationally recognized statistical rating organization, provided such auditors, attorneys, employees, financial advisors or rating agencies are informed of the highly confidential nature of such information or (ii) as otherwise required by applicable law or order of a court of competent jurisdiction; provided, that, to the extent reasonably practicable, the Trust and the Administrator shall provide to the Administrative Agent and Syndication Agent an opportunity to review the form and content of a disclosure pursuant to this clause (ii) prior to the making of such disclosure and shall provide to each Managing Agent an opportunity to review any such disclosure which mentions by name such Managing Agent or any member of its Facility Group.

(c) Notwithstanding any other provision herein to the contrary, each of the parties hereto (and each employee, representative or other agent of each such party) may disclose to any and all persons, without limitation of any kind, any information with respect to the United States federal, state and local "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated by the Transaction Documents and all materials of any kind (including opinions or other tax analyses) that are provided to such party or its representatives relating to such tax treatment and tax structure; provided, that no person may disclose the name of or identifying information with respect to any party identified in the Transaction Documents or any pricing terms or other nonpublic business or financial information that is unrelated to the United States federal, state and local tax

treatment of the transaction and is not relevant to understanding the United States federal, state and local tax treatment of the transaction, without complying with the provisions of Section 10.12(a); provided, further, that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the United States federal, state and local tax treatment or tax structure of the transactions contemplated hereby.

Section 10.13. Section Titles.

The section titles contained in this Agreement shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties.

Section 10.14. Entire Agreement.

This Agreement, including all Exhibits, Schedules and Appendices and other documents attached hereto or incorporated by reference herein, together with the other Transaction Documents constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other negotiations, understandings and representations, oral or written, with respect to the subject matter hereof.

Section 10.15. No Petition.

Each of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent and the Managing Agents hereby covenants and agrees with respect to each Conduit Lender that, prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after the payment in full of all outstanding indebtedness of such Conduit Lender (or its related commercial paper issuer), it will not institute against or join any other person or entity in instituting against such Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The foregoing shall not limit the rights of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents to file any claim in, or otherwise take any action with respect to, any insolvency proceeding instituted against any Conduit Lender by a Person other than the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents, as applicable. The provisions of this Section shall survive the termination of this Agreement.

Section 10.16. Excess Funds.

Notwithstanding any provisions contained in this Agreement to the contrary, no Conduit Lender shall, nor shall be obligated to, pay any amount pursuant to this Agreement unless (i) such Conduit Lender has received funds which may be used to make such payment and which funds are not required to repay its CP when due and (ii) after giving effect to such payment, either (x) such Conduit Lender could issue CP to refinance all of its outstanding CP (assuming such outstanding CP matured at such time) in accordance with the program documents governing such Conduit Lender's securitization program or (y) all of such Conduit Lender's CP are paid in full. Any amount which a Conduit Lender does not pay pursuant to the operation of the preceding

sentence shall not constitute a claim (as defined in §101 of the Bankruptcy Code) against or corporate obligation of such Conduit Lender for any such insufficiency unless and until such Conduit Lender satisfies the provisions of clauses (i) and (ii) above.

Section 10.17. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Agreement.

(b) Notwithstanding the foregoing, none of the Secured Parties shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this Agreement solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

Section 10.18. USA PATRIOT Act Notice.

Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Trust that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the *"**Patriot Act**"*), it is required to obtain, verify and record information that identifies the Trust, which information includes the name and address of the Trust and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Trust in accordance with the Patriot Act.

Section 10.19. Risk Retention.

(a) SLM Education Credit Finance Corporation agrees that, if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then at all times after the relevant acquisition date (i) it shall hold and own, free and clear of any Lien or other interest, all limited liability company interests and any other equity interests in the Depositor and (ii) it shall not cause or permit such limited liability company interests and other equity interests in the Depositor to be subject to any CRD Prohibited Hedge.

(b) SLM Corporation agrees that, if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then at all times after the relevant acquisition date (i) it shall hold and own, free and clear of any Lien or other interest, all stock and any other equity interests in SLM Education Credit Finance Corporation, (ii) it shall not cause or permit such stock and other equity interests in SLM Education Credit Finance Corporation to be subject to any CRD Prohibited Hedge, (iii) it shall own and hold, and shall not sell, assign or otherwise transfer, its rights or obligations under the Revolving Credit Agreement, including, without limitation, the outstanding loans and advances made to the Trust thereunder, (iv) it shall not

cause or permit its credit exposure under the Revolving Credit Agreement to be subject to any CRD Prohibited Hedge and (v) it shall not change the manner (as contemplated under Article 122a of the CRD) in which it retains a net economic interest in the Trust Student Loans as required under Article 122a of the CRD.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

TOWN CENTER FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of the Closing Date by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of the Closing Date by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Signature Page to
Amended and Restated Note Purchase Agreement
(Town Center Funding I)

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

BANK OF AMERICA, N.A., as securities intermediary and depositary bank with respect to the Trust Accounts

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LEAD ARRANGER:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
(as successor by merger to BANC OF AMERICA SECURITIES LLC)

By: /s/ Helen G. Richards
Name: Helen G. Richards
Title: Director

BANK OF AMERICA FACILITY GROUP:

MANAGING AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LIBOR LENDER:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

THE SYNDICATION AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

LEAD ARRANGER:

J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

JPMORGAN FACILITY GROUP:

CONDUIT LENDERS:

CHARIOT FUNDING LLC (including as successor by merger to Falcon Asset Securitization Company LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

JUPITER SECURITIZATION COMPANY LLC (as successor by merger to JS Siloed Trust and Park Avenue Receivables Company, LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

MANAGING AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

ALTERNATE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

BARCLAYS FACILITY GROUP:

COMMITTED CONDUIT LENDERS:

SHEFFIELD RECEIVABLES CORPORATION

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

SALISBURY RECEIVABLES COMPANY LLC

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

MANAGING AGENT:

BARCLAYS BANK PLC

By: /s/ Jamie Pratt
Name: Jamie Pratt
Title: Director

RBS FACILITY GROUP:

CONDUIT LENDERS:

AMSTERDAM FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

WINDMILL FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

MANAGING AGENT:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

ALTERNATE LENDER:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

DEUTSCHE BANK FACILITY GROUP:

CONDUIT LENDER:

GEMINI SECURITIZATION CORP., LLC

By: /s/ Frank B. Bilotta
Name: Frank B. Bilotta
Title: President

MANAGING AGENT:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

ALTERNATE LENDER:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

CREDIT SUISSE FACILITY GROUP:

CONDUIT LENDER:

ALPINE SECURITIZATION CORP.

By: /s/ David Lister
Name: David Lister
Title: Director

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

MANAGING AGENT:

CREDIT SUISSE AG, NEW YORK BRANCH

By: /s/ David Lister
Name: David Lister
Title: Authorized Signatory

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

ALTERNATE LENDER:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By: /s/ David Lister
Name: David Lister
Title: Authorized Signatory

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Authorized Signatory

RBC FACILITY GROUP:

CONDUIT LENDERS:

OLD LINE FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

THUNDER BAY FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

MANAGING AGENT:

ROYAL BANK OF CANADA

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

By: /s/ Karen Stone
Name: Karen Stone
Title: Authorized Signatory

ALTERNATE LENDER:

ROYAL BANK OF CANADA

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

Agreed and acknowledged with respect to Section 3.09, Section 8.02 and Section 10.19:

SLM CORPORATION

By: /s/ Jonathan C. Clark
Name: Jonathan C. Clark
Title: Executive Vice President and Chief Financial Officer

Agreed and acknowledged with respect to Section 10.01(a), the last sentence of Section 10.08 and Section 10.19:

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Exhibit 10.11

EXECUTION COPY

AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT

by and among

TOWN HALL FUNDING I,
as the Trust,

THE CONDUIT LENDERS PARTY HERETO,
as Conduit Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as Alternate Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as LIBOR Lenders,

CERTAIN FINANCIAL INSTITUTIONS PARTIES HERETO,
as Managing Agents,

BANK OF AMERICA, N.A.,
as Administrative Agent,

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent,

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and
J.P. MORGAN SECURITIES LLC,
as Lead Arrangers,

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION,
as Eligible Lender Trustee,

and

SALLIE MAE, INC.,
as Administrator

January 13, 2012

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AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED NOTE PURCHASE AND SECURITY AGREEMENT (this *"**Agreement**"*) is made as of January 13, 2012, among **TOWN HALL FUNDING I**, a statutory trust duly organized under the laws of the State of Delaware, as the trust hereunder (the *"**Trust**"*), **SALLIE MAE, INC.**, a Delaware corporation, as administrator (the *"**Administrator**"*), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as the eligible lender trustee hereunder (the *"**Eligible Lender Trustee**"*), **J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)** and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to BANC OF AMERICA SECURITIES LLC)**, as lead arrangers (the *"**Lead Arrangers**"*), the **CONDUIT LENDERS** (as hereinafter defined) from time to time parties hereto, the **ALTERNATE LENDERS** (as hereinafter defined) from time to time parties hereto, the **LIBOR LENDERS** (as hereinafter defined) from time to time parties hereto, **JPMORGAN CHASE BANK, N.A.**, a national banking association, **BANK OF AMERICA, N.A.**, a national banking association, **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales, **THE ROYAL BANK OF SCOTLAND PLC**, a bank organized under the laws of Scotland, **DEUTSCHE BANK AG**, **NEW YORK BRANCH**, a German banking corporation acting through its New York Branch, **CREDIT SUISSE AG, NEW YORK BRANCH**, the New York branch of a Swiss banking corporation, and **ROYAL BANK OF CANADA**, a Canadian chartered bank acting through its New York Branch, each as agent on behalf of its related LIBOR Lender and/or its related Conduit Lenders, Alternate Lenders and Program Support Providers (as hereinafter defined) (and together with any other similar financial institutions which become parties hereto, collectively, the *"**Managing Agents**"*), **JPMORGAN CHASE BANK, N.A.,** as syndication agent hereunder (in such capacity, the *"**Syndication Agent**"*), and **BANK OF AMERICA, N.A.**, as the administrative agent for the Conduit Lenders, Alternate Lenders, LIBOR Lenders and Managing Agents (in such capacity, the *"**Administrative Agent**"*).

PRELIMINARY STATEMENTS

WHEREAS, the Trust, the Administrator, the Eligible Lender Trustee, the Lead Arrangers, the Conduit Lenders, the Alternate Lenders, the LIBOR Lenders, the Managing Agents, the Syndication Agent and the Administrative Agent, are parties to that certain Note Purchase and Security Agreement, dated as of January 15, 2010, as amended by that certain Amendment No. 1, dated as of January 14, 2011 and as further amended by that certain Amendment No. 2, dated as of August 2, 2011 (as further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "***Initial Note Purchase Agreement***"), and the parties hereto wish to amend and restate the Initial Note Purchase Agreement as set forth below;

WHEREAS, on the date hereof, the Administrator withdrew its request for Moody's to rate the Class A Notes;

WHEREAS, this Agreement is being executed and delivered pursuant to and in accordance with Section 10.01 of the Initial Note Purchase Agreement;

WHEREAS, the Conduit Lenders are special purpose entities engaged in the business of issuing promissory notes and obtaining funding (directly or indirectly) in the commercial paper market and purchasing notes of certain entities for the purpose of financing financial assets of such entities; and

WHEREAS, the LIBOR Lenders are financial institutions engaged in the business of purchasing notes of certain entities for the purpose of financing financial assets of such entities; and

WHEREAS, from time to time, the Master Depositor has purchased, and may continue to purchase, certain Eligible FFELP Loans in accordance with the Purchase Agreements; and

WHEREAS, from time to time, the Depositor has purchased, and will continue to purchase, certain Eligible FFELP Loans in accordance with the Conveyance Agreement and the Tri-Party Transfer Agreement; and

WHEREAS, from time to time, the Trust has purchased, and will continue to purchase, certain Eligible FFELP Loans in accordance with the Sale Agreement; and

WHEREAS, the Eligible Lender Trustee has maintained and will continue to maintain, legal title of the Trust Student Loans on behalf of the Trust in accordance with the terms of the Trust Agreement; and

WHEREAS, the Trust desires to fund or refinance, as the case may be, such purchases through the issuance of its Class A variable funding notes (the *"**Class A Notes**"*) and the sale of such Class A Notes to the Managing Agents for the benefit of the Conduit Lenders, the LIBOR Lenders and the Alternate Lenders, as applicable, on the terms and conditions set forth herein; and

WHEREAS, the Conduit Lenders may, from time to time, assign all or a part of such Class A Notes or assign interests therein or commitments to purchase or fund such Class A Notes to the Alternate Lenders or to certain Program Support Providers pursuant to the terms of the Program Support Agreements; and

WHEREAS, each Managing Agent is willing to act as the agent on behalf of its related Conduit Lenders, Alternate Lenders, LIBOR Lenders and Program Support Providers, as applicable, pursuant to this Agreement and the corresponding Program Support Agreements; and

WHEREAS, the parties hereto desire that the provisions of the Initial Note Purchase Agreement shall be effective from the Original Closing Date (as hereinafter defined) through but excluding the date hereof and the provisions of this Agreement shall be effective from and including the date hereof.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Certain Defined Terms.

Certain capitalized terms used throughout this Agreement are defined above or in this Section.

As used in this Agreement and its exhibits, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined unless otherwise noted).

*"**A&R Closing Date**"* means January 13, 2012.

*"**A&R Initial Pool**"* means the pool of FFELP Loans owned by the Trust immediately prior to the A&R Closing Date as identified by the Administrator to the Administrative Agent and the Managing Agents on the A&R Closing Date.

*"**A&R Transaction Documents**"* means this Agreement, the Lenders Fee Letter, the Side Letter, the Administrative Agent and Syndication Agent Fee Letter, the Valuation Agent Fee Letter, the Valuation Agent Agreement and the Omnibus Reaffirmation and Amendment.

*"**Accounting Based Consolidation Event**"* means the consolidation, for financial and/or regulatory accounting purposes, of all or any portion of the assets and liabilities of a Conduit Lender that are subject to this Agreement or any other Transaction Document with all or any portion of the assets and liabilities of an Affected Party or any of its Affiliates. An Accounting Based Consolidation Event shall be deemed to occur on the date any Affected Party or its Affiliate shall acknowledge in writing that any such consolidation of the assets and liabilities of the Conduit Lender shall occur.

*"**Additional Student Loan**"* means any Student Loan that became or becomes a Trust Student Loan after the Original Closing Date.

*"**Adjusted Cash Income**"* means, for any period, Adjusted Revenue for such period less Operating Expenses for such period.

*"**Adjusted Pool Balance**"* means, as of any date:

(a) (i) the aggregate of the Principal Balance of each Eligible FFELP Loan acquired by the Trust on or prior to the Valuation Date set forth in the most recent Valuation Report multiplied by the Applicable Percentage for such Eligible FFELP Loan, determined by reference to the most recent Valuation Report, plus (ii) the Collateral Value of each Eligible FFELP Loan acquired by the Trust since the Valuation Date set forth in the most recent Valuation Report, minus (iii) the aggregate of the Principal Balance of each Eligible FFELP Loan that was subject to a release pursuant to Section 2.18 since the Valuation Date set forth in the most recent Valuation Report, multiplied by the Applicable Percentage for such Eligible FFELP Loan, minus

(b) the Excess Concentration Amount multiplied by the weighted average Applicable Percentage for all Eligible FFELP Loans.

*"**Adjusted Revenue**"* means, for any period, (a) the sum, without duplication, of all items which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as (i) *"*total interest income*"* and (ii) *"*total other income,*"* less (b) the sum of (i) *"*provisions for losses,*"* (ii) *"*gains on student loan securitizations*"* and (iii) *"*servicing and securitization revenue,*"* eliminating (c) *"*total net impact of SFAS No. 133 derivative accounting,*"* and including (d) *"*net interest income on securitized loans, after provisions for losses,*"* in the case of (c) and (d) above as currently reported in SLM Corporation's most recent Form 10-Q or Form 10-K, as applicable, under "MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS" or as subsequently identified in writing by SLM Corporation.

*"**Administrative Agent**"* means Bank of America, N.A., a national banking association, and its successors and assigns, in its capacity as agent for the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate Lenders hereunder.

*"**Administrative Agent Fees**"* means the fees, reasonable expenses and charges of the Administrative Agent, including reasonable legal fees and expenses, as set forth in the Administrative Agent and Syndication Agent Fee Letter.

*"**Administrative Agent and Syndication Agent Fee Letter**"* means the Second Amended and Restated Administrative Agent and Syndication Agent Fee Letter, dated as of the A&R Closing Date, among the Trust, the Administrative Agent and the Syndication Agent.

*"**Administrative Questionnaire**"* means an Administrative Questionnaire in a form supplied by the Administrative Agent.

*"**Administration Account**"* means the special account created pursuant to Section 2.04(b).

*"**Administration Agreement**"* means the Amended and Restated Administration Agreement, dated as of the Original Closing Date, among the Depositor, the Trust, the Eligible Lender Trustee, the Administrator and the Administrative Agent.

*"**Administrator Fee**"* means, for each calendar month, a fee payable to the Administrator monthly in arrears equal to $10,000.

*"**Administrator**"* means Sallie Mae, Inc., a Delaware corporation, and its successors and assigns, in its capacity as administrator of the Trust in accordance with the Administration Agreement.

*"**Administrator Default**"* has the meaning assigned to such term in Section 5.01 of the Administration Agreement.

*"**Advance**"* means an advance, including a Purchase Price Advance, an Excess Collateral Advance or a Capitalized Interest Advance, made by the Lenders pursuant to Article II.

*"**Advance Date**"* means, with respect to any Advance, the date on which such Advance is made.

*"**Advance Reconciliation Statement**"* has the meaning assigned to such term in Section 4.03.

*"**Advance Request**"* has the meaning assigned to such term in Section 2.02(b).

*"**Adverse Claim**"* means a lien, security interest, charge, encumbrance or other right or claim or restriction in favor of any Person (including any UCC financing statement or similar instrument filed against the assets of that Person) other than, with respect to the Pledged Collateral, any lien, security interest, charge, encumbrance or other right or claim or restriction in favor of the Administrative Agent, for the benefit of the Secured Creditors.

*"**Affected Party**"* means the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, each LIBOR Lender, each Conduit Lender, each Managing Agent, each Alternate Lender, each Program Support Provider and the holding company of each of the foregoing and any permitted assignee or participant of any LIBOR Lender, any Conduit Lender, any Alternate Lender, any Program Support Provider or any holding company of the foregoing.

*"**Affiliate**"* means, when used with respect to a Person, any other Person controlling, controlled by or under common control with such Person. A Person shall be deemed to control another person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities or membership interests, by contract or otherwise.

*"**Agent Parties**"* has the meaning assigned to such term in Section 10.02(c).

*"**Aggregate Note Balance**"* means, as of any date of determination, the principal amount of each Class A Note Outstanding and for all Class A Notes, the aggregate principal amount of all Class A Notes Outstanding, after giving effect to (i) all distributions applied to principal on the Class A Notes on such date of determination and (ii) Advances made on such date of determination.

*"**Agreement**"* means this Amended and Restated Note Purchase and Security Agreement, together with all exhibits and appendices attached hereto.

*"**Alternate Lender**"* means any financial institution identified as an Alternate Lender on Exhibit A attached hereto as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

*"**Amortization Event**"* has the meaning assigned to such term in Section 7.01.

*"**Amortization Period**"* means the period commencing upon the occurrence of an Amortization Event and ending upon the earliest of (a) the date the Class A Notes and all other

Obligations are paid in full, (b) 90 days (or in the case of an Amortization Event under Section 7.01(j), 85 days) from the occurrence of such Amortization Event, (c) solely with respect to an Amortization Event under Section 7.01(i) or Section 7.01(j), the reinstatement of the Revolving Period pursuant to the terms of such Section and (d) the occurrence of a Termination Event.

*"**Amortization Period Rate**"* means, (a) during the first 30 days following the commencement of the Amortization Period, the Base Rate plus 1.00% per annum plus the Non-Renewal Step-Up Rate, (b) during the second 30 days following the commencement of the Amortization Period, the Base Rate plus 1.50% per annum plus the Non-Renewal Step-Up Rate and (c) thereafter, until the Termination Date, the Base Rate plus 2.00% per annum plus the Non-Renewal Step-Up Rate.

*"**Applicable Margin**"* means, with respect to any Advance and any Lender, the Applicable Margin as set forth in the Lenders Fee Letter.

*"**Applicable Percentage**"* has the meaning set forth in the Side Letter.

*"**Approved Fund**"* means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of any entity that administers or manages a Lender.

*"**Asset Coverage Ratio**"* means, on the last day of each calendar month, and as of any other date of determination, the ratio (expressed as a percentage) of (a) the sum of (i) the Adjusted Pool Balance as of such date, (ii) (without duplication) any accrued and unpaid interest thereon and any accrued and unpaid Special Allowance Payments and Interest Subsidy Payments on the Trust Student Loans as of such date and (iii) funds (including Eligible Investments) on deposit in the Collection Account, the Administration Account, the Capitalized Interest Account and the Reserve Account, if any, as of such date, to (b) the Reported Liabilities as of such date and rounding to the nearest second decimal place.

*"**Assignee Group**"* means two or more assignees that meet the requirements to be an assignee under Section 10.04(b) and that are Affiliates of one another, commercial paper conduits managed by the same manager or affiliated managers or Approved Funds managed by the same investment advisor.

*"**Assignment Amount**"* means, with respect to an Alternate Lender at the time of any assignment pursuant to Section 10.04(g), an amount equal to the lesser of (a) such Alternate Lender's pro rata share of the aggregate principal amount of the Class A Notes requested by the related Conduit Lender to be assigned at such time plus any accrued and unpaid interest owed thereon at the applicable CP Rate and (b) such Alternate Lender's unused Assignment Commitment (minus the unrecovered principal amount of such Alternate Lender's investments pursuant to the Program Support Agreement to which it is a party).

*"**Assignment Commitment**"* means, with respect to an Alternate Lender, such Alternate Lender's Commitment multiplied by 1.02.

*"**Authorized Officer**"* means:

(a) with respect to the Trust, any officer of the Eligible Lender Trustee who is authorized to act for the Eligible Lender Trustee in matters relating to the Trust pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Eligible Lender Trustee to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Eligible Lender Trustee from time to time thereafter and delivered to the Administrative Agent);

(b) with respect to the Administrator, any officer of the Administrator who is authorized to act for the Administrator in matters relating to itself or to the Trust and to be acted upon by the Administrator pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Administrator to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Administrator from time to time thereafter and delivered to the Administrative Agent);

(c) with respect to the Depositor, any officer of the Depositor who is authorized to act for the Depositor in matters relating to itself or to be acted upon by the Depositor pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Depositor to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Depositor from time to time thereafter and delivered to the Administrative Agent);

(d) with respect to the Master Servicer, any officer of the Master Servicer who is authorized to act for the Master Servicer in matters relating to itself or to be acted upon by the Master Servicer pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Master Servicer to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Master Servicer from time to time thereafter and delivered to the Administrative Agent);

(e) with respect to the Eligible Lender Trustee, any officer of the Eligible Lender Trustee who is authorized to act for the Eligible Lender Trustee in matters relating to itself or to be acted upon by the Eligible Lender Trustee pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by the Eligible Lender Trustee to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by the Eligible Lender Trustee from time to time thereafter and delivered to the Administrative Agent);

(f) with respect to SLM Corporation, chief executive officer, chief financial officer, president, any vice president, treasurer or other senior officer of SLM Corporation who is authorized to act for SLM Corporation in matters relating to itself or to be acted upon by SLM Corporation pursuant to the Transaction Documents and who is identified on the list of Authorized Officers delivered by SLM Corporation to the Administrative Agent on the A&R Closing Date (as such list may be modified or supplemented by SLM Corporation from time to time thereafter and delivered to the Administrative Agent); and

(g) with respect to the Administrative Agent, any officer of the Administrative Agent who is authorized to act for the Administrative Agent in matters relating to itself or to be acted upon by the Administrative Agent pursuant to the Transaction Documents and who is identified

on the list of Authorized Officers delivered by the Administrative Agent to the Administrator and the Eligible Lender Trustee on the A&R Closing Date (as such list may be modified or supplemented by the Administrative Agent from time to time thereafter and delivered to the Administrator and the Eligible Lender Trustee).

*"**Available Funds**"* means, with respect to a Settlement Date, the sum of the following amounts received into the Collection Account with respect to the related Settlement Period:

(a) all collections of principal and interest on the Trust Student Loans, including any payments received from the Guarantees on the Trust Student Loans but net of (i) any collections in respect of principal on the Trust Student Loans applied by the Trust to repurchase Guaranteed loans from the Guarantors under the Guarantee Agreements, (ii) amounts required by the Higher Education Act to be paid to the Department or to be repaid or rebated to Obligors (whether or not in the form of a principal reduction of the applicable Trust Student Loan) on the Trust Student Loans for that Settlement Period including Floor Income Rebate Fees and Monthly Rebate Fees and (iii) amounts deposited into the Floor Income Rebate Account during the related Settlement Period;

(b) any Interest Subsidy Payments and Special Allowance Payments with respect to the Trust Student Loans received during that Settlement Period for the Trust Student Loans;

(c) all Liquidation Proceeds from any Trust Student Loans which became Liquidated Student Loans during that Settlement Period in accordance with the Servicer's applicable Servicing Policies, plus all Recoveries on Liquidated Student Loans which were written off in prior Settlement Periods or during that Settlement Period;

(d) the aggregate amounts received during that Settlement Period for those Trust Student Loans (i) repurchased by the applicable Seller or the Depositor, as applicable, (ii) purchased by the Servicer or its assignee, (iii) in respect of SLM Corporation's guaranty of the repurchase obligations of the applicable Seller, the Depositor or the Servicer or (iv) sold to another eligible lender pursuant to Section 3.11 of the Servicing Agreement;

(e) the aggregate amounts, if any, received by the Trust from the applicable Seller, the Depositor or the Servicer, as the case may be, as reimbursement of non-guaranteed principal or interest amounts, or lost Interest Subsidy Payments and Special Allowance Payments, on the Trust Student Loans pursuant to the Sale Agreement or Section 3.05 of the Servicing Agreement, respectively;

(f) amounts received by the Trust pursuant to Sections 3.01 and 3.12 of the Servicing Agreement during that Settlement Period as to yield or principal adjustments other than deposits into the Borrower Benefit Account;

(g) investment earnings for that Settlement Period earned on investments in the Trust Accounts during such Settlement Period;

(h) amounts, if any, transferred into the Collection Account from the Capitalized Interest Account in excess of the Required Capitalized Interest Account Balance, calculated as of the end of the Settlement Period related to that Settlement Date;

(i) amounts, if any, transferred into the Collection Account from the Reserve Account in excess of the Reserve Account Specified Balance, calculated as of the end of the Settlement Period related to that Settlement Date;

(j) amounts, if any, transferred into the Collection Account from the Floor Income Rebate Account representing amounts no longer required to be held in connection with floor income payment obligations;

(k) amounts, if any, transferred into the Collection Account from the Administration Account in accordance with Section 2.04(b);

(l) amounts, if any, transferred into the Collection Account from the Borrower Benefit Account to offset reductions in yield on affected Trust Student Loans and any amounts released from the Borrower Benefit Account in accordance with Section 6.26(b) during the related Settlement Period;

(m) amounts, if any, received by the Trust from SLM Corporation under the Revolving Credit Agreement and which have been deposited into the Collection Account;

(n) all proceeds from any Permitted Release (to the extent such proceeds were not previously used to prepay the Aggregate Note Balance or used to purchase new Eligible FFELP Loans);

(o) amounts received, if any, in respect of insurance proceeds; and

(p) all other Collections or other amounts deposited into the Collection Account for application pursuant to Section 2.05(b) on the applicable Settlement Date;

provided, that if on any Settlement Date, there would not be sufficient funds, after application of Available Funds, as defined above, and application of amounts available from the Capitalized Interest Account and the Reserve Account, in that order, to pay any of the items specified in clauses (i) through (iv) of Section 2.05(b), then Available Funds for that Settlement Date will include, in addition to the Available Funds as defined above, amounts on deposit in the Collection Account, or amounts held by the Administrative Agent for deposit into the Collection Account which would have constituted Available Funds for the Settlement Date immediately succeeding that Settlement Date, up to the amount necessary to pay such items, and the Available Funds for the immediately succeeding Settlement Date will be adjusted accordingly.

*"**Bankruptcy Code**"* means Title 11 of the United States Code (11 U.S.C. Section 101 et seq.), as amended from time to time, and any successor statute.

*"**Base Rate**"* means, for any day, a rate per annum determined by the Administrative Agent equal to the highest of (a) the sum of the LIBOR Base Rate (determined in accordance with clause (ii) of the definition thereof) and 1.00% for such day, (b) the Prime Rate for such day and (c) the sum of 0.50% and the Federal Funds Rate for such day.

*"**Base Rate Advance**"* means an Advance funded with reference to the Base Rate.

*"**Benefit Plan**"* means any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Trust or any ERISA Affiliate is, or at any time during the immediately preceding six years was, an *"*employer*"* as defined in Section 3(5) of ERISA.

*"**Borrower Benefit Account**"* means the special account created pursuant to Section 2.04(d).

*"**Borrower Benefit Amount**"* means, the sum of:

(a) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.075%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (i) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.250%, and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date;

(b) expected net present value of the product of (1) the sum of (A) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, and (B) the excess of (x) the weighted average rebate as described in clause (ii) of the definition of Borrower Benefit Programs relating to all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate original loan amount of all Eligible FFELP Loans sold to the Trust on such Advance Date; and

(c) expected net present value of the product of (1) the sum of (A) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.010%, and (B) the excess of (x) the weighted average interest rate reduction as described in clause (iii) of the definition of Borrower Benefit Programs on all Eligible FFELP Loans that are not Post-Legislation Consolidation Loans sold to the Trust on such Advance Date, over (y) 0.200%; and (2) the aggregate Principal Balance of all Eligible FFELP Loans sold to the Trust on such Advance Date.

*"**Borrower Benefit Programs**"* means any of the following borrower benefit programs:

(i) the "Direct Repay/ACH Benefit plan" benefit program under which Obligors who make student loan payments electronically through automatic monthly deductions receive an interest rate reduction as long as loan payments continue to be successfully deducted from the borrower's bank account;

(ii) any borrower benefit program under which Obligors who make a certain number of scheduled payments on time receive a rebate of their original loan amount; and

(iii) any other borrower benefit program (other than the Direct/Repay ACH Benefit plan described in clause (i) above) under which Obligors who make a certain number of scheduled payments on time receive an interest rate reduction.

*"**Business Day**"* means a day of the year other than a Saturday or a Sunday or other day on which (a) banks are not authorized or required to close in Charlotte, North Carolina or New York, New York and (b) trust companies are not authorized or required to close in Wilmington, Delaware; provided, however, if the term *"*Business Day*"* is used in connection with the LIBOR Rate, it means any day on which (x) dealings in dollar deposits are carried on in the London interbank market and (y) banks are not authorized or required to close in New York, New York.

*"**Capitalized Interest Account**"* means the special account created pursuant to Section 2.06(a).

*"**Capitalized Interest Account Funding Event**"* means the occurrence of (i) the third Business Day preceding the Scheduled Maturity Date, (ii) with respect to an Amortization Event under Sections 7.01(a) through (h), the first day of an Amortization Period, (iii) with respect to an Amortization Event under Section 7.01(i) or (j), the last day of an Amortization Period (unless caused by the reinstatement of the Revolving Period in which case no Capitalized Interest Account Funding Event shall have occurred), or (iv) the Termination Date.

*"**Capitalized Interest Account Specified Balance**"* means, as of any date of determination, the sum of (i) for each Eligible FFELP Loan that is a Trust Student Loan included in the A&R Initial Pool, the product of 3.86% multiplied by the Principal Balance thereof as of such date of determination, and (ii) for each Eligible FFELP Loan that becomes a Trust Student Loan and is not included in the A&R Initial Pool, the product of 5.90% multiplied by the Principal Balance thereof as of such date of determination.

*"**Capitalized Interest Account Unfunded Balance**"* means, as of any date of determination, the amount, if any, by which (x) the Capitalized Interest Account Specified Balance exceeds (y) the outstanding balance of Capitalized Interest Advances then on deposit in the Capitalized Interest Account.

*"**Capitalized Interest Advance**"* means an Advance made upon a Capitalized Interest Account Funding Event or as provided in Section 2.21(b), the proceeds of which are to be deposited into the Capitalized Interest Account.

*"**Carryover Servicing Fee**"* has the meaning specified in Attachment A to the Servicing Agreement.

*"**Cavalier Omnibus Waiver and Consent and Guaranty**"* means the Omnibus Waiver and Consent and Guaranty, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent, relating to Cavalier Funding 1 LLC.

*"**Change of Control**"* means (i) a merger or consolidation of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, into another Person (other than an Affiliate of SLM Corporation), (ii) any merger or

consolidation to which the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, shall be a party resulting in the creation of another Person (other than an Affiliate of SLM Corporation), (iii) any Person (other than an Affiliate of SLM Corporation) succeeding to the properties and assets of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable, substantially as a whole or (iv) an event or series of events by which any Person (other than an Affiliate of SLM Corporation) acquires the right to vote more than 50% of the common stock or other voting interest of the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer, as applicable.

*"**Churchill Bluemont Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Bluemont Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Churchill Eligible FFELP Loan**"* means, with respect to the Initial Pool only, a Student Loan that was an Eligible FFELP Loan under and as defined in any of the Churchill Note Purchase Agreements immediately prior to the termination of the Churchill FFELP Loan Facilities and, at any time of determination after the Closing Date, satisfies the criteria in subclauses (a) through (j) and (l) through (v) of clause (2) of the definition of "Eligible FFELP Loan" under this Agreement.

*"**Churchill FFELP Loan Facilities**"* means, collectively, the financing facilities established pursuant to the Churchill Note Purchase Agreements.

*"**Churchill Note Purchase Agreements**"* means the Churchill Bluemont Note Purchase Agreement, the Churchill Town Center Note Purchase Agreement and the Churchill Town Hall Note Purchase Agreement.

*"**Churchill Town Center Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Town Center Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Churchill Town Hall Note Purchase Agreement**"* means the Amended and Restated Note Purchase and Security Agreement, dated as of April 24, 2009, among Town Hall Funding I, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, and Sallie Mae, Inc., as administrator.

*"**Class A Advance**"* means an Advance under a Class A Note.

*"**Class A Note**"* means a variable funding note, substantially in the form attached hereto as Exhibit J.

*"**Closing Date**"* means the Original Closing Date.

*"**Co-Valuation Agents**"* means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC) and Barclays Bank PLC, or any other entity appointed as successor Co-Valuation Agent pursuant to the Valuation Agent Agreement.

*"**Co-Valuation Agents Fees**"* means the fees and charges, if any, of the Co-Valuation Agents, including reasonable legal fees and expenses, payable to the Co-Valuation Agents pursuant to the Valuation Agent Fee Letter.

*"**Code**"* means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute and the regulations promulgated and rulings issued thereunder.

*"**Collateral Value**"* means with respect to each pool of Eligible FFELP Loans to be added to the Trust Student Loans in connection with a particular Purchase Price Advance, an amount equal to the product of the weighted average advance rate referred to in clause (a) of the definition of Applicable Percentage for such pool and the aggregate Principal Balance of such pool; provided, however, that if the Applicable Percentage set forth in the most recent Valuation Report is the percentage referred to in clause (b) or (c) of the definition of Applicable Percentage, then in calculating each of the percentages used in determining the weighted average advance rate referred to in clause (a) of the definition of Applicable Percentage for such pool, each such percentage shall be multiplied by a fraction the numerator of which is the lower of the percentages calculated pursuant to clause (b) and (c) of the definition of Applicable Percentage in the most recent Valuation Report, and the denominator of which is the weighted average advance rate calculated pursuant to clause (a) of the definition of Applicable Percentage in the most recent Valuation Report.

*"**Collection Account**"* means the special account created pursuant to Section 2.04(a).

*"**Collections**"* means (a) all amounts received with respect to principal and interest and other proceeds, payments and reimbursements, including Recoveries, with respect to any Trust Student Loan and any other collection of cash with respect to such Trust Student Loan and (b) all other cash collections and other cash proceeds of the Pledged Collateral (including, without limitation, in each of clauses (a) and (b) above, each of the items enumerated in the definition of Available Funds with respect to any Settlement Period).

*"**Commitment**"* means (i) with respect to a Lender, the obligation, if any, of such Lender to fund Advances pursuant to this Agreement in the amount stated to be such Lender's *"*Commitment*"* on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time including by the Administrative Agent to reflect assignments, reallocations, decreases and increases of the Commitments permitted under this Agreement and (ii) with respect to a Facility Group, the aggregate Commitment of the Lenders within such Facility Group, in each case as such Commitment may be reduced or increased

pursuant to Section 2.03; provided, however, that upon termination of a Revolving Period that is not capable of being reinstated, and on each Settlement Date thereafter on which the Aggregate Note Balance has been reduced, the Commitment shall be reduced for (a) each Lender to an amount equal to such Lender's Pro Rata Share of the sum of (1) the Aggregate Note Balance of the Class A Note held by such Lender's Facility Group and (2) the Capitalized Interest Account Unfunded Balance, and (b) each Facility Group to an amount equal to the sum of (1) the Aggregate Note Balance of the Class A Note held by such Facility Group and (2) such Facility Group's Pro Rata Share of the Capitalized Interest Account Unfunded Balance.

*"**Committed Conduit Lender**"* means any Conduit Lender that has a Commitment and any of its successors or assigns (subject to Section 10.04).

*"**Conduit Assignee**"* means, with respect to a Conduit Lender, any special purpose entity that finances its activities directly or indirectly through asset backed commercial paper and (x) is administered by a Managing Agent or any Affiliate of a Managing Agent or (y) has entered into a Program Support Agreement with an Alternate Lender which is a member of such Conduit Lender's Facility Group or an Affiliate of such an Alternate Lender, and in either case is designated by such Conduit Lender's Managing Agent from time to time to accept an assignment from such Conduit Lender of outstanding Advances; provided, however, that with respect to any Conduit Lender with a Commitment hereunder, such Conduit Assignee must be an assignee with respect to such Commitment.

*"**Conduit Lender**"* means any special purpose entity identified as a Conduit Lender on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

*"**Consolidated Tangible Net Worth**"* means, as of any date of determination, the consolidated stockholders' equity of SLM Corporation and its consolidated subsidiaries, determined in accordance with GAAP, less their consolidated Intangible Assets, all determined as of such date.

*"**Consolidation Loan**"* means a loan made to a borrower which loan consolidates such borrower's PLUS/SLS Loans, direct loans made by the Department of Education, Stafford Loans made in accordance with the Higher Education Act and/or loans made under the Federal Health Education Assistance Loan Program authorized under Sections 701 through 720 of the Public Health Services Act.

*"**Conveyance Agreement**"* means the Conveyance Agreement, dated as of February 29, 2008, among the Master Depositor, the Depositor and the Interim Eligible Lender Trustee, under which the Master Depositor may from time to time transfer, on a true sale basis, certain Eligible FFELP Loans to the Depositor, together with all transfer agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**CP**"* means the commercial paper notes issued from time to time by means of which a Conduit Lender (directly or indirectly) obtains financing.

*"**CP Advance**"* means an Advance made through the issuance of CP.

*"**CP Rate**"* means, for any Settlement Period, for any Conduit Lender, for the portion of the Aggregate Note Balance funded by such Conduit Lender directly or indirectly with CP, the rate equivalent to the weighted average cost (as determined by the applicable Managing Agent and which shall include Dealer Fees, incremental carrying costs incurred with respect to CP maturing on dates other than those on which corresponding funds are received by the Conduit Lender, other borrowings by the Conduit Lender to fund any Advances hereunder or its related commercial paper issuer if the Conduit Lender does not itself issue commercial paper (other than under any Program Support Agreement), actual costs of swapping foreign currencies into dollars to the extent the CP is issued in a market outside the U.S. and any other costs associated with the issuance of CP) of or related to the issuance of CP that are allocated, in whole or in part, by the Conduit Lender or the applicable Managing Agent to fund or maintain such portion of the Aggregate Note Balance (and which may be also allocated in part to the funding of other assets of the Conduit Lender); provided, however, that if the rate (or rates) is a discount rate, then the rate (or if more than one rate, the weighted average of the rates) shall be the rate resulting from converting such discount rate (or rates) to an interest-bearing equivalent rate per annum; provided further, however, that for any Conduit Lender in the Facility Group for which JPMorgan Chase Bank, N.A. is Managing Agent, the "CP Rate" for any Settlement Period shall be equal to the weighted average of the JPMorgan Daily/30 Day LIBOR Rate calculated on each date during which CP is issued by such Conduit Lender to fund or maintain its CP Advances during such Settlement Period and as reported to the Administrative Agent by JPMorgan Chase Bank, N.A., as Managing Agent under Section 2.27.

*"**CRD**"* shall mean Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, as amended from time to time, including pursuant to Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009.

*"**CRD Prohibited Hedge**"* means, with respect to any equity interest or credit exposure, any credit risk mitigation, any short positions or any other hedge (as required by Article 122a of CRD, as interpreted from time to time by the Committee of European Banking Supervisors, including in the "Guidelines to Article 122a of the Capital Requirements Directive" published on December 31, 2010) with respect to such equity interest or credit exposure.

*"**Cutoff Date**"* means the Initial Cutoff Date or any Subsequent Cutoff Date, as applicable.

*"**Dealer Fees**"* means a commercial paper dealer fee, payable to each Conduit Lender, of not greater than five basis points per annum on the amount of CP Advances made by such Conduit Lender.

*"**Debt**"* means, with respect to any Person, (a) indebtedness of such Person for borrowed money; (b) obligations of such Person evidenced by bonds, debentures, notes, letters of credit, interest rate and currency swaps or other similar instruments; (c) obligations of such Person to pay the deferred purchase price of property or services; (d) obligations of such Person as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases; (e) obligations secured by an Adverse Claim upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such

obligations; (f) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of other Persons of the kinds referred to in clauses (a) through (e) above; (g) all obligations of such Person upon which interest charges are customarily paid; (h) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person; (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances or as an account party in respect of letters of credit and letters of guaranty; (j) all obligations of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such obligations provide that such Person is not liable therefor; and (k) any other liabilities of such Person which would be treated as indebtedness in accordance with GAAP.

*"**Defaulted Student Loan**"* means any Trust Student Loan (a) as to which any payment or portion thereof is more than the number of days past due from the original due date thereof that would permit the Eligible Lender Trustee, or any other Person acting on its behalf, to submit a default claim to the applicable Guarantor under the terms of the Higher Education Act (which number of days, as of the A&R Closing Date, is 270), (b) the Obligor of which is the subject of an Event of Bankruptcy (without giving effect to any applicable cure or continuance period) or is deceased or disabled or (c) as to which a continuing condition exists that, with notice or the lapse of time or both, would constitute a default, breach, violation or event permitting acceleration under the terms of such Student Loan (other than payment defaults continuing for a period of not more than the number of days past due from the original due date thereof that would permit the submission of a default claim to the applicable Guarantor under the terms of the Higher Education Act).

*"**Defaulting Lender**"* means any Alternate Lender, LIBOR Lender or Committed Conduit Lender that has failed to make its Pro Rata Share of any Advance required to be made by such Lender as and when required under Section 2.01 and has not reimbursed the other Lenders for such failure in accordance with the last sentence of Section 2.01(d).

*"**Delaware Trustee**"* means BNY Mellon Trust of Delaware, a Delaware banking corporation.

*"**Delinquent Student Loan**"* means any Trust Student Loan, which is not a Defaulted Student Loan, as to which any payment, or portion thereof, is more than 120 days past due from the original due date thereof.

*"**Departing Facility Group**"* means a Facility Group whose Commitment the Trust has determined to assign in accordance with Section 2.21(a).

*"**Department of Education**"* or *"**Department**"* means the United States Department of Education, or any other officer, board, body, commission or agency succeeding to the functions thereof under the Higher Education Act.

*"**Depositor**"* means Town Hall Funding LLC, a Delaware limited liability company, in its capacity as depositor with respect to the Trust.

*"**Depositor Interim Trust Agreement**"* means the interim trust agreement, dated as of February 29, 2008, between the Depositor and the Interim Eligible Lender Trustee.

*"**Distressed Lender**"* means any Lender that (i) is a Defaulting Lender, (ii) becomes or is insolvent or has a parent company that has become or is insolvent or (iii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

*"**Eligible FFELP Loan**"* means either:

(1) a Churchill Eligible FFELP Loan; or

(2) a Student Loan which meets the following criteria as of any date of determination:

(a) such Student Loan is fully disbursed;

(b) [reserved];

(c) (i) such Student Loan is a Stafford Loan, an SLS Loan, a PLUS Loan or a Consolidation Loan, and (ii) the Obligor thereof was an Eligible Obligor at the time such Student Loan was originated;

(d) such Student Loan is a U.S. Dollar denominated obligation payable in the United States;

(e) at least 97% of the principal of and interest on such Student Loan is guaranteed by the applicable Guarantor and eligible for reinsurance under the Higher Education Act, such percentage to be met without giving effect to any increase due to any special servicer status under the Higher Education Act of any applicable Servicer;

(f) such Student Loan provides for periodic payments which fully amortize the amount financed over its term to maturity (exclusive of any deferral or forbearance periods granted in accordance with applicable law, including, without limitation, the Higher Education Act, and in accordance with the applicable Guarantee Agreement);

(g) such Student Loan is being serviced by a Servicer under a Servicing Agreement; which is in full force and effect (provided that the Servicing Agreement with Pennsylvania Higher Education Assistance Agency shall qualify for such purposes notwithstanding the absence of the approval of the Office of the Attorney General of the Commonwealth of Pennsylvania as long as such approval is obtained within 90 days after the Closing Date or such later date as is consented to in writing by the Required Managing Agents) and all other

conditions for such agreement to be in full force and effect have been satisfied on, and at all times after, the Closing Date) and if such Student Loan is serviced by a Subservicer, the related Obligor has been directed to make all payments into a Permitted Lockbox;

(h) such Student Loan bears interest at a stated rate equal to the maximum rate permitted under the Higher Education Act for such Student Loan (before giving effect to any borrower benefit programs);

(i) such Student Loan is eligible for the payment of quarterly Special Allowance Payments at a rate established under the formula set forth in the Higher Education Act for such Student Loan;

(j) if not yet in repayment status, such Student Loan is eligible for the payment of Interest Subsidy Payments by the Department of Education or, if not so eligible, is a Student Loan for which interest either is billed quarterly to the Obligor or deferred until commencement of the repayment period, in which case such accrued interest is subject to capitalization to the full extent permitted by the applicable Guarantor;

(k) such Student Loan is not a Defaulted Student Loan at the time the Advance to purchase such Student Loan is made (except with respect to any Churchill Eligible FFELP Loan);

(l) such Student Loan is supported by the following documentation:

(i) loan application, and any supplement thereto;

(ii) evidence of Guarantee;

(iii) any other document and/or record which the Trust or the related Servicer or other agent may be required to retain pursuant to the Higher Education Act;

(iv) if applicable, payment history (or similar documentation) including (A) an indication of the Principal Balance and the date through which interest has been paid, each as of the related date of determination and (B) an accounting of the allocation of all payments by the Obligor or on the Obligor's behalf to principal and interest on the Student Loan;

(v) if applicable, documentation which supports periods of current or past deferment or past forbearance;

(vi) if applicable, a collection history, if the Student Loan was ever in a delinquent status, including detailed summaries of contacts and including the addresses or telephone numbers used in contacting or attempting to contact the related Obligor and any endorser and, if required by the Guarantor, copies of all letters and other correspondence relating to due diligence processing;

(vii) if applicable, evidence of all requests for skip-tracing assistance and current address of the related Obligor, if located;

(viii) if applicable, evidence of requests for pre-claims assistance, and evidence that the Obligor's school(s) have been notified; and

(ix) if applicable, a record of any event resulting in a change to or confirmation of any data in the Student Loan file;

(m) such Student Loan was originated and has been serviced in compliance with all requirements of applicable law, including the Higher Education Act and all origination fees authorized to be collected pursuant to Section 438 of the Higher Education Act have been paid to the United States Secretary of Education;

(n) such Student Loan is evidenced by a single original Student Loan Note and any addendum thereto (or a certified copy thereof if more than one Student Loan is represented by a single Student Loan Note and all Student Loans represented thereby are not being sold) (whether e-signed or otherwise), containing terms in accordance with those required by the FFELP Program, the applicable Guarantee Agreements and other applicable requirements and which does not require the Obligor to consent to the transfer, sale or assignment of the rights and duties of the related Seller, the Master Depositor (or the Interim Eligible Lender Trustee on behalf of the Master Depositor), or the Depositor (or the Interim Eligible Lender Trustee on behalf of the Depositor) or the Trust (or the Eligible Lender Trustee on behalf of the Trust) and does not contain any provision that restricts the ability of the Administrative Agent, on behalf of the Secured Creditors, to exercise its rights under the Transaction Documents;

(o) in each case, (i) immediately prior to the sale thereof to the Master Depositor, the applicable Seller had, (ii) immediately prior to the sale thereof by the Master Depositor to the Depositor or the Related SPE Seller, as applicable, the Master Depositor had, (iii) if applicable, immediately prior to the sale thereof by a Related SPE Seller to the Depositor, such Related SPE Seller had, and (iv) immediately following the acquisition thereof on the related Advance Date, the Trust has, good and marketable title to such Student Loan free and clear of any Adverse Claim or other encumbrance, lien or security interest, or any other prior commitment, other than as may be granted in favor of the Administrative Agent, on behalf of the Secured Creditors;

(p) such Student Loan has not been modified, extended or renegotiated in any way, except (i) as required under the Higher Education Act or other applicable laws, rules and regulations and the applicable Guarantee Agreement, (ii) as provided for or permitted under the applicable underwriting guidelines or Servicing Policies if such modification, extension or renegotiation does not materially adversely affect the value or collectability thereof or (iii) as provided for in the Transaction Documents;

(q) such Student Loan constitutes a legal, valid and binding obligation to pay on the part of the related Obligor enforceable in accordance with its terms and is not noted on the appropriate Servicer's books and records as being subject to a current bankruptcy proceeding;

(r) such Student Loan constitutes an instrument, an account or a general intangible as defined in the UCC in the jurisdiction that governs the perfection of the interests of the Trust therein and the perfection of the Secured Creditors' interest therein;

(s) the sale or assignment of such Student Loan to the Master Depositor or an interim eligible lender trustee on its behalf pursuant to a Purchase Agreement, the sale or assignment of which to the Depositor or the Interim Eligible Lender Trustee on its behalf pursuant to the Conveyance Agreement or the Tri-Party Transfer Agreement, the sale or assignment of which to the Trust or the Eligible Lender Trustee on its behalf pursuant to the Sale Agreement, and the granting of a security interest to the Administrative Agent pursuant to this Agreement does not contravene or conflict with any applicable law, rule or regulation, or require the consent or approval of, or notice to, any Person;

(t) such Student Loan was (i) acquired by the Master Depositor pursuant to a Purchase Agreement and then acquired by the Depositor pursuant to the Conveyance Agreement or (ii) acquired by the Depositor pursuant to the Tri-Party Transfer Agreement, and subsequently sold to the Trust pursuant to the Sale Agreement, and notwithstanding whether the Trust or a Related SPE Trust owned the Student Loan prior to the Closing Date, was not previously owned by the Trust at any time on or after the Closing Date and subsequently re-acquired by the Trust after the Closing Date, unless such repurchase is required under the Higher Education Act;

(u) the purchase price paid for such Student Loan at the time of purchase by the Trust (i) did not exceed the Applicable Percentage (in effect at the time of purchase) multiplied by the Principal Balance thereof, plus amounts, if any, drawn under the Revolving Credit Agreement; and (ii) is reasonably equal to its fair market value at the time of purchase; and

(v) the purchase of such Student Loan will not result in (i) an Amortization Event, (ii) a Termination Event or (iii) an increase in any Excess Concentration Amount that would result in the Asset Coverage Ratio being less than 100%.

For so long as any Rating Agency would consider the Trust potentially to be a "Debt Collection Agency" (as defined in Title 20 of the New York City Administrative Code), with respect to any Student Loan, in the case where (i) the related Obligor resides in New York City, (ii) the related Student Loan was purchased or will be purchased on or after July 16, 2009, and (iii) on such related purchase date the related Obligor had not made all payments then due and payable, such Student Loan is not or will not be an Eligible FFELP Loan.

*"**Eligible Institution**"* means (a) an institution of higher education, (b) a vocational school or (c) any other institution which, in all of the above cases, is an "eligible institution" as defined in the Higher Education Act and has been approved by the Department of Education and the applicable Guarantor.

*"**Eligible Investments**"* means book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

(a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America; provided, that obligations of, or guaranteed by, the Government National

Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association shall be Eligible Investments only if, at the time of investment, they have a rating from each of the Rating Agencies in the highest investment category granted thereby;

(b) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the laws of the United States of America or any State (or any domestic branch of a foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (a) above or portion of such obligation for the benefit of the holders of such depository receipts); provided, that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Settlement Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) thereof shall have a credit rating from each of the Rating Agencies in the highest investment category granted thereby;

(c) non-extendible commercial paper having, at the time of the investment, a rating from each of the Rating Agencies then rating that commercial paper in the highest investment category granted thereby;

(d) investments in money market funds having a rating from each of the Rating Agencies in the highest investment category granted thereby (including funds for which the Administrative Agent, the Syndication Agent, or the Eligible Lender Trustee or any of their respective Affiliates is investment manager or advisor);

(e) bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above; and

(f) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or any agency or instrumentality thereof, the obligations of which are backed by the full faith and credit of the United States of America, in each case entered into with a depository institution or trust company (acting as principal) described in clause (b) above.

For purposes of the definition of "Eligible Investments," the phrase "highest investment category" means (i) in the case of Fitch, "AAA" for long-term investments (or the equivalent) and "F-1+" for short-term investments (or the equivalent), (ii) in the case of Moody's, "Aaa" for long-term investments and "Prime-1" for short-term investments, and (iii) in the case of S&P, "AAA" for long-term investments and "A-1+" for short-term investments. A proposed investment not rated by Fitch but rated in the highest investment category by Moody's and S&P shall be considered to be rated by each of the Rating Agencies in the highest investment category granted thereby. In the event the rating(s) of an Eligible Investment falls below the applicable rating(s) set forth herein, the Administrator shall promptly (but in no event longer than the earlier of (x) the maturity date of such Eligible Investment and (y) 60 days from the time of such downgrade) replace such investment, at no cost to the Trust, with an Eligible Investment which has the required ratings.

*"**Eligible Lender**"* means any *"*eligible lender,*"* as defined in the Higher Education Act, which has received an eligible lender designation from the Department of Education or from a Guarantor with respect to Student Loans.

*"**Eligible Lender Trustee**"* means The Bank of New York Mellon Trust Company, National Association, a national banking association, not in its individual capacity but solely as Eligible Lender Trustee under the Trust Agreement and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the terms of the Trust Agreement.

*"**Eligible Lender Trustee Agreements**"* means (i) the VL Funding Eligible Lender Trustee Agreement, dated as of April 24, 2009, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VL Funding LLC, and VL Funding LLC, (ii) the VK Funding Eligible Lender Trustee Agreement, dated as of April 16, 2010, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of VK Funding LLC, and VK Funding LLC, and (iii) the Cavalier Funding 1 LLC Eligible Lender Trustee Agreement, dated as of January 14, 2011, between The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding 1 LLC, and Cavalier Funding 1 LLC.

*"**Eligible Lender Trustee Fees**"* means the fees, reasonable expenses and charges of the Eligible Lender Trustee, including reasonable legal fees and expenses, as agreed to in writing by the Eligible Lender Trustee and the Administrator.

*"**Eligible Lender Trustee Guarantee Agreement**"* means any guarantee or similar agreement issued by any Guarantor to the Eligible Lender Trustee relating to the Guarantee of Trust Student Loans, and any amendment thereto entered into in accordance with the provisions thereof and hereof.

*"**Eligible Obligor**"* means an Obligor who is eligible under the Higher Education Act to be the obligor of a loan for financing a program of education at an Eligible Institution, including an Obligor who is eligible under the Higher Education Act to be an obligor of a loan made pursuant to Section 428A, 428B and 428C of the Higher Education Act.

*"**ERISA**"* means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor statute and the regulations promulgated and rulings issued thereunder.

*"**ERISA Affiliate**"* means (a) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Trust, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Trust, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Trust, any corporation described in clause (a) above or any trade or business described in clause (b) above or other Person which is required to be aggregated with the Trust pursuant to regulations promulgated under Section 414(o) of the Code.

*"**Estimated Interest Adjustment**"* means, for each Settlement Date with respect to any Facility Group, the variation, if any, between (x) the Yield paid on the preceding Settlement Date to such Facility Group and (y) the Yield that accrued on the portion of the Aggregate Note Balance allocable to such Facility Group during the Interest Accrual Period then ending on such preceding Settlement Date. The amount by which clause (y) exceeds clause (x) shall be a positive Estimated Interest Adjustment and the amount by which clause (x) exceeds clause (y) shall be a negative Estimated Interest Adjustment.

*"**Eurodollar Reserve Percentage**"* means, for any day during any period, the reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities"). The LIBOR Rate shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

*"**Event of Bankruptcy**"* means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, which decree or order remains unstayed and in effect for a period of 30 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

*"**Excess Collateral Advance**"* means an Advance made to the Trust that is not a Purchase Price Advance or a Capitalized Interest Advance and is made to provide additional Available Funds; provided, however, that the amount of any such Advance shall not exceed the amount by which (a) the Adjusted Pool Balance plus the sum of the amounts on deposit in the Trust Accounts (other than the Borrower Benefit Account and the Floor Income Rebate Account) exceeds (b) the Reported Liabilities.

*"**Excess Concentration Amount**"* has the meaning set forth in the Side Letter.

*"**Excess Distribution Certificate**"* has the meaning assigned to such term in the Trust Agreement.

*"**Excess Spread**"* means the annualized percentage, calculated on the last day of each calendar month, which is a fraction, the numerator of which is the positive difference, if any, between (x) the Expected Interest Collections for such month with respect to the Trust Student Loans and (y) the sum of (i) the Primary Servicing Fee payable to the Master Servicer for such month, (ii) all other fees payable under this Agreement for such month (other than the Non-Use Fee), (iii) all Monthly Rebate Fees for such month, (iv) all other accrued and unpaid amounts generally payable by the Trust with respect to the Trust Student Loans to the Department or any Guarantor, regardless of whether such amounts are then due and owing and whether such amounts may be netted or deducted from payments to be received from the Department or such Guarantor, as applicable, and (v) all Yield payable to the Lenders for such month in respect of the Class A Notes, and the denominator of which is the product of (x) the weighted average Principal Balance of all Trust Student Loans held by the Trust during such month and (y) the Applicable Percentage as calculated based upon the most recent Valuation Report delivered in the succeeding calendar month.

*"**Excess Spread Test**"* means the three-month average Excess Spread (or, with respect to the first Settlement Period hereunder, the one-month Excess Spread or, with respect to the second Settlement Period hereunder, the two-month average Excess Spread) is greater than or equal to 0.25%.

*"**Excess Yield**"* means, with respect to any Advances for any Lender and any Settlement Date, the amount by which:

(A) the sum of the amounts calculated pursuant to clauses (a) and (b) of the definition of "Yield" with respect to such Advance during the related Yield Period exceeds

(B) (X) the aggregate sum for each day within such Yield Period of (a) the sum of (i)(I) with respect to a CP Advance, the Related LIBOR Rate plus 0.25% and (II) with respect to a LIBOR Advance, the applicable LIBOR Rate for such LIBOR Advance and (ii) the Used Fee Rate (without giving effect to the application of the Non-Renewal Step-Up Rate) that would be applicable if such Advance were a CP Advance, multiplied by (b) the outstanding principal amount of such Lender's Advances on such day, divided by (Y) 360.

*"**Excluded Taxes**"* has the meaning assigned to such term in Section 2.20(a).

*"**Exiting Facility Group**"* means any Maturity Non-Renewing Facility Group.

*"**Exiting Facility Group Amortization Period**"* means, with respect to any Maturity Non-Renewing Facility Group, the period beginning on the then current Scheduled Maturity Date for such Maturity Non-Renewing Facility Group and ending on the earliest to occur of (i) the occurrence of an Amortization Event or a Termination Event, (ii) 90 days after the start of the period described above and (iii) the date the Aggregate Note Balance of the Class A Note held by the Exiting Facility Group has been repaid in full.

*"**Expected Interest Collections**"* means, for any calendar month, the sum of (i) the amount of interest due or accrued with respect to the Trust Student Loans and payable by the related Obligors thereon during such calendar month (whether or not such interest is actually paid), (ii) all Interest Subsidy Payments and Special Allowance Payments estimated to have accrued with respect to the Trust Student Loans during such calendar month whether or not actually received and (iii) investment earnings on the Trust Accounts for such calendar month.

*"**Facility**"* means the FFELP student loan conduit securitization facility established pursuant to this Agreement.

*"**Facility Group**"* means a Managing Agent and its related Conduit Lenders, Alternate Lenders, LIBOR Lenders and Program Support Providers, as applicable.

*"**Fair Market Auction**"* means a commercially reasonable sale of Trust Student Loans pursuant to an arm's-length auction process with respect to which (a) bids have been solicited from two or more potential bidders including at least two bidders that are not Affiliates of SLM Corporation, (b) at least one bid is received from a bidder that is not an Affiliate of SLM Corporation and (c) if an Affiliate of SLM Corporation submits the winning bid, such bid is in an amount reasonably equal to the fair market value of the Trust Student Loans being sold.

*"**FATCA**"* means Sections 1471 through 1474 of the Code and any regulations or official interpretations thereof.

*"**Federal Funds Rate**"* means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (adjusted, if necessary, to the nearest 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by it.

*"**Federal Reimbursement Contracts**"* means any agreement between any Guarantor and the Department of Education providing for the payment by the Department of Education of amounts authorized to be paid pursuant to the Higher Education Act, including but not necessarily limited to reimbursement of amounts paid or payable upon defaulted student loans Guaranteed by such Guarantor to holders of qualifying student loans Guaranteed by any Guarantor.

*"**Fee Letters**"* means the Administrative Agent and Syndication Agent Fee Letter, the Lenders Fee Letter and the Valuation Agent Fee Letter.

*"**FFELP Loan**"* means a Consolidation Loan, a PLUS Loan, an SLS Loan or a Stafford Loan.

*"**FFELP Loan Facilities**"* means the FFELP student loan conduit securitization facilities established pursuant to (i) this Agreement; (ii) that certain Amended and Restated Note Purchase and Security Agreement, dated as of the A&R Closing Date, among Town Center Funding I, the arrangers party thereto, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing

agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, JPMorgan Chase Bank, N.A., as syndication agent, and Sallie Mae, Inc., as administrator; and (iii) that certain Amended and Restated Note Purchase and Security Agreement, dated as of the A&R Closing Date, among Bluemont Funding I, the arrangers party thereto, the conduit lenders party thereto, the alternate lenders party thereto, the LIBOR lenders party thereto, Bank of America, N.A., as administrative agent, the managing agents party thereto, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee, JPMorgan Chase Bank, N.A., as syndication agent, and Sallie Mae, Inc., as administrator.

*"**FFELP Program**"* means the Federal Family Education Loan Program authorized under the Higher Education Act, including Stafford Loans, SLS Loans, PLUS Loans and Consolidation Loans.

*"**Financing* Costs**"* means an amount equal to the sum (without duplication) of (i) the accrued Yield applicable to the Class A Notes for the preceding Yield Period; (ii) the Non-Use Fee applicable to the Class A Notes for the preceding Settlement Period; (iii) any past due Yield payable on the Class A Notes; (iv) any past due Non-Use Fees applicable to the Class A Notes; (v) interest on any related loans or other disbursements payable by the Lenders as a result of unreimbursed draws on or under a Program Support Agreement supporting the purchase of the Class A Notes; and (vi) increased costs of the Affected Parties resulting from Yield Protection, if any.

*"**Fitch**"* means Fitch, Inc. (or its successors in interest).

*"**Floor**"* has the meaning assigned to such term in the Side Letter.

*"**Floor Income Rebate Account**"* means the special account created pursuant to Section 2.04(c).

*"**Floor Income Rebate Fee**"* means the quarterly rebate fee payable to the Department of Education on Trust Student Loans originated on or after April 1, 2006 for which interest payable by the related Obligors for such quarter exceeds the Interest Subsidy Payments or Special Allowance Payments applicable to such Trust Student Loans for such quarter.

*"**Fund**"* means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding, or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

*"**GAAP**"* means generally accepted accounting principles as in effect from time to time in the United States that are applicable to the circumstances as of the date of determination and applied on a consistent basis.

*"**GLB Regulations**"* means the Joint Banking Agencies' Privacy of Consumer Financial Information, Final Rule (12 CFR Parts 40, 216, 332 and 573) or the Federal Trade Commission's Privacy of Consumer Financial Information, Final Rule (16 CFR Part 313), as applicable, implementing Title V of the Gramm-Leach-Bliley Act, Public Law 106-102, as amended.

*"**Governmental Authority**"* means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions or pertaining to government, including without limitation any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

*"**Grant**"* or *"**Granted**"* means to pledge, create and grant a security interest in and with regard to property. A Grant of Trust Student Loans, other assets or of any other agreement includes all rights, powers and options (but none of the obligations) of the granting party thereunder.

*"**Guarantee**"* or *"**Guaranteed**"* means, with respect to a Student Loan, the insurance or guarantee by the applicable Guarantor, in accordance with the terms and conditions of the applicable Guarantee Agreement, of some or all of the principal of and accrued interest on such Student Loan and the coverage of such Student Loan by the Federal Reimbursement Contracts providing, among other things, for reimbursement to such Guarantor for losses incurred by it on defaulted Student Loans insured or guaranteed by such Guarantor.

*"**Guarantee Agreements**"* means the Federal Reimbursement Contracts, the Eligible Lender Trustee Guarantee Agreements and any other guarantee or agreement issued by a Guarantor to the Eligible Lender Trustee, which pertain to Student Loans, providing for the payment by the Guarantor of amounts authorized to be paid pursuant to the Higher Education Act to holders of qualifying Student Loans guaranteed in accordance with the Higher Education Act by such Guarantor.

*"**Guarantee Payments**"* means, with respect to a Student Loan, any payment made by a Guarantor pursuant to a Guarantee Agreement in respect of a Trust Student Loan.

*"**Guarantee Percentage**"* means, with respect to a Student Loan, the percentage of principal of and accrued interest on such Student Loan that is Guaranteed under the applicable Guarantee Agreement.

*"**Guarantor**"* means any entity listed on Exhibit B to this Agreement authorized to guarantee Student Loans under the Higher Education Act and with which the Eligible Lender Trustee maintains in effect a Guarantee Agreement.

*"**Guaranty and Pledge Agreement**"* means the Guaranty and Pledge Agreement, dated as of the Original Closing Date, between the Depositor and the Administrative Agent.

*"**Higher Education Act**"* means the Higher Education Act of 1965, as amended or supplemented from time to time, and all regulations and guidelines promulgated thereunder.

*"**Holding Account Lender**"* means (i) any Non-Rated Lender and (ii) any other Lender that has elected at its option to make a Lender Holding Deposit.

*"**Indemnified Party**"* has the meaning assigned to such term in Section 8.01(a).

*"**Indemnity Agreement**"* means the Indemnity Agreement entered into by SLM Corporation, the Trust and the Administrative Agent dated as of the Original Closing Date.

*"**Initial Cutoff Date**"* means the date set forth as such in the initial Advance Request delivered under the Initial Note Purchase Agreement.

*"**Initial Note Purchase Agreement**"* has the meaning assigned to such term in the Preliminary Statements.

*"**Initial Pool**"* means the pool of FFELP Loans owned by the Trust immediately prior to the termination of the Churchill Town Hall Note Purchase Agreement.

*"**Intangible Assets**"* means the amount (to the extent reflected in determining such consolidated stockholders' equity) of all unamortized debt discount and expense, unamortized deferred charges (which for purposes of this definition do not include deferred taxes or premiums paid in connection with the purchase of student loans), goodwill, patents, trademarks, service marks, trade names, anticipated future benefit of tax loss carry-forwards, copyrights, organization or developmental expenses and other intangible assets.

*"**Interest Accrual Period**"* means, each period from a Settlement Date until the immediately succeeding Settlement Date, provided, that the initial Interest Accrual Period shall be the period from the Closing Date until the first Settlement Date.

*"**Interest Coverage Ratio**"* means, for any period of four consecutive fiscal quarters, the ratio of Adjusted Cash Income for such period to Interest Expense for such period.

*"**Interest Expense**"* means, for any period, the aggregate amount which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as "total interest expense."

*"**Interest Subsidy Payments**"* means the interest subsidy payments on certain Trust Student Loans authorized to be made by the Department of Education pursuant to Section 428 of the Higher Education Act or similar payments authorized by federal law or regulations.

*"**Interim Eligible Lender Trustee**"* means The Bank of New York Mellon Trust Company, National Association, a national banking association, not in its individual capacity but solely as eligible lender trustee for the Depositor under the Depositor Interim Trust Agreement, for the Master Depositor under the Master Depositor Interim Trust Agreement, or for the applicable Sellers under the Seller Interim Trust Agreements, as applicable, and its successor or successors and any other corporation which may at any time be substituted in its place.

*"**Interim Trust Agreements**"* means collectively, the Seller Interim Trust Agreements, the Master Depositor Interim Trust Agreement and the Depositor Interim Trust Agreement.

*"**Investment Deficit**"* has the meaning assigned to such term in Section 2.01(d).

*"**Investment Company Act**"* means the Investment Company Act of 1940, as amended.

*"**JPMorgan Daily/30 Day LIBOR Rate**"* shall mean, for any day, a rate per annum equal to the thirty (30) day London-Interbank Offered Rate appearing on the Bloomberg BBAM (British Bankers Association) Page (or on any successor or substitute page of such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by JPMorgan Chase Bank, N.A., as Managing Agent for its Facility Group from time to time in accordance with its customary practices for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m. (London time) on such day or, if such day is not a Business Day in London, the immediately preceding Business Day in London. In the event that such rate is not available on any day at such time for any reason, then the "JPMorgan Daily/30 Day LIBOR Rate" for such day shall be the rate at which thirty (30) day U.S. Dollar deposits of $5,000,000 are offered by the principal London office of JPMorgan Chase Bank, N.A. in immediately available funds in the London interbank market at approximately 11:00 a.m. (London time) on such day; and if JPMorgan Chase Bank, N.A. is for any reason unable to determine the JPMorgan Daily/30 Day LIBOR Rate in the foregoing manner or has determined in good faith that the JPMorgan Daily/30 Day LIBOR Rate determined in such manner does not accurately reflect the cost of acquiring, funding or maintaining an Advance, the JPMorgan Daily/30 Day LIBOR Rate for such day shall be the greater of (a) the JPMorgan Prime Rate for such day and (b) the sum of 0.50% and the Federal Funds Rate for such day.

*"**JPMorgan Prime Rate**"* means a fluctuating rate per annum equal to the rate of interest in effect for such day as publicly announced from time to time by JPMorgan Chase Bank, N.A. as its "prime rate." The "prime rate" is a rate set by JPMorgan Chase Bank, N.A. based upon various factors including JPMorgan Chase Bank, N.A.'s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by JPMorgan Chase Bank, N.A. shall take effect at the opening of business on the day specified in the public announcement of such change.

*"**Lead Arrangers**"* means J.P. Morgan Securities LLC (formerly known as J.P. Morgan Securities Inc.) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor by merger to Banc of America Securities LLC).

*"**Legal Final Maturity Date**"* means the date occurring on the 40th anniversary of the termination of a Revolving Period that is not capable of being reinstated under the terms of this Agreement.

*"**Lender Guarantor**"* means any Person which has provided in favor of the Administrative Agent an irrevocable guaranty or provided an irrevocable letter of credit, to secure the obligations of a Non-Rated Lender to fund a Capitalized Interest Advance.

*"**Lender Holding Account**"* has the meaning assigned to such term in Section 2.23(a).

*"**Lender Holding Deposit**"* has the meaning assigned to such term in Section 2.23(a).

*"**Lenders**"* means, collectively, the Conduit Lenders, the Alternate Lenders and the LIBOR Lenders.

*"**Lenders Fee Letter**"* means the Second Amended and Restated Lenders Fee Letter, dated as of the A&R Closing Date, among the Trust and the Managing Agents from time to time party thereto.

*"**Liabilities**"* means the sum of the Trust's obligations with respect to (a) the Aggregate Note Balance, (b) all accrued and unpaid Financing Costs applicable thereto to the extent not included in the Aggregate Note Balance, (c) any accrued and unpaid fees, including Servicing Fees, Eligible Lender Trustee Fees and any other fees or payment obligations (other than borrower benefits to the extent the associated reduction in yield has been prefunded in the Borrower Benefit Account) payable by the Trust pursuant to the Transaction Documents, (d) any outstanding Servicer Advances, (e) amounts due and unpaid under the Revolving Credit Agreement, (f) all amounts payable by the Trust with respect to the Trust Student Loans to the Department or any Guarantor then due and owing, regardless of whether such amounts may be netted or deducted from payments to be received from the Department or such Guarantor (other than any such amount payable from or with respect to which the Trust will be reimbursed from the Floor Income Rebate Account) and (g) any other accrued and unpaid Obligations.

*"**LIBOR Advance**"* means an Advance funded with reference to the LIBOR Rate.

*"**LIBOR Base Rate**"* means:

(i) for any Tranche Period for any Alternate Lender or Conduit Lender:

(a) the rate per annum (carried out to the fifth decimal place) equal to the rate determined by the applicable Managing Agent to be the offered rate that appears on the page of the Reuters Screen that displays an average British Bankers Association Interest Settlement Rate (such page currently being LIBOR01) for deposits in United States dollars (for delivery on the first day of such period) with a term equivalent to such period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period;

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum (carried to the fifth decimal place) equal to the rate determined by the applicable Managing Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in United States dollars (for delivery on the first day of such period) with a term equivalent to such period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period; or

(c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the applicable Managing Agent as the rate of interest at which Dollar deposits (for delivery on the first day of such period) in same day funds in the approximate amount of the applicable investment to be funded by reference to the LIBOR Rate and with a term equivalent to such period would be offered by its London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such period; and

(ii) for any day during an Interest Accrual Period for any LIBOR Lender:

(a) the rate per annum (carried out to the fifth decimal place) equal to the rate determined by the Administrative Agent to be the offered rate that appears on the page of the Reuters Screen on such day that displays an average British Bankers Association Interest Settlement Rate (such page currently being LIBOR01) for deposits in United States dollars (for delivery on a date two Business Days later) with a term equivalent to one month;

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum (carried to the fifth decimal place) equal to the rate determined by the Administrative Agent to be the offered rate on such day on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in United States dollars (for delivery on a date two Business Days later) with a term equivalent to one month; or

(c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the Administrative Agent on such day as the rate of interest at which Dollar deposits (for delivery on a date two Business days later than such day) in same day funds in the approximate amount of the applicable investment to be funded by reference to the LIBOR Rate and with a term equivalent to one month would be offered by its London Branch to major banks in the London interbank eurodollar market at their request.

*"**LIBOR Lender**"* means any Person identified as a LIBOR Lender on Exhibit A attached hereto, as such Exhibit may be amended, restated or otherwise revised from time to time, and any successors or assigns (subject to Section 10.04).

*"**LIBOR Rate**"* for any Tranche Period (when used with respect to any Alternate Lender) or for any day during an Interest Accrual Period (when used with respect to any LIBOR Lender), means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

*"**Liquidated Student Loan**"* means any defaulted Trust Student Loan liquidated by the Servicer (which shall not include any Trust Student Loan on which payments pursuant to the applicable Guarantee are received) or which the Servicer has, after using all reasonable efforts to realize upon such Trust Student Loan, determined to charge off in accordance with the applicable Servicing Policies.

*"**Liquidation Proceeds**"* means, with respect to any Liquidated Student Loan which became a Liquidated Student Loan during the current Settlement Period in accordance with the applicable Servicing Policies, the moneys collected in respect of the liquidation thereof from whatever source, other than Recoveries, net of the sum of any amounts expended by the Servicer in connection with such liquidation and any amounts required by law to be remitted to the Obligor on such Liquidated Student Loan.

*"**Liquidity Expiration Date**"* means January 11, 2013, or if such date is extended pursuant to Section 2.16(a), the date to which it is so extended.

*"**Liquidity Non-Renewing Facility Group**"* means a Facility Group that has determined not to extend the Liquidity Expiration Date in accordance with Section 2.16(a).

*"**Lockbox Bank**"* means a bank that maintains a lockbox into which a Subservicer, or the Obligors of the Trust Student Loans serviced by such Subservicer, deposit Collections.

*"**Lockbox Bank Fees**"* means fees, reasonable expenses and charges of a Lockbox Bank as may be agreed to in writing by the Administrator and the Lockbox Bank; provided, that the fees (excluding reasonable expenses and charges) of a Lockbox Bank shall not exceed in the aggregate $2,500 per annum.

*"***Managing Agent***"* means each of the agents identified as a Managing Agent on Exhibit A attached hereto as such Exhibit may be amended, restated or otherwise revised from time to time, acting on behalf of its related LIBOR Lenders and its related Conduit Lenders, Alternate Lenders and Program Support Providers under this Agreement, as applicable, and any of its successors or assigns (subject to Section 10.04).

"***Market Value Percentage***" has the meaning assigned to such term in the Valuation Agent Agreement.

"***Master Depositor***" means Churchill Funding LLC, a Delaware limited liability company.

*"**Master Depositor* **Interim Trust Agreement***"* means the interim trust agreement, dated as of February 29, 2008, between the Master Depositor and the Interim Eligible Lender Trustee.

"***Master Servicer***" means Sallie Mae, Inc., a Delaware corporation, and its successors and permitted assigns.

*"**Material Adverse Effect**"* means a material adverse effect on:

(a) with respect to the Trust, the status, existence, perfection, priority or enforceability of the Administrative Agent's interest in the Pledged Collateral or the ability of the Trust to perform its obligations under this Agreement or any other Transaction Document or the ability to collect on a material portion of the Pledged Collateral; or

(b) with respect to any other Person, the ability of the applicable Person to perform its obligations under this Agreement or any other Transaction Document.

*"**Material Subservicer**"* means, as of any date of determination, any Subservicer responsible for servicing more than 15% of the Trust Student Loans by aggregate Principal Balance.

*"**Maturity Non-Renewing Facility Group**"* means a Facility Group that has determined not to extend the Scheduled Maturity Date in accordance with Section 2.16(b).

*"**Maximum Advance Amount**"* means, for any Advance Date:

(a) with respect to a Purchase Price Advance, an amount equal to the lesser of (i) the Maximum Financing Amount minus the sum of (A) the Capitalized Interest Account Unfunded Balance and (B) the Aggregate Note Balance and (ii) the aggregate Collateral Value of the Eligible FFELP Loans being acquired;

(b) with respect to an Excess Collateral Advance, an amount equal to the Maximum Financing Amount minus the sum of (A) the Capitalized Interest Account Unfunded Balance and (B) the Aggregate Note Balance (after giving effect to any Purchase Price Advance to be made on such Advance Date); and

(c) with respect to a Capitalized Interest Advance, an amount equal to the lesser of (i) the aggregate Commitments of all Lenders minus the Aggregate Note Balance and (ii) the amount necessary to cause the amount on deposit in the Capitalized Interest Account to equal the Required Capitalized Interest Account Balance.

*"***Maximum Financing Amount***"* means at any time on or after (i) the A&R Closing Date and prior to January 11, 2013, $2,500,000,000.00, (ii) January 11, 2013 and prior to January 10, 2014, $2,166,666,666.67, and (iii) January 10, 2014, $1,833,333,333.33, as such amount may be adjusted from time to time pursuant to Sections 2.03 and 2.21.

*"**Minimum Asset Coverage Requirement**"* means an Asset Coverage Ratio of greater than or equal to 100%.

*"**MNPI**"* has the meaning assigned to such term in Section 10.02(b).

*"**Monthly Administrative Agent's Report**"* means the report to be delivered by the Administrative Agent pursuant to Section 2.05(a).

*"***Monthly Rebate Fee***"* means the monthly rebate fee payable to the Department of Education on the Trust Student Loans which are Consolidation Loans.

*"***Monthly Report***"* means a report, in substantially the form of Exhibit C hereto, prepared by the Administrator and furnished to the Administrative Agent.

*"***Moody's***"* means Moody's Investors Service, Inc. (or its successors in interest).

*"**Multiemployer Plan**"* means a *"*multiemployer plan*"* as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding six years contributed to by the Trust or any ERISA Affiliate.

*"**Net Adjusted Revenue**"* means, for any period, Adjusted Revenue for such period less Interest Expense and Operating Expenses for such period.

"***New York UCC***" means the New York Uniform Commercial Code as in effect from time to time.

*"**Non-Defaulting Lender**"* has the meaning assigned to such term in Section 2.01(d).

"***Non-Rated Lender***" means, as of any date of determination, any Alternate Lender, LIBOR Lender or Committed Conduit Lender which does not satisfy any of the following: (i) has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's, (ii) has a Lender Guarantor which has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's, or (iii) has a Qualified Program Support Provider.

*"**Non-Renewal Step-Up Rate**"* has the meaning assigned to such term in the Lenders Fee Letter.

*"**Non-U.S. Lender**"* has the meaning assigned to such term in Section 2.20(d).

*"**Non-Use* Fee***"* means, with respect to each Facility Group, a non-use fee, payable monthly by the Trust to the Managing Agent for such Facility Group as set forth in the Lenders Fee Letter.

*"**Note**"* means a Class A Note issued by the Trust hereunder to a Registered Owner.

*"**Note Account**"* has the meaning specified in Section 2.11.

*"**Note Purchase**"* means the purchase of Class A Notes under this Agreement.

*"***Note Purchasers***"* means the Lenders and, if applicable, their respective Program Support Providers, and their respective successors and assigns (subject to Section 10.04). Each Facility Group shall purchase its Class A Notes and otherwise act through its Managing Agent.

*"**Note Register**"* has the meaning assigned to such term in Section 3.05(a).

*"**Note Registrar**"* has the meaning assigned to such term in Section 3.05(a).

*"**Notice of Release**"* has the meaning assigned to such term in Section 2.18(b)(iii).

*"**Obligations**"* means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Trust to the Secured Creditors, arising under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby and shall include, without limitation, all liability for principal of

and Financing Costs on the Class A Notes, closing fees, unused line fees, audit fees, Administrative Agent Fees, Syndication Agent Fees, Co-Valuation Agents Fees, expense reimbursements, indemnifications, and other amounts due or to become due under the Transaction Documents, including, without limitation, interest, fees and other obligations that accrue after the commencement of an insolvency proceeding (in each case whether or not allowed as a claim in such insolvency proceeding).

*"**Obligor**"* means the borrower or co-borrower or any other Person obligated to make payments with respect to a Student Loan.

*"**Officer's Certificate**"* means a certificate signed and delivered by an Authorized Officer.

*"**Official Body**"* means any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

*"**Omnibus Reaffirmation and Amendment**"* means the Omnibus Reaffirmation and Amendment dated as of the A&R Closing Date, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee under the Eligible Lender Trustee Agreements, The Bank of New York Mellon Trust Company, National Association, as eligible lender trustee on behalf of Cavalier Funding LLC, the Depositor, the Master Depositor, each Seller, Cavalier Funding LLC, Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

*"**Omnibus Waiver and Consent**"* means that certain Omnibus Waiver and Consent dated as of February 29, 2008 given by SLM Education Credit Finance Corporation and SLM Corporation.

"***Ongoing Seller***" means any of the Sellers other than Mustang Funding I, LLC, Mustang Funding II, LLC and Phoenix Fundings LLC.

"***Operating Expenses***" means, for any period, the aggregate amount which would fairly be presented in the consolidated income statement of SLM Corporation and its consolidated subsidiaries for such period (subject to normal year-end adjustments) prepared in accordance with GAAP as "total operating expenses."

*"**Opinion of Counsel**"* means an opinion in writing of outside legal counsel, who may be counsel or special counsel to the Trust, any Affiliate of the Trust, the Eligible Lender Trustee, the Administrator, the Administrative Agent, the Syndication Agent, any Managing Agent or any Lender.

"***Original Closing Date***" means January 15, 2010.

"***Original Obligations***" has the meaning assigned to such term in Section 1.06.

*"**Original Amendment and Reaffirmation**"* the Amended and Restated Omnibus Reaffirmation and Amendment dated as of January 14, 2011, among the Trust, the Eligible Lender Trustee, the Interim Eligible Lender Trustee, the Depositor, the Master Depositor, each Seller (other than Cavalier Funding 1 LLC), Sallie Mae, Inc., SLM Corporation and the Administrative Agent.

*"**Other Applicable Taxes**"* has the meaning assigned to such term in Section 2.13.

*"**Other Taxes**"* has the meaning assigned to such term in Section 2.20(a).

*"**Outstanding**"* means, when used with respect to Class A Notes, as of the date of determination, all Class A Notes theretofore authenticated and delivered under this Agreement except,

(a) Class A Notes theretofore cancelled by the Note Registrar or delivered to the Note Registrar for cancellation; and

(b) Class A Notes for whose payment or repayment money in the necessary amount and currency and in immediately available funds has been theretofore deposited with the Administrative Agent for the Registered Owners of such Class A Notes; and

(c) Class A Notes which have been exchanged for other Class A Notes, or in lieu of which other Class A Notes have been delivered, pursuant to this Agreement.

*"**Participant**"* has the meaning assigned to such term in Section 10.04(m).

*"**Patriot Act**"* has the meaning assigned to such term in Section 10.18.

*"**PBGC**"* means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

*"**Permitted Excess Collateral Release**"* means a release of Pledged Collateral to the holder of the Excess Distribution Certificate pursuant to Section 2.18(d); provided that so long as the Depositor or any Affiliate of the Depositor is the holder of the Excess Distribution Certificate, the Depositor or such Affiliate, as applicable, to the extent it transfers the Student Loans received in connection with such release, does so only in a manner providing for (i) a transfer of loans consistent with those set forth in the definition of Permitted Release under clauses (a), (b), (c), (d), (e), (f) or (h) (but excluding any specific requirements set forth in Section 2.18(b)(iv)(I)(A) or Section 2.18(c)) or (ii) a transfer to a special purpose entity which is not inconsistent with the factual assumptions set forth in the opinion letters referred to in Section 5.02(h).

*"**Permitted Lockbox**"* means a lockbox arrangement between a Subservicer and a Lockbox Bank approved by the Administrative Agent, with respect to which Collections from Obligors whose Student Loans are serviced by such Subservicer are sent to the related lockboxes and are forwarded by the applicable Lockbox Bank to the Collection Account within two Business Days after receipt of good funds.

*"**Permitted Release**"* means a release of Pledged Collateral in connection with (a) a Take Out Securitization, (b) a Whole Loan Sale, (c) a Fair Market Auction, (d) a Permitted SPE Transfer, (e) a Permitted Seller Buy-Back, (f) a Servicer Buy-Out, (g) a Permitted Excess Collateral Release or (h) any other transfer of Pledged Collateral with respect to which the Administrative Agent has received a Required Legal Opinion.

"***Permitted Seller Buy-Back***" means an arm's length transfer of Pledged Collateral by the Trust to the Depositor and subsequently by the Depositor to the applicable Seller, so long as the aggregate principal amount of all such Permitted Seller Buy-Backs since February 29, 2008, does not exceed ten percent of the lesser of (i) the highest Aggregate Note Balance outstanding at any time under this Agreement and (ii) the aggregate original principal amount of all Student Loans sold, directly or indirectly to the Trust by SLM Education Credit Finance Corporation, including any Student Loans deemed to have been sold by SLM Education Credit Finance Corporation, in its capacity as the assignee of the Student Loan Marketing Association.

*"**Permitted SPE Sale Agreement**"* means (i) the Sale Agreement Master Securitization Terms Number 1000, dated as of April 24, 2009, among the Depositor, as seller, VL Funding LLC, as purchaser, the Master Servicer, the Eligible Lender Trustee and The Bank of New York Mellon Trust Company, National Association, as Purchaser Eligible Lender Trustee and (ii) any other sale agreement among the Depositor, as seller, a Permitted SPE Transferee, as purchaser, the Master Servicer, the Eligible Lender Trustee and The Bank of New York Mellon Trust Company, National Association, as Purchaser Eligible Lender Trustee.

*"**Permitted SPE Transfer**"* means an arm's length transfer of Pledged Collateral by the Trust to the Depositor and subsequently by the Depositor to a Permitted SPE Transferee pursuant to a Permitted SPE Sale Agreement.

"***Permitted SPE Transferee***" means (i) a Related SPE Seller or (ii) a special purpose entity established by SLM Corporation or SLM Education Credit Finance Corporation, which is not a Seller (other than VL Funding LLC and VK Funding LLC), for which the Administrative Agent has received an Opinion of Counsel reasonably satisfactory to it as to the non-consolidation of such special purpose entity with SLM Corporation, Sallie Mae, Inc., the Sellers, the Master Depositor, the Depositor and the Related SPE Trusts under each other FFELP Loan Facility.

*"**Person**"* means an individual, partnership, corporation (including a statutory trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, government (or any agency or political subdivision thereof) or other entity.

*"**Platform**"* has the meaning assigned to such term in Section 10.02(b).

*"**Pledged Collateral**"* has the meaning specified in Section 2.10.

*"**PLUS Loan**"* means a student loan originated under the authority set forth in Section 428A or B (or a predecessor section thereto) of the Higher Education Act and shall include student loans designated as *"*PLUS Loans*"* or *"*Grad PLUS Loans,*"* as defined under the Higher Education Act.

*"**Post-Legislation Consolidation Loan**"* means a Consolidation Loan originated on or after October 1, 2007.

*"**Potential Amortization Event**"* means an event which but for the lapse of time or the giving of notice, or both, would constitute an Amortization Event.

*"**Potential Termination Event**"* means an event which but for the lapse of time or the giving of notice, or both, would constitute a Termination Event.

"***Power of Attorney***" means that certain Power of Attorney of the Trust dated as of the Original Closing Date, appointing Bank of America, N.A., as Administrative Agent, as the Trust's attorney-in-fact.

*"**Primary Servicing Fee**"* for any Settlement Date has the meaning specified in Attachment A to the Servicing Agreement, and shall include any such fees from prior Settlement Dates that remain unpaid.

*"**Prime Rate**"* means, for any day, a fluctuating rate per annum equal to the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its *"*prime rate.*"* The "prime rate" is a rate set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

*"**Principal Balance**"* means, with respect to any Student Loan and any specified date, the outstanding principal amount of such Student Loan, plus accrued and unpaid interest thereon to be capitalized.

*"**Principal Distribution Amount**"* means, with respect to any Settlement Date, (i) during a Revolving Period so long as no Termination Event has occurred and is continuing, the excess, if any, of (a) the Aggregate Note Balance as of the end of the related Settlement Period over (b) the lesser of the (x) the Adjusted Pool Balance and (y) the Maximum Financing Amount minus the Capitalized Interest Account Unfunded Balance, as of the end of the related Settlement Period, and (ii) at any other time, the Aggregate Note Balance.

*"**Pro Rata Share**"* means (a) with respect to any particular Facility Group, a fraction (expressed as a percentage) the numerator of which is the aggregate Commitment of such Facility Group and the denominator of which is the Maximum Financing Amount; (b) with respect to any Lender within a Facility Group, the percentage of such Facility Group's Pro Rata Share allocated to such Lender by its Managing Agent; and (c) with respect to any repayment of Class A Notes with respect to any Lender, a fraction (expressed as a percentage) the numerator of which is the Aggregate Note Balance attributable to such Lender, and the denominator of which is the Aggregate Note Balance; provided, that for so long as any Lender is a Defaulting Lender, the Aggregate Note Balance attributable to such Lender shall be disregarded for purposes of determining such calculation and its Pro Rata Share under this clause (c) shall be deemed to be zero.

*"**Program Support Agreement**"* means, with respect to any Conduit Lender, any liquidity agreement or any other agreement entered into by any Program Support Provider providing for the issuance of one or more letters of credit for the account of such Conduit Lender (or any related commercial paper issuer that finances such Conduit Lender), the issuance of one or more surety bonds for which such Conduit Lender or such related issuer is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, the sale by the Conduit Lender or such related issuer to any Program Support Provider of any interest in a Class A Note (or portions thereof or participations therein) and/or the making of loans and/or other extensions of liquidity or credit to the Conduit Lender or such related issuer in connection with its commercial paper program, together with any letter of credit, surety bond or other instrument issued thereunder.

*"**Program Support Provider**"* means and includes any Person now or hereafter extending liquidity or credit or having a commitment to extend liquidity or credit to or for the account of, or to make purchases from, a Conduit Lender (or any related commercial paper issuer that finances such Conduit Lender) in support of commercial paper issued, directly or indirectly, by such Conduit Lender in order to fund Advances made by such Conduit Lender hereunder or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such Conduit Lender's or such related issuer's commercial paper program, but only to the extent that such letter of credit, surety bond, or other instrument supported either CP issued to make Advances and purchase the Class A Notes hereunder or was dedicated to that Program Support Provider's support of the Conduit Lender as a whole rather than one particular issuer (other than the Trust) within such Conduit Lender's commercial paper program.

*"**Program Support Termination Event**"* means the earliest to occur of the following: (a) any Program Support Provider related to a Conduit Lender has its rating lowered below "A-1" by S&P, "Prime-1" by Moody's or "F1" by Fitch (if rated by Fitch), unless a replacement Program Support Provider having ratings of at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch) is substituted within 30 days of such downgrade or alternative arrangements are then in place that are sufficient to continue to enable such Rating Agency to rate the affected CP at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch); (b) any Program Support Provider shall fail to honor any of its payment obligations under its Program Support Agreement unless alternative arrangements are then in place that are sufficient to continue to enable such Rating Agency to rate the affected CP at least "A-1" by S&P, "Prime-1" by Moody's and "F1" by Fitch (if rated by Fitch); (c) a Program Support Agreement shall cease for any reason to be in full force and effect or be declared null and void; or (d) the final maturity date of such Program Support Agreement (unless such final maturity date is extended pursuant to the Program Support Agreement).

*"**Proprietary Institution**"* means a for-profit vocational school.

*"**Proprietary Loan**"* means a loan made to or for the benefit of a student attending a Proprietary Institution; provided, however, that if a Student Loan that was initially a Proprietary Loan is consolidated, that Student Loan shall no longer be a Proprietary Loan.

*"**Public Lender**"* has the meaning assigned to such term in Section 10.02(b).

*"**Purchase Agreement**"* means each Purchase Agreement between a Seller (other than a Related SPE Seller), the Interim Eligible Lender Trustee, if applicable, Sallie Mae, Inc., as master servicer, and the Master Depositor, together with all purchase agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**Purchase Price Advance**"* means an Advance made to fund the purchase by the Trust of Eligible FFELP Loans.

*"**Qualified Institution**"* means the Administrative Agent or, with the written consent of the Administrative Agent and the Trust (or the Administrator on behalf of the Trust), any bank or trust company which has (a) a long-term unsecured debt rating of at least "A2" by Moody's and at least "A" by S&P and (b) a short-term rating of at least "Prime-1" by Moody's and at least "A-1" by S&P.

*"**Qualified Program Support Provider**"* means, with respect to a Committed Conduit Lender, any Program Support Provider to such Conduit Lender which has a short-term unsecured indebtedness rating of at least "A-1" by S&P or "Prime-1" by Moody's.

*"**Rating Agencies**"* means each of Moody's, S&P and Fitch.

*"**Rating Agency Condition**"* means, with respect to a particular amendment to or change in the Transaction Documents, that each Rating Agency rating the CP of any Conduit Lender shall, if required pursuant to such Conduit Lender's program documents or by the related Managing Agent, have provided a statement in writing that such amendment or change will not result in a withdrawal or reduction of the ratings of such CP.

"***Ratings Request***" has the meaning assigned to such term in Section 2.15(d).

"**Records***"* means all documents, books, records, Student Loan Notes and other information (including without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) maintained with respect to Trust Student Loans or otherwise in respect of the Pledged Collateral.

*"**Recoveries**"* means moneys collected from whatever source with respect to any Liquidated Student Loan which was written off in prior Settlement Periods or during the current Settlement Period, net of the sum of any amounts expended by the Servicer with respect to such Student Loan for the account of any Obligor and any amounts required by law to be remitted to any Obligor.

*"**Register**"* means that register maintained by the Administrative Agent, pursuant to Section 10.04(j), on which it will record the Lenders' rights hereunder, and each assignment and acceptance and participation.

*"**Registered Owner**"* means the Person in whose name a Note is registered in the Note Register. The Managing Agents shall be the initial Registered Owners.

*"**Regulatory Change**"* means, relative to any Affected Party:

(a) after the A&R Closing Date, any change in or the adoption or implementation of, any new (or any new interpretation or administration of any existing):

(i) United States federal or state law or foreign law applicable to such Affected Party;

(ii) regulation, interpretation, directive, requirement, guideline or request (whether or not having the force of law) applicable to such Affected Party of (A) any court or Governmental Authority charged with the interpretation or administration of any law referred to in clause (a)(i) above or (B) any fiscal, monetary or other authority having jurisdiction over such Affected Party; or

(iii) generally accepted accounting principles or regulatory accounting principles applicable to such Affected Party and affecting the application to such Affected Party of any law, regulation, interpretation, directive, requirement, guideline or request referred to in clause (a)(i) or (a)(ii) above;

(b) any change after the A&R Closing Date in the application to such Affected Party (or any implementation by such Affected Party) of any existing law, regulation, interpretation, directive, requirement, guideline or request referred to in clause (a)(i), (a)(ii) or (a)(iii) above; or

(c) the compliance, whether commenced prior to or after the A&R Closing Date hereof, by any Affected Party with (w) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof (the "***Dodd-Frank Act***"), (x) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities ("***Basel III***"), (y) Article 122a of CRD or (z) any existing or future rules, regulations, guidance, interpretations or directives from the U.S. or foreign bank regulatory agencies relating to the Dodd-Frank Act, Basel III or Article 122a of CRD (whether or not having the force of law).

*"**Related LIBOR Rate**"* means, with respect to any CP Advance and any Yield Period, the LIBOR Base Rate that would be applicable under clause (ii) of the definition thereof to a LIBOR Advance with an Interest Accrual Period corresponding to the related Settlement Period; provided, that if any Conduit Lender calculates its CP Rate based on match-funding rather than pool funding, the Related LIBOR Rate for such Conduit Lender shall be calculated based on an interest rate equal to the weighted average of the LIBOR Base Rate under clause (ii) of the definition thereof as calculated on each date during which CP is issued to fund or maintain the CP Advances during the related Settlement Period and as reported to the Administrative Agent by the applicable Managing Agent under Section 2.27.

*"**Related Parties**"* means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

*"**Related SPE Sellers**"* means Bluemont Funding LLC and Town Center Funding LLC, each a Delaware limited liability company.

*"**Related SPE Trusts**"* means Bluemont Funding I and Town Center Funding I, each a Delaware statutory trust.

*"**Release Reconciliation Statement**"* has the meaning assigned to such term in Section 2.18.

*"**Released Collateral**"* means any Pledged Collateral released pursuant to Section 2.18.

*"**Reportable Event**"* means any of the events set forth in Section 4043(c) of ERISA.

*"**Reported Liabilities**"* means, as of any date, the Liabilities of the Trust (less amounts then outstanding under the Revolving Credit Agreement) reported to the Trust (or to the Administrator on behalf of the Trust) as set forth in the most recent Monthly Report and as adjusted for any Advances made since the date of such Monthly Report or with respect to which the Trust (or the Administrator on behalf of the Trust) has actual knowledge.

*"**Reporting Date**"* means the twenty-second (22nd) day of each calendar month, beginning February 22, 2010 or, if such day is not a Business Day, the immediately preceding Business Day.

*"**Requested Advance Amount**"* means the amount of the Advance that is requested by the Trust.

*"**Required Borrower Benefit Amount**"* means (i) any amount required to be deposited into the Borrower Benefit Account pursuant to Section 6.26(a)(ii) and (ii) any Borrower Benefit Amount.

"***Required Capitalized Interest Account Balance***" means (i) at any time that no Capitalized Interest Account Funding Event has occurred and is continuing, $0, (ii) after the occurrence and during the continuation of a Capitalized Interest Account Funding Event, the Capitalized Interest Account Specified Balance, and (iii) at any time a Maturity Non-Renewing Facility Group is required to make a Capitalized Interest Advance pursuant to Section 2.21(b), the amount of such Capitalized Interest Advance.

*"**Required Holding Deposit Amount**"* has the meaning assigned to such term in Section 2.23.

*"**Required Legal Opinion**"* means an opinion of Orrick, Herrington & Sutcliffe LLP, or such other outside counsel to the Trust reasonably acceptable to the Administrative Agent, with respect to the true sale of Trust Student Loans and non-consolidation issues that describes the facts of the proposed transaction and contains conclusions reasonably determined by the Administrative Agent to be in form and substance similar to the conclusions contained in the legal opinions previously delivered to and accepted by the Administrative Agent on the Original Closing Date.

*"**Required Managing Agents**"* means, at any time, not less than three Managing Agents representing Facility Groups then holding at least 66-2/3% of the Aggregate Note Balance; provided, that if there are no outstanding Advances, then *"*Required Managing Agents*"* means at such time not less than three Managing Agents representing Facility Groups then holding at least 66-2/3% of the Commitments; and provided further, that the Commitments and Advances held by a Distressed Lender's Facility Group shall not be included in determining whether Required Managing Agents have approved or not approved any amendments, waivers or other actions requiring the approval of the Required Managing Agents under this Agreement or any other Transaction Document.

*"**Required Ratings**"* has the meaning assigned to such term in Section 2.15(d).

*"**Reserve Account**"* means the special account created pursuant to Section 2.06(b).

*"**Reserve Account Specified Balance**"* means (a) on the Closing Date and for each Settlement Period, cash or Eligible Investments in an amount equal to one-quarter of one percent (0.25%) of the Student Loan Pool Balance as of the Closing Date, or as of the last day of that Settlement Period, as applicable, and (b) for each Advance Date, the sum of (i) the Reserve Account Specified Balance as of the last day of the most recent Settlement Period (or, if prior to the end of the first Settlement Period ending after the Closing Date, the Closing Date) and (ii) one-quarter of one percent (0.25%) of the Principal Balance of the Additional Student Loans purchased by the Trust since the last day of the most recent Settlement Period (including Additional Student Loans being purchased by the Trust with the Advance to be made on such Advance Date); provided, however, that the Reserve Account Specified Balance shall be not less than $500,000.

*"**Reset Date**"* means with respect to any LIBOR Advance made by an Alternate Lender or a Conduit Lender, the last Business Day of the related Tranche Period.

*"**Revolving Credit Agreement**"* means the subordinated revolving credit agreement, dated as of February 29, 2008, between the Trust and SLM Corporation to (i) fund the difference, if any, between the amount of each related Advance and the fair market value of the Eligible FFELP Loans purchased pursuant to the Sale Agreement on the related date of purchase and (ii) at the option of SLM Corporation, to cure any breach of the Minimum Asset Coverage Requirement caused by an adjustment of the Applicable Percentage, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

*"**Revolving Period**"* means (A) the period commencing on the Original Closing Date and terminating on the earliest to occur of (i) the Scheduled Maturity Date, (ii) the first day of an Amortization Period and (iii) the Termination Date, and (B) any other period beginning on the date of reinstatement of a Revolving Period pursuant to Section 7.01(i) or Section 7.01(j) and terminating on the earliest to occur thereafter of (i) the Scheduled Maturity Date, (ii) the first day of an Amortization Period and (iii) the Termination Date.

*"**S&P**"* means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

*"**Sale Agreement**"* means the Sale Agreement, dated as of February 29, 2008, among the Depositor, the Trust, the Interim Eligible Lender Trustee and the Eligible Lender Trustee, and under which the Depositor may from time to time transfer certain Eligible FFELP Loans to the Trust, together with all sale agreements, blanket endorsements and bills of sale executed pursuant thereto.

*"**Schedule of Trust Student Loans**"* means a listing of all Trust Student Loans delivered to and held by the Administrative Agent (which Schedule of Trust Student Loans may be in the form of microfiche, CD-ROM, electronic or magnetic data file or other medium acceptable to the Administrative Agent), as from time to time amended, supplemented, or modified, which Schedule of Trust Student Loans shall be the master list of all Trust Student Loans then comprising a part of the Pledged Collateral pursuant to this Agreement.

*"**Scheduled Maturity Date**"* means January 9, 2015, or if such date is extended pursuant to Section 2.16(b), the date to which it is so extended.

*"**Secured Creditors**"* means the Administrative Agent, the Syndication Agent, each Conduit Lender, LIBOR Lender, Alternate Lender, Managing Agent, Co-Valuation Agent and Program Support Provider, and any assignee or participant of any Lender or any Program Support Provider pursuant to the terms hereof.

*"**Securities Act**"* means the Securities Act of 1933, as amended.

*"**Securities Intermediary**"* means Bank of America, N.A. and its successors or assigns.

"***Securitization Value Percentage***" has the meaning assigned to such term in the Valuation Agent Agreement.

"***Seller Interim Trust Agreements***" means (i) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and VG Funding, LLC, and (ii) the interim trust agreement, dated February 29, 2008, between the Interim Eligible Lender Trustee and Phoenix Fundings LLC.

*"**Sellers**"* means one or more of SLM Education Credit Finance Corporation, VG Funding, LLC, VL Funding LLC, Mustang Funding I, LLC, Mustang Funding II, LLC, Phoenix Fundings LLC, VK Funding LLC, Cavalier Funding 1 LLC and the Related SPE Sellers, and such other subsidiaries of SLM Corporation as may be agreed upon by the Required Managing Agents (provided, however, that if a proposed seller is a special purpose subsidiary of SLM Corporation for which the Master Servicer is responsible for any repurchase obligations, only the consent of the Administrative Agent shall be required) and with respect to which the requirements of Section 4.04 have been satisfied.

*"**Servicer**"* means the Master Servicer or a Subservicer.

*"**Servicer Advances**"* means any Financing Costs advanced by the Master Servicer pursuant to Section 2.17.

*"**Servicer Buy-Out**"* means the right of the Master Servicer, as set forth in Section 3.05(h) of the Servicing Agreement, to purchase any Trust Student Loans (when added to the aggregate Principal Balance of all Trust Student Loans previously purchased pursuant to a Servicer Buy-Out) in an amount not to exceed 2%, in the aggregate since February 29, 2008, of the Aggregate Note Balance then Outstanding.

*"**Servicer Default**"* means a "Servicer Default" as defined in Section 5.01 of the Servicing Agreement.

*"**Servicing Agreement**"* means, individually or collectively, (a) the Amended and Restated Servicing Agreement, dated as of the Original Closing Date, among the Trust, the Master Servicer, the Eligible Lender Trustee, the Administrator and the Administrative Agent, (b) (i) the Subservicing Agreement dated as of the Original Closing Date, among Pennsylvania Higher Education Assistance Agency, as subservicer, the Master Servicer, the Trust and the Eligible Lender Trustee, (ii) the Federal FFEL Subservicing Agreement dated June 4, 2008, among ACS Education Services, Inc., as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, (iii) the Subservicing Agreement dated as of September 30, 2008, among Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, and (iv) the Subservicing Agreement dated as of July 22, 2011, among Great Lakes Educational Loan Services, Inc., as subservicer, the Master Servicer, the Administrator, the Trust and the Eligible Lender Trustee, (c) any other servicing agreement among the Trust, the Master Servicer and any Subservicer under which the respective Subservicer agrees to administer and collect the Trust Student Loans but the Master Servicer remains responsible to the Trust for the performance of such duties, which is substantially similar to any of the subservicing agreements signed with Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, or Pennsylvania Higher Education Assistance Agency, or is otherwise consented to by the Administrative Agent, which consent is not to be unreasonably withheld or delayed, and (d) any other subservicing agreement among the Trust, the Master Servicer and a Subservicer, consented to by the Administrative Agent, under which such Subservicer agrees to administer and collect certain Trust Student Loans, but with respect to which the Master Servicer is not liable for such Trust Student Loans.

*"**Servicing Fees**"* means the Primary Servicing Fee, the Carryover Servicing Fee and any other fees payable by the Trust to the Master Servicer or the Subservicers in respect of servicing Trust Student Loans pursuant to the provisions of any Servicing Agreement.

*"**Servicing Policies**"* means the policies and procedures of the Master Servicer or any Subservicer, as applicable, with respect to the servicing of Student Loans.

*"**Settlement Date**"* means the 25th day of each calendar month, beginning February 25, 2010 or, if such day is not a Business Day, the following Business Day.

*"**Settlement Period**"* means (i) initially the period commencing on the Original Closing Date and ending on January 31, 2010, and (ii) thereafter, (a) during a Revolving Period or an Amortization Period, each monthly period ending on (and inclusive of) the last day of the

calendar month and (b) after the occurrence and during the continuation of a Termination Event, such period as determined by the Administrative Agent in its sole discretion (which may be a period as short as one Business Day).

*"**Side Letter**"* means the Second Amended and Restated Side Letter, dated as of the A&R Closing Date, among the Trust, the Administrator, the Administrative Agent, the Managing Agents, the Eligible Lender Trustee and certain other financial institutions party thereto.

*"**SLM Corporation**"* means SLM Corporation, a Delaware corporation, and its successors and assigns.

"***SLM Guaranty***" means the Guaranty dated as of March 20, 2008 made by SLM Corporation with respect to certain obligations of Sallie Mae, Inc. under the Purchase Agreements, the Conveyance Agreement and the Tri-Party Transfer Agreement.

*"**SLM* Indemnified Amounts**"* has the meaning assigned to such term in Section 8.02.

*"**SLS Loan**"* means a student loan originated under the authority set forth in Section 428A (or a predecessor section thereto) of the Higher Education Act and shall include student loans designated as "SLS Loans," as defined under the Higher Education Act.

*"**Solvent**"* means, at any time with respect to any Person, a condition under which:

(a) the fair value and present fair saleable value of such Person's total assets is, on the date of determination, greater than such Person's total liabilities (including contingent and unliquidated liabilities) at such time;

(b) the fair value and present fair saleable value of such Person's assets is greater than the amount that will be required to pay such Person's probable liability on its existing debts as they become absolute and matured ("debts," for this purpose, includes all legal liabilities, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent);

(c) such Person is, and shall continue to be, able to pay all of its liabilities as such liabilities mature; and

(d) such Person does not have unreasonably small capital with which to engage in its current and in its anticipated business.

*"**Special Allowance Payments**"* means special allowance payments on Student Loans authorized to be made by the Department of Education pursuant to Section 438 of the Higher Education Act, or similar allowances authorized from time to time by federal law or regulation.

*"**Stafford Loan**"* means a loan designated as such that is made under the Robert T. Stafford Student Loan Program in accordance with the Higher Education Act.

*"**Step-Down Date**"* means any of the dates on which the Maximum Financing Amount is reduced in accordance with the definition thereof.

*"**Step-Up Fees**"* means, with respect to any Facility Group's Class A Notes and any Yield Period, the sum of (1) the Non-Use Fee payable to such Facility Group for such Yield Period and (2) the applicable Excess Yield.

*"**Student Loan**"* means a FFELP Loan.

*"**Student Loan Notes**"* means the promissory note or notes of an Obligor and any amendment thereto evidencing such Obligor's obligation with regard to a Student Loan or the electronic records evidencing the same.

*"**Student Loan Pool Balance**"* means, (i) as of the Initial Cutoff Date, the aggregate Principal Balance of the Trust Student Loans as reported by the Administrator for such date; and (ii) as of any other date of determination, (x) the aggregate Principal Balance (as reported by the Administrator on the last Monthly Report delivered to the Administrative Agent) of the Trust Student Loans, calculated as of the end of the previous calendar month, plus (y) the aggregate Principal Balance of the Trust Student Loans acquired since the end of the previous calendar month as of their respective Cutoff Dates, minus (z) the aggregate Principal Balance of the Trust Student Loans disposed of by the Trust since the end of the previous calendar month as of their respective dates of disposition.

*"**Subsequent Cutoff Date**"* means, with respect to any Trust Student Loan, the *"*Purchase Date*"* for such Trust Student Loan as such term is defined in the Sale Agreement.

*"**Subservicer**"* means, on the A&R Closing Date, Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc., Education Loan Servicing Corporation, doing business as Xpress Loan Servicing, Pennsylvania Higher Education Assistance Agency, Nelnet Inc., and, thereafter, in addition, any subservicer appointed by the Master Servicer pursuant to the Servicing Agreement of the Master Servicer.

"***Syndication Agent***" means JPMorgan Chase Bank, N.A.

*"**Syndication Agent Fees**"* means, the fees, reasonable expenses and charges, if any, of the Syndication Agent, payable pursuant to the Administrative Agent and Syndication Agent Fee Letter.

*"**Take Out Securitization**"* means a sale or transfer of any portion of the Trust Student Loans by the Trust (directly or indirectly) to a trust sponsored by an Affiliate of the Depositor as part of a publicly or privately traded, rated or unrated student loan securitization, pass-through, pay through, secured note or similar transaction.

*"**Termination Date**"* means the earliest to occur of (a) any date designated as the date for terminating the entire Maximum Financing Amount pursuant to Section 2.03, (b) the last day of an Amortization Period (other than an Amortization Period ending as a result of the reinstatement of a Revolving Period) and (c) the date of the declaration or automatic occurrence of the Termination Date pursuant to Article VII.

*"**Termination Event**"* has the meaning assigned to such term in Article VII.

*"**Tranche Period**"* with respect to LIBOR Advances made by an Alternate Lender or a Conduit Lender, means a period commencing on the date such LIBOR Advance is disbursed or on a Reset Date and ending on the date one day, one week or one month thereafter, as selected by the Trust on its Advance Request; provided, that (i) any Tranche Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Tranche Period shall end on the next preceding Business Day; (ii) any Tranche Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Tranche Period) shall end on the last Business Day of the calendar month at the end of such Tranche Period; and (iii) in no event shall any Tranche Period end after the then current Scheduled Maturity Date.

*"**Transaction Documents**"* means, collectively, this Agreement, the Trust Agreement, the Administration Agreement, each Servicing Agreement, each Purchase Agreement, the Conveyance Agreement, the Sale Agreement, the Tri-Party Transfer Agreement, each Permitted SPE Sale Agreement, all Guarantee Agreements, each Interim Trust Agreement, each Eligible Lender Trustee Agreement, the Valuation Agent Agreement, the Guaranty and Pledge Agreement, the Indemnity Agreement, the Revolving Credit Agreement, the Power of Attorney, the Fee Letters, the Side Letter, the Omnibus Waiver and Consent, the VK Omnibus Waiver and Consent and Guaranty, the Cavalier Omnibus Waiver and Consent and Guaranty, the SLM Guaranty, the Original Amendment and Reaffirmation, the Omnibus Reaffirmation and Amendment, and all other instruments, fee letters, documents and agreements executed in connection with any of the foregoing.

*"**Transaction Parties**"* means, collectively, the Trust, the Depositor, the Administrator, the Master Depositor, the Master Servicer, each Seller and SLM Corporation.

*"**Treasury Regulations**"* means any regulations promulgated by the Internal Revenue Service interpreting the provisions of the Code.

*"**Tri-Party Transfer Agreement**"* means the sale and purchase agreement, dated as of February 29, 2008, among the Depositor, the Related SPE Sellers, the Master Servicer and the related eligible lender trustees.

*"**Trust**"* means Town Hall Funding I, a Delaware statutory trust, and its successors and assigns.

*"**Trust Accounts**"* means the Administration Account, Collection Account, Capitalized Interest Account, Reserve Account, Borrower Benefit Account and Floor Income Rebate Account.

*"**Trust Agreement**"* means the Second Amended and Restated Trust Agreement, dated as of the Original Closing Date, among the Depositor, the Delaware Trustee and the Eligible Lender Trustee.

*"**Trust* Indemnified Amounts**"* has the meaning assigned to such term in Section 8.01.

*"**Trust Materials**"* has the meaning assigned to such term in Section 10.02(b).

*"**Trust Student Loan**"* means any Student Loan held by the Trust.

*"**UCC**"* means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

*"**United States**"* means the United States of America.

*"**Used Fee Rate**"* means, with respect to any Lender, the used fee rate as set forth in the Lenders Fee Letter.

*"**Valuation Agent Agreement**"* means the Second Amended and Restated Valuation Agent Agreement, dated as of the A&R Closing Date, among the Trust, the Administrator, the Administrative Agent and the Co-Valuation Agents.

*"**Valuation Agent Fee Letter**"* means the Second Amended and Restated Valuation Agent Fee Letter, dated as of the A&R Closing Date, among the Trust and the Co-Valuation Agents, setting forth the Co-Valuation Agents Fees.

"***Valuation Date***" has the meaning assigned to such term in the Valuation Agent Agreement.

*"**Valuation Report**"* means a report furnished by the Administrative Agent pursuant to Section 2.25(a).

*"**Valuation Step-Up Event**"* means the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days while the Minimum Asset Coverage Requirement remains satisfied; provided, that a Valuation Step-Up Event will not occur if the Market Value Percentage and the Securitization Value Percentage are each equal to or greater than the Floor.

*"**Valuation Step-Up Rate**"* means, with respect to any Lender, the valuation step-up rate as set forth in the Lenders Fee Letter.

*"**VK Omnibus Waiver and Consent and Guaranty**"* means the Amended and Restated Omnibus Waiver and Consent and Guaranty relating to VK Funding LLC, dated as of January 14, 2011, among SLM Education Credit Finance Corporation, SLM Corporation and Sallie Mae, Inc., in favor of Bank of America, N.A., as administrative agent.

"***Weighted Average Remaining Term in School***" means, as of any date of determination, (a) the sum, for all Eligible FFELP Loans that are in in-school status, of the products of (i) the Principal Balance of each such Eligible FFELP Loan, as of such date, and (ii) the number of months remaining in school shown on the Servicer's record, as of such date, for the student with respect to such Eligible FFELP Loan, divided by (b) the aggregate Principal Balance of all Eligible FFELP Loans that are in in-school status, as of such date.

*"**Whole Loan Sale**"* means a sale of all or a part of the Trust Student Loans to a third-party purchaser in exchange for not less than fair market value.

*"**Yield**"* means, for each Facility Group's Class A Notes and any Yield Period, (a) the aggregate sum for each day within such Yield Period of the applicable Yield Rate for such day multiplied by the outstanding principal amount of such Facility Group's Class A Note on such day, divided by 360, plus or minus (b) the Estimated Interest Adjustment if and as applicable minus (c) any Step-Up Fees described in clause (2) of the definition thereof.

*"**Yield Period**"* means, for a CP Advance or a Base Rate Advance, each Settlement Period and for a LIBOR Advance, each Interest Accrual Period.

*"**Yield Protection**"* means any Note Purchaser's reasonable increased costs for taxes, reserves, special deposits, insurance assessments, breakage costs, changes in regulatory capital requirements (or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, such Note Purchaser) and certain reasonable expenses imposed on such Note Purchaser.

*"**Yield Rate**"* means, with respect to any date of determination:

(a) other than during an Amortization Period, after the occurrence and during the continuation of a Valuation Step-Up Event or on and after the occurrence of a Termination Event:

(i) if a Conduit Lender funds (directly or indirectly) its portion of the Aggregate Note Balance with CP, the applicable CP Rate plus the applicable Used Fee Rate;

(ii) if an Alternate Lender or a Conduit Lender (if funding its investment other than with CP) funds its portion of the Aggregate Note Balance, the applicable LIBOR Rate (or if LIBOR Rate is not available, the applicable Base Rate) plus the Applicable Margin; or

(iii) if a LIBOR Lender funds its portion of the Aggregate Note Balance, the applicable LIBOR Rate (or if LIBOR Rate is not available, the applicable Base Rate) plus the Applicable Margin;

(b) during an Amortization Period, the applicable Amortization Period Rate, or if greater, at any time that the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate;

(c) after the occurrence and during the continuation of a Valuation Step-Up Event and so long as neither an Amortization Period nor a Termination Event exists, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate; or

(d) on and after the occurrence of a Termination Event, the Base Rate plus 2.50% per annum plus the applicable Non-Renewal Step-Up Rate, or if greater, at any time that the Asset Coverage Ratio (calculated without giving effect to clauses (b)(ii) and (c)(ii) of the definition of "Applicable Percentage") is less than 100% for five (5) consecutive Business Days, the rate calculated pursuant to clause (a) above plus the applicable Valuation Step-Up Rate.

Section 1.02. Other Terms.

(a) All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York and not specifically defined herein, are used herein as defined in such Article 9. Any reference to an agreement herein shall be deemed to include a reference to such agreement as amended, supplemented or otherwise modified from time to time.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words *"*include,*"* *"*includes*"* and *"*including*"* shall be deemed to be followed by the phrase *"*without limitation.*"* The word *"*will*"* shall be construed to have the same meaning and effect as the word *"*shall.*"*

(c) Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Transaction Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words *"*herein,*"* *"*hereof*"* and *"*hereunder,*"* and words of similar import when used in any Transaction Document, shall be construed to refer to such Transaction Document in its entirety and not to any particular provision thereof, (iv) all references in any Transaction Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Transaction Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words *"*asset*"* and *"*property*"* shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties.

Section 1.03. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.04. Calculation of Yield Rate and Certain Fees. The Yield Rate on the Class A Notes and all fees payable to the Lenders, the Note Purchasers or the Registered Owners pursuant to this Agreement are calculated based on the actual number of days divided by 360. Interest shall accrue on the Class A Notes from and including the day on which the related Advance is made, and shall not accrue on the Class A Notes or any portion thereof, for the day on which the Class A Notes or such portion is paid. Each determination by the Administrative Agent (or, with respect to the calculation of any CP Rate, LIBOR Base Rate or LIBOR Rate, the applicable Managing Agent), of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 1.05. Time References. All time references in this Agreement shall refer to the time in New York, New York unless otherwise noted.

Section 1.06. Effectiveness of Initial Note Purchase Agreement; Amendment and Restatement. The parties hereto hereby agree that for all purposes (i) for the period commencing on the Original Closing Date through but excluding the A&R Closing Date, the provisions, terms and conditions of the Initial Note Purchase Agreement shall apply in all respects without giving effect to this Agreement, and (ii) from and including the A&R Closing Date, subject to the satisfaction of the conditions precedent set forth in Section 4.05, the provisions, terms and conditions of this Agreement (as it shall be amended, supplemented or modified from time to time) shall govern exclusively. This Agreement shall amend and restate in its entirety the Initial Note Purchase Agreement and shall have the effect of a substitution of terms of the Initial Note Purchase Agreement, but this Agreement will not have the effect of causing a novation, refinancing or other repayment of the obligations of the Transaction Parties under the Initial Note Purchase Agreement (hereinafter the "***Original Obligations***") or a termination or extinguishment of the liens securing such Original Obligations, which Original Obligations shall remain outstanding and repayable pursuant to the terms of this Agreement and which liens shall remain attached, enforceable and perfected securing such Original Obligations and all additional obligations arising under this Agreement. Each reference to the Initial Note Purchase Agreement in any of the Transaction Documents, or any other document, instrument or agreement delivered in connection therewith shall mean and be a reference to this Agreement.

Section 1.07. Consents.

(a) Each of the Secured Creditors party hereto agrees to the terms of, and authorizes the Administrative Agent to execute on its behalf, each of the A&R Transaction Documents to which such Secured Creditor is not itself a party.

(b) Each of the Secured Creditors party hereto consents to the Administrator's withdrawal of its request for Moody's to rate the Class A Notes on the A&R Closing Date. The parties hereto acknowledge that as a result of such withdrawal, immediately prior to giving effect to the amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement on the A&R Closing Date, no Rating Agency rated the Class A Notes at the request of the Administrator.

(c) Each of the Secured Creditors party hereto acknowledges that The Bank of New York Mellon Trust Company, National Association intends to resign in its capacity as Eligible Lender Trustee and Interim Eligible Lender Trustee and that the appointment of a replacement Eligible Lender Trustee and Interim Eligible Lender Trustee is subject to, among the other terms and conditions set forth in the Trust Agreement, the Interim Trust Agreements and the other Transaction Documents, the prior consent of the Administrative Agent. Each such Secured Creditor hereby authorizes the Administrative Agent to give or withhold such consent, and to require such documentation and other deliveries in connection with giving such consent, in each case, in the Administrative Agent's discretion.

(d) Each of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent and the Lenders within the Facility Group for which Alpine Securitization Corp. acted as Managing Agent under the Initial Note Purchase Agreement hereby acknowledge that, effective on the A&R Closing Date, immediately prior to giving effect to the amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement, (i) Alpine Securitization Corp. resigned in its capacity as Managing Agent for such Facility Group and Credit Suisse AG, New York Branch was appointed, and accepted such appointment, as Managing Agent for such Facility Group and (ii) Credit Suisse AG, New York Branch assigned all of its rights and obligations as an Alternate Lender to Credit Suisse AG, Cayman Islands Branch, and such parties confirm that they received notice of such resignation, appointment and assignment in accordance with the Initial Note Purchase Agreement.

(e) The Administrative Agent and each Managing Agent hereby agrees that the Trust may, with respect to all applicable Trust Student Loans, exercise, or permit the exercise of, the rights of the holder or beneficial owner of such Trust Student Loans under Section 438(b)(2)(I)(vii) of the Higher Education Act to waive its rights to have Special Allowance Payments computed using the formula in effect at the time such Trust Student Loans were first disbursed, such that Special Allowance Payments with respect to such Trust Student Loans shall instead be computed based upon the "1-month London Inter Bank Offered Rate" as described in Section 438(b)(2)(I)(vii)(II) of the Higher Education Act (such change with respect to the calculation of Special Allowance Payments is hereinafter referred to as the "***Special Allowance Payment Change***"). The Trust (or the Administrator on its behalf) shall deliver to the Administrative Agent and each Managing Agent prior or concurrent written notice of the delivery of the waiver to the Secretary of the Department, which notice shall include a written certification that, as of the date of the delivery of the waiver to the Secretary of the Department, the Special Allowance Payment Change is not reasonably expected to have a disparate impact on the Trust or its interests in such Trust Student Loans as compared to the impact on SLM Corporation and its Affiliates and their respective interests in all other student loans which are affected by the Special Allowance Payment Change.

ARTICLE II.

THE FACILITY

Section 2.01. Issuance and Purchase of Class A Notes; Making of Advances.

(a) (i) In consideration of the agreements of the Note Purchasers hereunder, and subject to the terms and conditions set forth in this Agreement, (y) the Trust agrees to sell, transfer and deliver to each Managing Agent, on behalf of its related Note Purchasers, and (z) each Managing Agent on behalf of its related Note Purchasers agrees to purchase from the Trust, on the Closing Date, a Class A Note, the outstanding principal amount of which shall not exceed the applicable Pro Rata Share of such Facility Group multiplied by the Maximum Financing Amount. Subject to the satisfaction of the conditions precedent set forth in Section 4.01, the purchase price payable on the Closing Date for the Class A Note for each Facility Group shall be equal to such Facility Group's Pro Rata Share of the Aggregate Note Balance as of the Closing

Date. The payment of such purchase price shall be subject to the same requirements applicable to an Advance under Section 2.01(b). Each Note shall be issued in the name of a Registered Owner.

(ii) In consideration of the agreements of the Note Purchasers hereunder, and subject to the effectiveness of this Agreement as set forth in Section 4.05, all parties hereto agree that on the A&R Closing Date: (A) the Trust shall issue a restated Class A Note to each Managing Agent in an amount equal to the Commitment of its related Facility Group if the face amount of the Class A Note previously issued to such Managing Agent is greater than or less than (but not equal to) the Commitment of its related Facility Group; and (B) each Facility Group which has received a restated Class A Note shall deliver its existing Class A Note for cancellation pursuant to Section 3.08 or deliver a lost note indemnity or a lost note affidavit indemnifying the Trust for non-delivery of its Notes. In addition to the foregoing, on the A&R Closing Date, the Aggregate Note Balance held by each Facility Group shall either be increased by a non-pro rata Advance or the Trust shall repay such Aggregate Note Balance on a non-pro rata basis, as applicable, to the extent necessary such that the Aggregate Note Balance of the Class A Note held by each Facility Group shall be equal to its Pro Rata Share of the Aggregate Note Balance for all outstanding Class A Notes and the outstanding principal balance of each Facility Group's Advances as of such date shall be as set forth on Schedule 2.01 hereto.

(iii) Each party hereto waives (x) any requirements under the Initial Note Purchase Agreement or under this Agreement that each Advance and repayment of Advances be ratable and (y) any conditions precedent to the making of Advances or repayments of Advances under the Initial Note Purchase Agreement or under this Agreement, in each case solely to the extent necessary to implement the Advances and repayments of Advances described in the second sentence of Section 2.01(a)(ii) above, *it being understood* that the Advances and repayments of Advances in the second sentence of Section 2.01(a)(ii) above are solely due to re-allocation of Commitments among the Facility Groups.

(b) On the terms and conditions hereinafter set forth, each Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to make Advances during a Revolving Period (or, with respect to Capitalized Interest Advances, at such times in accordance with Section 4.02(c)), and each other Conduit Lender may, in its sole discretion, make Advances to the Trust from time to time up to an aggregate principal amount outstanding at any one time not to exceed the Maximum Financing Amount in effect at the time of such Advance; provided, that: (i) the aggregate Advances made on any date, together with advances made under the other FFELP Loan Facilities on such date, must be in a principal amount equal to $50,000,000 or integral multiples of $500,000 in excess thereof (other than (x) Capitalized Interest Advances and (y) Excess Collateral Advances made on a Settlement Date the proceeds of which are used to pay amounts owing under clauses (ii) through (iv) of Section 2.05(b), in each case as to which such minimum is not applicable) and (ii) the Requested Advance Amount on any Advance Date shall not exceed the Maximum Advance Amount. Within the limits set forth in this Section and the other terms and conditions of this Agreement, during a Revolving Period, the Trust, acting through the Administrator, may request Advances, repay Advances and reborrow Advances

under this Section; provided, however, that after the end of the Revolving Period, Capitalized Interest Advances will continue to be made in accordance with Section 4.02(c). In addition, the Administrative Agent may also request Capitalized Interest Advances after the occurrence of a Capitalized Interest Account Funding Event. All Class A Notes issued hereunder shall be denominated in and be payable in United States dollars. Yield on each CP Advance, each Base Rate Advance and each LIBOR Advance shall be due and payable on each Settlement Date. The Aggregate Note Balance and all other Obligations hereunder, if not previously paid pursuant to Section 2.05(b) or otherwise, shall be due and payable on the Termination Date.

(c) Each Lender's obligations under this Section are several and the failure of any Lender to make available its Pro Rata Share of any Requested Advance Amount on an Advance Date shall not relieve any other Note Purchaser of its obligations hereunder or, except as provided in Section 2.01(d), obligate any other Note Purchaser to honor the obligations of any Defaulting Lenders. Advances shall be allocated among the Facility Groups in accordance with their respective Pro Rata Shares and shall be further allocated to each Lender within a Facility Group as designated by the applicable Managing Agent. Notwithstanding anything contained in this Agreement to the contrary, (i) no Conduit Lender shall fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed the Commitments of its related Alternate Lenders; (ii) no Alternate Lender, LIBOR Lender or Committed Conduit Lender shall be obligated to fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed its Commitment; and (iii) no Facility Group shall be obligated to fund any portion of any Advance which would cause the aggregate principal amount of its Advances to exceed its total Commitment. The Commitment of each Lender as of the Closing Date is set forth on Exhibit A.

(d) If by 2:00 p.m. on an Advance Date, whether or not the Administrative Agent has advanced the applicable Requested Advance Amount, one or more Alternate Lenders, LIBOR Lenders or Committed Conduit Lenders fails to make its Pro Rata Share of any Advance required to be made by such Lender available to the Administrative Agent pursuant to this Agreement (the aggregate amount not so made available to the Administrative Agent being herein called the *"**Investment Deficit**"*), then the Administrative Agent shall, by no later than 5:00 p.m. on the applicable Advance Date instruct each Alternate Lender, LIBOR Lender and Committed Conduit Lender which is not a Defaulting Lender (each, a *"**Non-Defaulting Lender**"*) to pay, by no later than noon on the next Business Day in immediately available funds, to the account designated by the Administrative Agent, an amount equal to the lesser of (i) such Non-Defaulting Lender's proportionate share (based upon the relative Commitments of the Non-Defaulting Lenders) of the Investment Deficit and (ii) its unused Commitment. A Defaulting Lender shall forthwith, upon demand, pay to the Administrative Agent for the ratable benefit of the Non-Defaulting Lenders all amounts paid by each Non-Defaulting Lender on behalf of such Defaulting Lender.

Section 2.02. The Initial Advance and Subsequent Advances.

(a) [Reserved].

(b) Subject to the satisfaction of the conditions precedent set forth in this Agreement and in accordance with the terms and conditions of Section 2.01 and this Section, the Trust,

acting through the Administrator, may request an Advance hereunder by giving written notice substantially in the form of Exhibit D (each, an *"**Advance Request**"*) to the Administrative Agent not later than 11:00 a.m. on the second Business Day (or with respect to the initial Advance, not later than 11:00 a.m. on the Business Day) prior to the proposed Advance Date, which the Administrative Agent shall promptly forward to the Managing Agents not later than 1:00 p.m. on such date. Each such Advance Request shall specify:

(i) the Requested Advance Amount, which, together with the advances made under the other FFELP Loan Facilities on such date, shall be equal to or greater than $50,000,000 in the aggregate with respect to all Facility Groups, except as otherwise permitted under Section 2.01(b);

(ii) the proposed Advance Date;

(iii) if such Advance is a Purchase Price Advance, the aggregate Collateral Value of the Eligible FFELP Loans to be acquired; and

(iv) the Asset Coverage Ratio after giving effect to such Advance.

In addition, each Advance Request shall include a pro forma calculation and certification establishing (x) with respect to a Purchase Price Advance or an Excess Collateral Advance, that the Minimum Asset Coverage Requirement will be satisfied after giving effect to such Advance and (y) with respect to a Capitalized Interest Advance, the Maximum Advance Amount for such Capitalized Interest Advance and that the proceeds thereof will be deposited into the Capitalized Interest Account.

No later than 2:00 p.m. on the Advance Date, each Conduit Lender (other than a Committed Conduit Lender) may, in its sole discretion, and each Committed Conduit Lender and LIBOR Lender shall, upon satisfaction of the applicable conditions set forth in this Agreement, make available to the Trust in same day funds, its respective Pro Rata Share of the Requested Advance Amount by payment to the Administration Account; provided, that Capitalized Interest Advances made by a Maturity Non-Renewing Facility Group may be made on a non-pro rata basis as contemplated in Section 2.21(b). If a Conduit Lender (other than a Committed Conduit Lender) elects not to fund its respective Pro Rata Share of the Requested Advance Amount, such Conduit Lender's related Alternate Lenders shall, upon satisfaction of the applicable conditions set forth in this Agreement, make available to the Trust in same day funds, their respective Pro Rata Shares of the Requested Advance Amount by payment to the Administration Account and the related Managing Agent shall, no later than 2:00 p.m. on such Advance Date and on each Reset Date, notify the Administrator and the Administrative Agent of the actual Yield Rate applicable to such LIBOR Advance, and the related Tranche Period. Each Advance made by a Conduit Lender shall be a CP Advance unless the applicable Managing Agent otherwise provides notice as provided in the immediately succeeding sentence. To the extent any Conduit Lender is unable or declines to fund a requested Advance by issuing CP or if any Conduit Lender's Alternate Lenders fund any requested Advance in its place, the applicable Conduit Lender's Managing Agent shall promptly advise the Administrative Agent and the Administrator, on behalf of the Trust.

(c) So long as no Amortization Period or Termination Event exists or would result therefrom, the Administrator, on behalf of the Trust, may request that the Administrative Agent pay any amounts on deposit in the Administration Account as a prepayment on any principal of, and Financing Costs due or accrued on, the Class A Notes in whole or in part on any Business Day by giving written notice two Business Days prior to such date to the Administrative Agent and each Managing Agent indicating the amount of such prepayment and the Business Day on which such prepayment shall be made. The Trust shall pay the applicable Managing Agent for the account of the applicable Lenders in its Facility Group, on demand, such amount or amounts as shall compensate such Lenders for any loss (including loss of profit), cost or expense incurred by such Lenders and including any claims arising under any Program Support Agreement (as reasonably determined by the applicable Managing Agent) and hold such Lenders harmless from any such loss, cost or expenses, incurred by them as a result of payments with respect to the Class A Notes in connection with a prepayment under this Section 2.02(c), a request by the Trust pursuant to Section 2.21, a Permitted Release under Section 2.18 or otherwise, whether voluntary, mandatory, automatic by reason of acceleration or otherwise, such compensation to be (i) limited to an amount equal to any loss or expense suffered by the Lenders during the period from the date of receipt of such repayment to (but excluding) the maturity of the related CP (in the case of a CP Advance by a match-funded Conduit Lender), the maturity of sufficient pool-funded CP (in the case of a CP Advance by a pool-funded Conduit Lender) or the maturity of the related Tranche Period (in the case of a LIBOR Advance by an Alternate Lender or a Conduit Lender), (ii) net of the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions and (iii) inclusive of any loss or expense arising from the liquidation or re-employment of funds obtained by it to maintain such Advance or from fees payable to terminate the deposits from which such funds were obtained; provided, however, that the Trust shall not be obligated to pay such breakage amounts for a period in excess of 60 days under clause (i) above if aggregate discretionary prepayments by the Trust do not exceed 20% of the Aggregate Note Balance per month; provided further, that no such breakage amounts shall be payable by the Trust with respect to the regular distribution of Available Funds (other than proceeds of Permitted Releases) on any Settlement Date pursuant to the priority of payments set forth in Section 2.05(b). The determination by the applicable Managing Agent of the amount of any such loss or expense shall be set forth in a written notice to the Administrator (with a copy to the Administrative Agent), on behalf of the Trust, including a statement as to such loss or expense (including calculation thereof in reasonable detail), and shall be conclusive, absent manifest error.

(d) Each Advance Request shall be irrevocable and binding on the Trust, and the Trust shall indemnify each Lender against any loss or expense incurred by such Lender, either directly or indirectly (including, in the case of a Conduit Lender, through the applicable Program Support Agreement) as a result of any failure by the Trust to complete such Advance, including any loss or expense incurred by such Lender or such Lender's Managing Agent, either directly or indirectly (including, in the case of a Conduit Lender, pursuant to the applicable Program Support Agreement) by reason of the liquidation or reemployment of funds acquired by such Lender (or the applicable Program Support Provider(s)) (including funds obtained by issuing CP or promissory notes or obtaining deposits or loans from third parties) in order to fund such Advance. Any such amounts shall constitute Yield Protection hereunder.

(e) ***Prefunding of Advances***. In order to allow the Lenders to raise funds at times and in amounts that are more advantageous to the Lenders than might otherwise be possible, the Trust may, after consultation with the Administrative Agent and in connection with a proposed purchase or series of purchases of Trust Student Loans, request that all or a portion of the related Purchase Price Advance be funded prior to the actual acquisition of the related Trust Student Loans. Each such prefunding shall constitute a separate Purchase Price Advance for purposes of Section 4.02(b)(xiv) and (xv) and shall otherwise be subject to all applicable conditions precedent, measured as of the date such loans are actually purchased, for Purchase Price Advances set forth in Article IV. The proceeds of any such prefunded advance shall be deposited into the Administration Account (or such subaccount thereof as the Administrative Agent may establish for purposes of convenience) and shall not be released to the Trust until the date of purchase of the related Trust Student Loans. So long as the conditions precedent to a new Advance would be satisfied as if the Lenders were making a new Advance, the Trust may draw against such prefunding amount on any Business Day in order to consummate the related purchase of Trust Student Loans on such date. Upon the occurrence of a Termination Event, the Administrative Agent may direct that any such amounts on deposit in the Administration Account or subaccount, as applicable, be transferred to the Collection Account to be distributed in accordance with Section 2.05 and used to reduce the Aggregate Note Balance.

Section 2.03. Reduction, Termination or Increase of the Maximum Financing Amount and Prepayment of the Class A Notes.

(a) The Trust, acting through the Administrator, may, upon at least five Business Days' written notice to the Administrative Agent, (i) terminate the entire facility or (ii) reduce in part the portion of the Maximum Financing Amount that exceeds the sum of the Capitalized Interest Account Unfunded Balance and the Aggregate Note Balance. Any partial reduction in the Maximum Financing Amount shall be in an amount equal to or greater than $100,000,000 or any integral multiple of $10,000,000 in excess thereof. If such reduction in the Maximum Financing Amount is not in connection with an Exiting Facility Group, such reduction shall be allocated among the Commitments of the Facility Groups in accordance with their Pro Rata Shares and shall be allocated among the Commitments of the Lenders within each Facility Group as designated by the applicable Managing Agent. If such reduction in the Maximum Financing Amount is in connection with an Exiting Facility Group, such reduction shall be allocated first to the Commitment of the Exiting Facility Group and then any balance remaining shall be allocated among the remaining Facility Groups as set forth in the preceding sentence. The Trust shall pay, in immediately available funds, all outstanding principal and Financing Costs on the Class A Notes owned by any Lender, together with any other Obligations owed to such Lender, upon the termination of its Commitment pursuant to this Section 2.03(a).

(b) During any Exiting Group Amortization Period, if there are not sufficient proceeds from Permitted Releases, the Administrative Agent may, in accordance with the procedures set forth in Section 7.03(b), sell or otherwise dispose of a portion of the Pledged Collateral in an amount sufficient to pay the Aggregate Note Balance and Financing Costs of the Outstanding Class A Notes owned by each Exiting Facility Group. Amounts received from any such sale or disposition of Pledged Collateral shall be deposited into the Administration Account and, provided no Amortization Event or Termination Event has occurred and is continuing and the Minimum Asset Coverage Requirement has been satisfied, such amounts shall be distributed

to the Exiting Facility Groups, on any Business Day which is not a Settlement Date in accordance with the priority of payments described in Section 2.05(b)(viii). Amounts received from the sale of Pledged Collateral in excess of the amount required to repay in full the Aggregate Note Balance and Financing Costs of the Outstanding Class A Notes owned by the Exiting Facility Groups (or which are prohibited by the proviso in the immediately preceding sentence from being paid exclusively to the Exiting Facility Groups) which are deposited in the Collection Account shall be treated as Available Funds; provided, that any Yield Protection associated with any such prepayment shall be paid to the Administrative Agent for the benefit of the applicable Lender on the next Settlement Date (to the extent of Available Funds) in accordance with the priority of payments described in Section 2.05(b). All reductions to principal owed to an Exiting Facility Group in connection with any such disposition, together with any reductions to principal received by such Exiting Facility Group pursuant to clauses (viii) and (xiii) of Section 2.05(b) shall constitute a permanent reduction in the Commitment of such Exiting Facility Group and the Lenders part of such Exiting Facility Group and their Pro Rata Shares shall be calculated accordingly.

(c) The Maximum Financing Amount shall not be increased except by amendment in accordance with Section 10.01 and any future assignments of Commitments will reduce the Commitments of the applicable Lenders in accordance with Section 10.04.

(d) On each Step-Down Date, the Maximum Financing Amount shall be reduced to the amount specified in the definition of "Maximum Financing Amount" for such Step-Down Date. Such reduction shall be allocated among the Commitments of the Facility Groups in accordance with their Pro Rata Shares and shall be allocated among the Commitments of the Lenders within each Facility Group as designated by the applicable Managing Agent; provided, however, that in no event shall the Commitment be reduced for (a) any Lender to an amount less than such Lender's Pro Rata Share of the sum of (1) the Aggregate Note Balance of the Class A Note held by such Lender's Facility Group and (2) the Capitalized Interest Account Unfunded Balance, and (b) any Facility Group to an amount less than the sum of (1) the Aggregate Note Balance of the Class A Note held by such Facility Group and (2) such Facility Group's Pro Rata Share of the Capitalized Interest Account Unfunded Balance. If the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance on any Step-Down Date exceeds the Maximum Financing Amount for such Step-Down Date, the Trust, acting through the Administrator, shall pay in immediately available funds a portion of the Aggregate Note Balance of the Outstanding Class A Notes owned by each Facility Group, to be applied ratably to each Facility Group in accordance with its Pro Rata Share and within each Facility Group as designated by the applicable Managing Agent, in an aggregate amount equal to or greater than such excess, together with any accrued and unpaid Financing Costs payable if the date of such payment is not a Settlement Date.

Section 2.04. The Accounts.

(a) ***Collection Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Collection Account. The Collection Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Collection Account shall be in the name of the Trust for the benefit of the

Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Collection Account. Any Collections received by the Trust, the Administrator, the Eligible Lender Trustee, the Sellers, the Depositor, the Servicers, or any agent thereof, as the case may be, are to be transmitted to the Collection Account as soon as practicable, but in any event, within two Business Days of receipt of good funds. The Trust shall direct the Eligible Lender Trustee, each Servicer, each Seller, the Depositor and each agent of any of the foregoing, in writing, to transmit any Collections it receives with respect to the Trust Student Loans directly to the Administrative Agent for deposit to the Collection Account within two Business Days of receipt of good funds. Funds on deposit in the Collection Account may be invested from time to time in Eligible Investments at the direction of the Administrator in accordance with Section 2.08. Upon the payment in full of all Obligations hereunder and the termination of this Agreement, the Administrative Agent agrees to send notice to the Master Servicer that this Agreement has terminated and that Collections no longer are to be forwarded to the Collection Account pursuant to this Agreement. All investment earnings on the funds on deposit in the Collection Account during any Settlement Period shall be applied as Available Funds for the applicable Settlement Period. The Administrative Agent shall apply funds on deposit in the Collection Account as described in Section 2.05. Each of the Trust and the Administrator agree, by executing this Agreement, to hold any Collections received in trust for the Administrative Agent and to comply with the remittance procedures set forth in this Section 2.04.

(b) ***Administration Account.*** On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Administration Account. The Administration Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Administration Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. So long as no Amortization Period or Termination Event exists or would result therefrom, funds in the Administration Account shall be applied to the following (in the order such events occur for so long as funds are available in the Administration Account): (i) to make payments to any Exiting Facility Group pursuant to Section 2.03(b); (ii) to finance the purchase of Eligible FFELP Loans pursuant to Section 2.05(c); (iii) if necessary, to be deposited into the Collection Account on each Settlement Date to cover any shortfall in amounts on deposit in the Collection Account as Available Funds to pay amounts described in clauses (i) through (ix) of Section 2.05(b); (iv) to be released to the Trust to the extent permitted under Section 2.25(d); (v) to be withdrawn for deposit to the extent permitted under Section 4.03; and (vi) if so requested by the Administrator on behalf of the Trust, to be disbursed on any Business Day as a prepayment of principal of the Outstanding Class A Notes pursuant to Section 2.02(c). During an Amortization Period and on and after the Termination Date, funds in the Administration Account shall be released to the Administrative Agent for the account of the applicable Note Purchasers to reduce the Aggregate Note Balance of the Outstanding Class A Notes and to pay accrued Yield thereon. Funds on deposit in the Administration Account may be invested from time to time in Eligible Investments in accordance with Section 2.08 hereof. All investment earnings on the funds on deposit in the Administration Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for that Settlement Period. Except for the right of the Administrator to withdraw funds as expressly set forth in this

Agreement, neither the Trust nor the Administrator shall have any withdrawal rights from the Administration Account. Any funds remaining in the Administration Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

(c) ***Floor Income Rebate Account***. On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Floor Income Rebate Account. The Floor Income Rebate Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Floor Income Rebate Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Floor Income Rebate Account. On or before each Settlement Date, the Administrator will instruct the Administrative Agent to transfer from the Collection Account to the Floor Income Rebate Account the estimated monthly accrual of Floor Income Rebate Fees for the prior calendar month (the *"**Estimated Excess Accrual**"*). Funds on deposit in the Floor Income Rebate Account may be invested from time to time in Eligible Investments in accordance with Section 2.08 hereof. All investment earnings on the funds on deposit in the Floor Income Rebate Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for that Settlement Period. On the Settlement Date following each quarterly date as of which the Servicers notify the Trust of the aggregate amount of Floor Income Rebate Fees, if any, that is due and owing to the Department of Education for the preceding quarterly period, the Administrative Agent shall transfer from the Floor Income Rebate Account to the Collection Account the aggregate Estimated Excess Accrual for the related Settlement Periods to pay any Floor Income Rebate Fees due and owing to the Department of Education pursuant to Section 2.05(e) and apply any excess funds in accordance with Section 2.05(b). Any funds remaining in the Floor Income Rebate Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

(d) ***Borrower Benefit Account***. On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Borrower Benefit Account. The Borrower Benefit Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Borrower Benefit Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Borrower Benefit Account. In the event that new borrower benefits, which are not required under the Higher Education Act or other applicable laws, rules or regulations, are offered to Obligors, the result of which is to reduce the yield on the related Eligible FFELP Loans, the Borrower Benefit Account will be funded in accordance with Section 6.26 hereof. On or before each Settlement Date, the Administrator will instruct the Administrative Agent to transfer from the Borrower Benefit Account to the Collection Account all amounts on deposit in the Borrower Benefit Account which relate to the related Settlement Period and apply such funds in accordance with Section 2.05(b). Funds on deposit in the Borrower Benefit Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. All investment earnings on the funds on

deposit in the Borrower Benefit Account during any Settlement Period shall be deposited into the Collection Account by the Administrative Agent on or before the second Business Day after the end of that Settlement Period and applied as Available Funds on the Settlement Date for the related Settlement Period. Funds on deposit in the Borrower Benefit Account shall also be transferred and released in accordance with Section 6.26(b). Any funds remaining in the Borrower Benefit Account after the payment in full of all Obligations under the Transaction Documents shall be paid to the holder of the Excess Distribution Certificate.

Section 2.05. Transfers from Collection Account.

(a) On or prior to each Reporting Date, the Trust shall cause the Administrator to prepare the Monthly Report and shall provide or cause to be provided to the Administrator all information necessary or appropriate to accurately prepare such Monthly Report, all calculations, unless otherwise specified, to be made as of the end of the related Settlement Period, and cause the Administrator to forward such Monthly Report to the Administrative Agent. The Administrative Agent shall promptly forward the Monthly Report to each Managing Agent. The Administrative Agent shall provide to the Trust and the Administrator the Monthly Administrative Agent's Report in the form attached as Exhibit E hereto no later than five Business Days prior to each Reporting Date.

(b) The Administrative Agent, on each Settlement Date, shall make the following deposits and distributions from Available Funds in the Collection Account in the amount and in the order of priority set forth below as directed by the Administrator on behalf of the Trust (or if the Administrator fails to provide such direction, as provided by the Administrative Agent) pursuant to the Monthly Report, on which the Administrative Agent may conclusively rely, on such Settlement Date (or as otherwise provided in Article VII), in the following priority:

(i) pay to the Master Servicer an amount equal to its unreimbursed Servicer Advances due and owing;

(ii) pay to the Lockbox Banks, the Eligible Lender Trustee and the Administrator, as appropriate and on a pro rata basis, an amount equal to the Lockbox Bank Fees, the Eligible Lender Trustee Fees and the Administrator Fees, which are due and owing as of the close of business on the last day of the immediately preceding calendar month; provided, however, that the reasonable out-of-pocket costs and expenses (which shall not include fees) of such Persons shall not exceed in the aggregate $100,000 per annum;

(iii) pay to the Master Servicer, for the benefit of the Master Servicer and any Subservicers, an amount equal to the Primary Servicing Fees which are due and owing as of the close of business on the last day of the immediately preceding Settlement Period;

(iv) on a *pro rata* basis, based on the amounts owed, (A) pay to the Administrative Agent, for the benefit of the holders of the Class A Notes (excluding Class A Notes held by any Defaulting Lenders), Yield on such Class A Notes (excluding, for the avoidance of doubt, any Step-Up Fees) for the previous Yield Period and (B) pay to the Administrative Agent and each Managing Agent as Registered Owner of its Class

A Note, as appropriate, an amount equal to all other Financing Costs related to such Class A Notes (other than amounts owed with respect to Step-Up Fees or with respect to Financing Costs of a type described in clause (ii), (iv), (v) or (vi) of the definition thereof);

(v) [reserved];

(vi) *first,* pay to the Capitalized Interest Account, any amount required to cause the amount on deposit in the Capitalized Interest Account to equal the Required Capitalized Interest Account Balance and *second,* to the Reserve Account, any amount required to cause the amount on deposit in the Reserve Account to equal the Reserve Account Specified Balance;

(vii) following the replacement of the Master Servicer, pay to the replacement Master Servicer the reasonable expenses and charges resulting from the transition in servicing, to the extent such costs have not been paid by the predecessor Master Servicer; provided, that amounts paid under this clause (vii) shall not exceed $300,000;

(viii) if an Exiting Facility Group Amortization Period has begun and is continuing, provided no Amortization Event or Termination Event has occurred and is continuing and the Minimum Asset Coverage Requirement is satisfied before and after giving effect to such payment, pay to the Administrative Agent for the benefit of each Exiting Facility Group its ratable share of the Principal Distribution Amount until each Class A Note of each Exiting Facility Group has been paid in full;

(ix) pay to the Administrative Agent for the benefit of the Note Purchasers, the Principal Distribution Amount (to the extent not distributed pursuant to clause (viii) above) in accordance with their Pro Rata Shares;

(x) *first,* pay to the replacement Master Servicer any amounts described in clause (vii) above which were not previously paid due to the limitation specified in the proviso to such clause (vii), and *second,* pay to the Administrative Agent, for the benefit of the Note Purchasers of Class A Notes (excluding Class A Notes held by Defaulting Lenders), on a pro rata basis if necessary, any Step-Up Fees and Yield Protection due and owing pursuant to this Agreement as of the close of business on the last day of the immediately preceding Settlement Period;

(xi) pay to the Lockbox Banks, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Co-Valuation Agents, the Conduit Lenders, the LIBOR Lenders, the Managing Agents, the Alternate Lenders, the Program Support Providers and any Affected Party, on a pro rata basis if necessary, any amounts due and owing and not previously paid pursuant to clause (ii) above and any Trust Indemnified Amounts due and owing pursuant to this Agreement or any other Transaction Document as of such Settlement Date;

(xii) pay to the Administrative Agent (i) for the benefit of the Defaulting Lenders any Yield, Step-Up Fees, principal or Yield Protection due and owing and not paid above and (ii) for the benefit of all the Note Purchasers, the Administrative Agent,

the Managing Agents and the Program Support Providers, an amount equal to any other Obligations (other than principal, Yield or Step-Up Fees of any Class A Notes) which are accrued and owing as of the close of business on the last day of the immediately preceding Settlement Period;

(xiii) pay to the Administrative Agent for the benefit of each Exiting Facility Group, to the extent not paid in clause (viii) or (ix) above, *pro rata*, an amount up to the Aggregate Note Balance of each Exiting Facility Group's Class A Note until each Class A Note of each Exiting Facility Group has been paid in full;

(xiv) pay to the Administrator, reimbursements of any out-of-pocket costs and expenses relating to the administration of the Trust or paid on behalf of the Trust, including fees paid to the Rating Agencies on behalf of the Trust, to the extent not previously paid;

(xv) *pro rata*, pay to SLM Corporation in repayment of any SLM Indemnified Amounts paid by it pursuant to Section 8.02(b) and pay to the Administrator in repayment of any amounts paid by it pursuant to Section 10.08;

(xvi) pay to the Master Servicer, for the benefit of the Master Servicer and any Subservicers, an amount equal to any other amounts due and payable to them including Carryover Servicing Fees, if any, which are accrued and unpaid as of the close of business on the last day of the immediately preceding Settlement Period;

(xvii) so long as no Amortization Period or Termination Event exists or would result therefrom, pay to the Administrative Agent for deposit into the Administration Account to fund new purchases of Eligible FFELP Loans;

(xviii) during a Revolving Period, solely to the extent requested by the Administrator as a prepayment of the Class A Notes in an amount up to the Aggregate Note Balance, pay to the Administrative Agent for the account of the applicable Note Purchasers in accordance with their Pro Rata Shares until the Aggregate Note Balance of the Class A Notes is paid in full;

(xix) pay to SLM Corporation in repayment of accrued interest on and the unpaid principal balance borrowed under the Revolving Credit Agreement;

(xx) if the Administrative Agent has received written notice that any amounts are owed to a former Facility Group under the Guaranty and Pledge Agreement, to pay to the Managing Agent for such former Facility Group any remaining funds up to the amounts then owed under the Guaranty and Pledge Agreement;

(xxi) pay to the applicable parties, for any contingent amounts due and owing under the Churchill Town Hall Note Purchase Agreement due to the application of the survival provisions of Section 10.05 of the Churchill Town Hall Note Purchase Agreement; and

(xxii) if so requested by the Administrator (and so long as (A) no Valuation Step-Up Event, Amortization Event or Termination Event has occurred and is continuing and no Potential Termination Event described in Section 7.02(f) or (g) has occurred and is continuing and (B) there is no unresolved dispute as described in Section 2.25(e) as to the Applicable Percentage to be applied with respect to such Settlement Period), to pay to the holder of the Excess Distribution Certificate, any Available Funds remaining after the payment in full of each of the foregoing items.

(c) Any funds deposited into the Administration Account for the purpose of purchasing or financing Eligible FFELP Loans or prepayment of the Class A Notes shall be disbursed pursuant to a written direction of the Administrator, on behalf of the Trust, or to the Administrative Agent, as applicable.

(d) In the event that there are insufficient Available Funds to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) due and payable on such date and if no Servicer Advance has been made and no funds withdrawn from the Reserve Account or the Capitalized Interest Account to pay such amounts, and an Excess Collateral Advance could be made in accordance with the terms hereof, then the Trust shall request an Excess Collateral Advance in the amount necessary to pay such amounts.

(e) On each Settlement Date, prior to making the deposits and distributions specified in Section 2.05(b), the Administrative Agent shall pay, from funds on deposit in the Collection Account, any accrued and unpaid amounts due and owing to the Department or any Guarantor, including, without limitation, any Floor Income Rebate Fees and Monthly Rebate Fees, as directed by the Administrator on behalf of the Trust (or if the Administrator fails to provide such direction, as provided by the Administrative Agent) pursuant to the Monthly Report, on which the Administrative Agent may conclusively rely.

Section 2.06. Capitalized Interest Account and Reserve Account.

(a) On or prior to the Closing Date, the Trust shall establish and maintain, or cause to be established and maintained, the Capitalized Interest Account. The Capitalized Interest Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Capitalized Interest Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Capitalized Interest Account. If at any time a Capitalized Interest Account Funding Event occurs, the Trust shall request a Capitalized Interest Advance in an amount equal to the applicable Maximum Advance Amount for such Advance and deposit the proceeds thereof into the Capitalized Interest Account. In the event that a Capitalized Interest Account Funding Event occurs solely with respect to one or more Maturity Non-Renewing Facility Groups, such Advance shall be requested solely from such Maturity Non-Renewing Facility Groups. Thereafter, on each Settlement Date, the Administrator shall cause to be deposited into the Capitalized Interest Account from Available Funds pursuant to Section 2.05(b)(vi) such additional amounts as are necessary to cause the amount on deposit in the Capitalized Interest Account to be equal to the Required Capitalized Interest Account Balance calculated as of the last day of the related Settlement Period. Funds on deposit in the

Capitalized Interest Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. The Administrative Agent shall apply funds on deposit in the Capitalized Interest Account as described in Section 2.07(a).

(b) On or prior to the Closing Date, the Administrator shall establish and maintain, or cause to be established and maintained, the Reserve Account by depositing into the Reserve Account cash or Eligible Investments equal to the Reserve Account Specified Balance as of the date of the initial Advance hereunder. The Reserve Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the Secured Creditors. The Reserve Account shall be in the name of the Trust for the benefit of the Administrative Agent, on behalf of the Secured Creditors. Neither the Trust nor the Administrator shall have any withdrawal rights from the Reserve Account. On each Advance Date, the Trust shall deposit into the Reserve Account from proceeds of each Advance the amount, if any, necessary to bring the balance in such account up to the Reserve Account Specified Balance. Thereafter, on each Settlement Date, the Administrator shall cause to be deposited into the Reserve Account from Available Funds pursuant to Section 2.05(b)(vi) such additional amounts as are necessary to cause the amount on deposit in the Reserve Account to be equal to the Reserve Account Specified Balance calculated as of the last day of the related Settlement Period. Funds on deposit in the Reserve Account may be invested from time to time in Eligible Investments in accordance with Section 2.08. The Administrative Agent shall apply funds on deposit in the Reserve Account as described in Section 2.07(b).

Section 2.07. Transfers from the Capitalized Interest Account and Reserve Account.

(a) To the extent there are insufficient Available Funds in the Collection Account to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in accordance with the provisions of Section 2.05 on any Settlement Date (without giving effect to any amounts owing under clause (iv)(B) of Section 2.05(b) to any Defaulting Lender which has failed to fund its Pro Rata Share of any Capitalized Interest Advance), the Administrative Agent shall transfer to the Collection Account moneys held by the Administrative Agent in the Capitalized Interest Account, to the extent available for distribution on the specified day, to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) (other than amounts owing under clause (iv)(B) of Section 2.05(b) to any Defaulting Lender which has failed to fund its Pro Rata Share of any Capitalized Interest Advance) in the priority set forth in Section 2.05.

(b) To the extent there are insufficient Available Funds in the Collection Account to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in accordance with the provisions of Section 2.05 on any Settlement Date (after taking into account any amounts transferred to the Collection Account pursuant to Section 2.07(a)), the Administrative Agent shall transfer to the Collection Account moneys held by the Administrative Agent in the Reserve Account, to the extent available for distribution on the specified day, to pay the amounts set forth in clauses (ii) through (iv) of Section 2.05(b) in the priority set forth in Section 2.05.

(c) To the extent, as of the end of any Settlement Period, there are funds on deposit in the Reserve Account in excess of the Reserve Account Specified Balance calculated as of the

end of such Settlement Period (giving effect to any purchase of Additional Student Loans between the end of such Settlement Period and the related Settlement Date) or there are funds on deposit in the Capitalized Interest Account in excess of the Required Capitalized Interest Account Balance calculated as of the end of such Settlement Period, then the Administrative Agent shall withdraw such excess funds from the relevant account and deposit it into the Collection Account to be used as Available Funds on the related Settlement Date. In addition, the Administrative Agent shall withdraw and apply funds from the Capitalized Interest Account as and when required in accordance with Section 2.21(b).

Section 2.08. Management of Trust Accounts.

(a) All funds held in the Trust Accounts, including investment earnings thereon, shall be invested at the direction of the Administrator in Eligible Investments having a maturity date not later than the next date on which any distributions are to be made from funds on deposit in such Trust Accounts; provided, however, that from and after the Termination Date, the Administrative Agent shall have the sole right to restrict the maturities of any investments held in the Trust Accounts and to direct the withdrawal of any such investments for the purposes of paying the amounts described in Section 2.05(b), including, without limitation, any unpaid principal and Financing Costs on the Class A Notes. All investment earnings (net of losses) on such Eligible Investments shall be credited to the applicable Trust Accounts. In the event that the Administrator shall have failed to give investment directions to the Administrative Agent by 11:00 a.m. on any Business Day on which there may be uninvested cash deposited in any Trust Account, the Administrative Agent shall have no obligation to invest such funds and shall not be liable for any lost potential investment earnings.

(b) Bank of America, N.A. (*"**Bank of America**"*), in its capacity as Securities Intermediary or depositary bank with respect to each Trust Account, hereby agrees with the Trust and the Administrative Agent that (i) each of the Trust Accounts is either a securities account or deposit account maintained at Bank of America; provided, however, that if, at any time, the rating assigned to Bank of America is downgraded below "A-1" by S&P, the Administrative Agent shall, in cooperation with the Administrator, promptly (but in no event longer that 60 days from the time of such downgrade), at no cost to the Trust, transfer each of the Trust Accounts to another financial institution which has either a long-term senior unsecured debt rating of "A+" or better or a short-term senior unsecured debt or certificate of deposit rating of "A-1" or better by S&P, (ii) each item of property (whether investment property, financial asset, security, cash or instrument) credited to any Trust Account shall be treated as a *"*financial asset*"* within the meaning of Section 8-102(a)(9) of the UCC to the extent any such Trust Account is a securities account, (iii) Bank of America shall treat the Administrative Agent as entitled to exercise the rights that comprise each financial asset credited to the Trust Accounts, (iv) Bank of America shall comply with entitlement orders originated by the Administrative Agent with respect to any of the foregoing accounts that is a securities account and shall comply with instructions directing the disposition of funds originated by the Administrative Agent with respect to any of the foregoing accounts that is a deposit account, in each case without the further consent of any other person or entity, (v) except as otherwise provided in subsection (a) of this Section, Bank of America shall not agree to comply with entitlement orders or instructions directing the disposition of funds originated by any person or entity other than the Administrative Agent, (vi) the Trust Accounts, and all property credited to such accounts shall not be subject to any lien,

security interest, right of set-off or encumbrance in favor of Bank of America in its capacity as Securities Intermediary or depositary bank or anyone claiming through Bank of America as Securities Intermediary or depositary bank (other than the Administrative Agent), and (vii) the agreement herein between Bank of America and the Administrative Agent shall be governed by the laws of the State of New York and the jurisdiction of Bank of America, in its capacity as Securities Intermediary or depositary bank with respect to each Trust Account, shall be the State of New York for purposes of the UCC. Each term used in this Section 2.08(b) and in Section 2.08(c) and defined in the New York UCC shall have the meaning set forth in the New York UCC.

(c) No Eligible Investment held in the Trust Accounts in the form of an instrument or certificated security as defined in the New York UCC in the possession of the Securities Intermediary (i) shall be subject to any other security interest or (ii) shall constitute proceeds of any property subject to such third party's security interest.

(d) The Trust agrees to report as its income for financial reporting and tax purposes (to the extent reportable) all investment earnings on amounts in the Trust Accounts.

(e) Any investment of any funds in the Trust Accounts shall be made under the following terms and conditions:

(i) any such investment of funds shall be made in Eligible Investments which will mature no later than the next Settlement Date (or such shorter periods as the Administrative Agent may direct); and

(ii) with respect to each of the investments credited to any of the Trust Accounts, the Administrative Agent for the benefit of the Secured Creditors shall have a first priority perfected security interest in such investment, perfected by control to the extent permitted under Article 9 of the UCC.

(f) The Administrative Agent shall not in any way be held liable by reason of any insufficiency in the Trust Accounts resulting from losses on investments made in accordance with the provisions of this Agreement (but the institution serving as Administrative Agent shall at all times remain liable for its own debt obligations, if any, constituting part of such investments).

(g) With respect to each of the Trust Accounts that is a "securities account" as defined in Section 8-501(a) of the UCC (each, a "***Securities Account***"), the Securities Intermediary hereby confirms and agrees that:

(i) all securities, financial assets or other property credited to the Securities Accounts shall be registered in the name of the Securities Intermediary by a clearing corporation or other securities intermediary and as to which the Securities Intermediary is entitled to exercise the rights that comprise any financial assets credited to such Securities Account, indorsed to the Securities Intermediary in blank or credited to another Securities Account maintained in the name of the Securities Intermediary, and in no case shall any financial asset credited to any Securities Account be registered in the name of the Trust, payable to the order of the Trust or specially indorsed to the Trust;

(ii) all securities and other property delivered to the Securities Intermediary pursuant to this Agreement shall be promptly credited to the appropriate Securities Account;

(iii) each Securities Account is an account to which financial assets are or may be credited;

(iv) except for the claims and interest of the Administrative Agent and of the Trust in the Securities Accounts and without independent investigation of any kind, the Securities Intermediary does not know of any claim to, or interest in, any Securities Account or in any "financial asset" (as defined in Section 8-102(a)(9) of the UCC) credited thereto; if any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Securities Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Administrative Agent and the Trust thereof upon receiving notice or other actual knowledge thereof.

(h) Each party hereto acknowledges that the Securities Intermediary constitutes a "securities intermediary" within the meaning of Section 8-102(a)(14) of the UCC with respect to each Securities Account and constitutes a "bank" within the meaning of Section 9-102(a)(8) of the New York UCC with respect to each Trust Account that is a "deposit account."

Section 2.09. [Reserved].

Section 2.10. Grant of a Security Interest. To secure the prompt and complete payment when due of the Obligations and the performance by the Trust of all of the covenants and obligations to be performed by it pursuant to this Agreement and each other Transaction Document, the Trust (and the Eligible Lender Trustee, in its capacity as titleholder to the Trust Student Loans) (i) on the Original Closing Date assigned (and hereby reaffirms such assignment) to the Administrative Agent, and Granted (and hereby reaffirms such Grant) to the Administrative Agent a security interest in, all of its right, title and interest in (but none of its obligations under), each of the Transaction Documents, including all rights and remedies thereunder (excluding any rights and remedies of the Trust under the Revolving Credit Agreement); and (ii) on the Original Closing Date further Granted (and hereby reaffirms such Grant) to the Administrative Agent on behalf of the Secured Creditors (and their respective successors and assigns), a security interest in all of the Trust's and the Eligible Lender Trustee's, on behalf of the Trust, right, title and interest in the following property, whether now owned or existing or hereafter arising or acquired and wheresoever located:

(a) all Trust Student Loans;

(b) all Collections from Trust Student Loans, including, without limitation, all Interest Subsidy Payments, Special Allowance Payments, borrower payments and reimbursements of principal and accrued interest on default claims received and to be received from any Guarantor;

(c) all Eligible Investments, funds and accrued earnings thereon held in the Trust Accounts;

(d) all Records relating to any of the foregoing items;

(e) all supporting obligations, liens securing any of the foregoing, money and claims and other rights under insurance policies relating to any of the foregoing;

(f) all accounts, general intangibles, payment intangibles, instruments, investment property, documents, chattel paper, goods, moneys, letters of credit, letter of credit rights, certificates of deposit, deposit accounts and all other property and interests in property of the Trust or the Eligible Lender Trustee, on behalf of the Trust, whether tangible or intangible; and

(g) all proceeds of any of the foregoing (collectively, along with the right and title to and interest of the Trust (and the Eligible Lender Trustee, in its capacity as titleholder to the Trust Student Loans) in the Transaction Documents pursuant to clause (i) above and all proceeds thereof, the *"**Pledged Collateral**"*).

The Trust and the Eligible Lender Trustee agree that the foregoing sentence is intended to grant in favor of the Administrative Agent, on behalf of the Secured Creditors, a first priority continuing lien and security interest in all of the Trust's (and the Eligible Lender Trustee's in its capacity as titleholder to the Trust Student Loans) personal property from and after the Original Closing Date. Each of the Trust and the Eligible Lender Trustee authorizes the Administrative Agent and its counsel to file UCC financing statements in form and substance satisfactory to the Eligible Lender Trustee, describing the collateral as all or any portion of the Pledged Collateral, including describing the collateral as all personal property of the Trust. In addition, at the request of the Administrative Agent, the Trust shall file or cause to be filed, and authorizes the Administrative Agent to file, UCC financing statement assignments assigning to the Administrative Agent any financing statement showing the Trust as secured party with respect to the Pledged Collateral. The Trust further confirms and agrees that the Administrative Agent shall have, following the occurrence or declaration of the Termination Date, the sole right to enforce the Trust's rights and remedies under the Transaction Documents with respect to the Pledged Collateral for the benefit of the Secured Creditors, but without any obligation on the part of the Administrative Agent or any other Secured Creditor or any of their respective Affiliates, to perform any of the obligations of the Trust under the Transaction Documents.

Section 2.11. Evidence of Debt.

Each Managing Agent shall maintain a Note Account (the *"**Note Account**"*) on its books in which shall be recorded (a) all Advances owed to each related Lender in its related Facility Group by the Trust pursuant to this Agreement, (b) the Aggregate Note Balance of the Class A Note held by or on behalf of its related Facility Group, (c) all payments of principal and Financing Costs made by the Trust on such Class A Note, and (d) all appropriate debits and credits with respect to its related Facility Group as provided in this Agreement including, without limitation, all fees, charges, expenses and interest. All entries in each Managing Agent's Note

Account shall be made in accordance with such Managing Agent's customary accounting practices as in effect from time to time. The entries in the Note Account shall be conclusive and binding for all purposes, absent manifest error. Any failure to so record or any errors in doing so shall not, however, limit or otherwise affect the obligation of the Trust to pay any amount owing with respect to the Class A Notes or any of the other Obligations.

Section 2.12. Payments by the Trust.

All payments to be made by the Trust shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by, or on behalf of, the Trust for the account of a Conduit Lender, a LIBOR Lender, an Alternate Lender or a Program Support Provider, as the case may be, shall be made to the Administrative Agent, for further credit to an account designated by such Conduit Lender, LIBOR Lender, Alternate Lender or Program Support Provider or its related Managing Agent, in United States dollars. Such payments (other than amounts already on deposit in the Collection Account) shall be made in immediately available funds to the Administrative Agent no later than 12:00 noon on the date specified herein and the Administrative Agent shall forward such amounts to such Conduit Lender, LIBOR Lender, Alternate Lender or Program Support Provider no later than 1:00 p.m. on the date specified herein. Payments shall be applied in the order of priority specified in Section 2.05(b). Any payment which is received later than 1:00 p.m. (other than payments from amounts already on deposit in the Collection Account) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue.

Section 2.13. Payment of Stamp Taxes, Etc. Subject to any limitations set forth in Section 2.20, the Trust agrees to pay any present or future stamp, mortgage, value-added, court or documentary taxes or any other excise or property taxes, charges or similar levies imposed by any federal, state or local governmental body, agency or instrumentality (hereinafter referred to as "***Other Applicable Taxes***") relating to this Agreement, any of the other Transaction Documents or any recordings or filings made pursuant hereto and thereto.

Section 2.14. Sharing of Payments, Etc. If, other than as expressly provided elsewhere herein, any Note Purchaser shall obtain on account of the Class A Notes owned by it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Pro Rata Share (or other share contemplated hereunder), such Note Purchaser shall immediately (a) notify the Administrative Agent of such fact and (b) purchase from the other Note Purchasers such participations made by them as shall be necessary to cause such purchasing Note Purchaser to share the excess payment pro rata (based on the Pro Rata Share of each Note Purchaser) with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Note Purchaser, such purchase shall to that extent be rescinded and each other Note Purchaser shall repay to the purchasing Note Purchaser the purchase price paid therefor, together with an amount equal to such paying Note Purchaser's ratable share (according to the proportion of (i) the amount of such paying Note Purchaser's required repayment to (ii) the total amount so recovered from the purchasing Note Purchaser) of any interest or other amount paid or payable by the purchasing Note Purchaser in respect of the total amount so recovered. The Trust agrees that any Note Purchaser so purchasing a participation from another Note Purchaser may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such

participation as fully as if such Note Purchaser was the direct creditor of the Trust in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify each Managing Agent following any such purchases or repayments.

Section 2.15. Yield Protection.

(a) If (i) any Regulatory Change (including a change to Regulation D under the Securities Act):

(A) shall impose, modify or deem applicable any reserve (including, without limitation, any reserve imposed by the Federal Reserve Board), special deposit, insurance assessment, or similar requirement against assets of any Affected Party, deposits or obligations with or for the account of any Affected Party or with or for the account of any Affiliate (or entity deemed by the Federal Reserve Board to be an affiliate) of an Affected Party, or credit extended to or participated in by any Affected Party;

(B) shall change the amount of capital maintained or required or requested or directed to be maintained by any Affected Party;

(C) shall impose any other condition, cost or expense affecting this Agreement or any portion of the Obligations owed or funded in whole or in part by any Affected Party, or its obligations or rights, if any, to pay any portion of its unused Commitment or to provide funding therefor (other than any condition or expense resulting from the gross negligence or willful misconduct of such Affected Party);

(D) shall change the rate for, or the manner in which the Federal Deposit Insurance Corporation (or any successor thereto) assesses deposit insurance premiums or similar charges; or

(E) subject any Affected Party to any tax of any kind whatsoever (except for Other Taxes or Other Applicable Taxes covered by Sections 2.13 and 2.20 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Affected Party) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto,

or (ii) an Accounting Based Consolidation Event shall at any time occur,

and the result of any of the foregoing is or would be:

(A) to increase the cost to or to impose a cost in any material amount on an Affected Party funding or making or maintaining any portion of the Obligations, or any purchases, reinvestments or loans or other extensions of credit under the Program Support Agreement or any Transaction Document or any commitment of such Affected Party with respect to the foregoing;

(B) to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, or under any Program Support Agreement or any Transaction Document with respect thereto;

(C) in the sole determination of such Affected Party, to reduce the rate of return on the capital of an Affected Party as a consequence of its obligations hereunder or under any Program Support Agreement or arising in connection herewith to a level below that which the Affected Party could otherwise have achieved; or

(D) to cause an internal capital charge or other imputed cost upon such Affected Party, which in the sole determination of such Affected Party is allocable to the Trust or the transactions contemplated in this Agreement;

then on or before the 30th day following the date of demand by such Affected Party (which demand shall be accompanied by a statement setting forth in reasonable detail the basis of such demand), the Trust shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost or charge or such reduction; provided, that such additional amount or amounts shall not be payable with respect to any period in excess of 90 days prior to the date of demand by the Affected Party unless (1) the effect of the Regulatory Change or Accounting Based Consolidation Event is retroactive by its terms to a period prior to the date of the Regulatory Change or Accounting Based Consolidation Event, as applicable, in which case any additional amount or amounts shall be payable for the retroactive period but only if the Affected Party provides its written demand not later than 90 days after such Regulatory Change or Accounting Based Consolidation Event; or (2) the Affected Party reasonably and in good faith did not believe the Regulatory Change or Accounting Based Consolidation Event resulted in such an additional or increased cost or charge or such a reduction during such prior period. Each Affected Party agrees that the Trust shall not be asked to pay amounts which the Affected Party's similarly situated customers are not being requested to pay.

(b) Each Affected Party will promptly notify the Administrator and the Administrative Agent of any event of which it has actual knowledge which will entitle such Affected Party to any compensation pursuant to this Section; provided, however, no failure or delay in giving such notification shall adversely affect the rights of any Affected Party to such compensation.

(c) In determining any amount provided for or referred to in this Section, an Affected Party may use any reasonable averaging or attribution methods that it (in its sole discretion exercised in good faith) shall deem applicable and which it applies on a consistent basis. Any Affected Party when making a claim under this Section shall submit to the Administrator and the Administrative Agent a statement as to such increased cost or reduced return (including calculation thereof in reasonable detail), which statement shall, in the absence of manifest error, be conclusive and binding upon the Trust and the Administrative Agent.

(d) If any Affected Party has or anticipates having any claim for compensation from the Trust pursuant to this Section 2.15, and such Affected Party believes that having the Facility

publicly rated by one or more credit rating agencies would reduce the amount of such compensation by an amount deemed by such Affected Party to be material, then such Affected Party or a Managing Agent on its behalf shall provide written notice to the Trust and the Administrator (a "Ratings Request") that such Affected Party intends to request a public rating of the Facility from one or more credit rating agencies selected by such Affected Party and reasonably acceptable to Trust, of at least "AA" or the equivalent (the "Required Ratings"). Unless the Trust has caused the assignment of all of such Affected Parties' rights and obligations under this Agreement pursuant to Section 2.21(a), each of the Trust and the Administrator agrees that it shall cooperate with such Affected Party's efforts to obtain the Required Ratings, including entering into reasonably requested amendments and other modifications to the Transaction Documents, and shall provide the applicable credit rating agencies (either directly or through distribution to the Administrative Agent or such Affected Party) any information reasonably requested by such credit rating agencies for purposes of providing and monitoring the Required Ratings. The relevant Affected Party shall pay the initial fees payable to the credit rating agencies for providing the ratings and the Trust shall pay all ongoing fees payable to the credit rating agencies for their continued monitoring of the ratings. Nothing in this Section 2.15(d) shall preclude any Affected Party from demanding compensation from Issuer pursuant to Section 2.15(a) hereof at any time and without regard to whether the Required Ratings shall have been obtained, or shall require any Affected Party to obtain any ratings on the Facility prior to demanding any such compensation from the Trust.

Section 2.16. Extension of Liquidity Expiration Date and Scheduled Maturity Date.

(a) ***Extension of Liquidity Expiration Date.*** Provided that no Amortization Period or Termination Event shall have occurred and be continuing, the Trust, acting through the Administrator, may, at any time during the period which is no greater than 90 days or less than 45 days immediately preceding the Liquidity Expiration Date (as such date may have been previously extended pursuant to this Section 2.16(a)), request that the then applicable Liquidity Expiration Date be extended for an additional period of 364 days; provided, however, that the Liquidity Expiration Date shall not be extended past the Scheduled Maturity Date. Any such request shall be in writing and delivered to each Managing Agent and the Administrative Agent. None of the Lenders, Managing Agents or Facility Groups shall have any obligation to extend the Liquidity Expiration Date at any time. Any such extension of the Liquidity Expiration Date with respect to a Lender shall be effective only upon the written agreement of the Trust, the Managing Agent for such Lender's Facility Group, such Lender and, if applicable, the related Conduit Lender. Each Managing Agent will (on behalf of its related Note Purchasers) respond to any such request by providing a response to the Trust and the Administrative Agent within the earlier of (i) 30 days of its receipt of such request and (ii) 30 days prior to the then-effective Liquidity Expiration Date; provided, however, that if any Facility Group determines that it will not extend the Liquidity Expiration Date prior to the response date set forth above, the related Managing Agent shall notify the Administrator as soon as practicable after such determination has been made. Any failure by a Managing Agent to respond by the later of the dates set forth in clause (i) and (ii) of the preceding sentence shall be deemed to be a rejection of the requested extension by such Managing Agent and the related Lenders in its Facility Group. If one or more Managing Agents does not extend the Liquidity Expiration Date and the Administrator fails to arrange for the assignment of the Commitment of any Liquidity Non-Renewing Facility Group pursuant to Section 2.21(e) within the time designated therein, the Liquidity Expiration Date

shall not be extended for all Facility Groups and the Non-Renewal Step-Up Rate shall increase as provided in the Lenders Fee Letter. For the avoidance of doubt, in the event that the Liquidity Expiration Date is not extended, each Facility Group, including any Liquidity Non-Renewing Facility Group, shall continue to make Advances in accordance with the terms of this Agreement in an amount not to exceed the amount of each Facility Group's unused Commitment until the earliest of the occurrence of an Amortization Event, a Termination Event or the Scheduled Maturity Date.

(b) ***Extension of Scheduled Maturity Date.*** Provided that no Amortization Event or Termination Event shall have occurred and be continuing, the Trust, acting through the Administrator, may, at any time during the period which is no greater than 90 days or less than 45 days immediately preceding the Scheduled Maturity Date (as such date may have been previously extended pursuant to this Section 2.16(b)), request that the then applicable Scheduled Maturity Date be extended for an additional period of up to 364 days. Any such request shall be in writing and delivered to each Managing Agent and the Administrative Agent. None of the Lenders, Managing Agents or Facility Groups shall have any obligation to extend the Scheduled Maturity Date at any time. Any such extension of the Scheduled Maturity Date with respect to a Lender shall be effective only upon the written agreement of the Trust, the Managing Agent for such Lender's Facility Group, such Lender and, if applicable, the related Conduit Lender. Each Managing Agent will (on behalf of its related Note Purchasers) respond to any such request by providing a response to the Trust and the Administrative Agent within the later of (i) 30 days of its receipt of such request and (ii) 30 days prior to the then-effective Scheduled Maturity Date; provided, however, that if any Facility Group determines that it will not renew its Commitment prior to the response date set forth above, the related Managing Agent shall notify the Administrator as soon as practicable after such determination has been made. Any failure by a Managing Agent to respond by the later of the dates set forth in clause (i) and (ii) of the preceding sentence shall be deemed to be a rejection of the requested extension by such Managing Agent and the related Lenders in its Facility Group. If one or more Managing Agents (but less than all) does not extend the Scheduled Maturity Date, the provisions of Section 2.21(b) shall apply with respect to its Facility Group and the Scheduled Maturity Date shall be extended with respect to the remaining Facility Groups. Notwithstanding the foregoing, in connection with each extension of the Scheduled Maturity Date as provided herein, the Trust shall provide an Opinion of Counsel to the effect that each Advance evidenced under the Class A Notes will constitute indebtedness for United States federal income tax purposes.

Section 2.17. Servicer Advances.

In the event that, on the Settlement Date relating to any Settlement Period, the amount on deposit in the Collection Account which is allocable to the payment of amounts described in Sections 2.05(b)(ii) through (iv) due and payable on such Settlement Date is not sufficient to pay such amounts, the Master Servicer may, if permitted pursuant to its Servicing Agreement, make an advance in an amount equal to such insufficiency to the extent it believes such Servicer Advance will be recoverable.

Section 2.18. Release and Transfer of Pledged Collateral.

(a) The Administrative Agent hereby agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the Depositor or the Servicer as a result of purchases or repurchases (including substitutions) of Trust Student Loans pursuant to the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, any Purchase Agreement or any Servicing Agreement; provided, however, that with respect to a repurchase of a Student Loan pursuant to the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement or a Purchase Agreement that is not a Permitted Release covered by clause (b) below, it shall be a condition to such release that the Administrative Agent shall have received cash into the Administration Account in an amount equal to the sum of (i) the product of the Applicable Percentage (determined as if each Student Loan were an Eligible FFELP Loan) multiplied by the Principal Balance of such Student Loan and (ii) any amount previously drawn under the Revolving Credit Agreement to purchase such Student Loan (as reduced by any payments of principal received on such Student Loan, proportionately, based on the portion of the purchase price of such Student Loan financed under the Revolving Credit Agreement) or, in the case of any substitution, the Trust shall have received new Eligible FFELP Loans with a Principal Balance equal to or greater than the Principal Balance of the Student Loans being released and the tests set forth in Section 2.18(b)(ii)(B) and (C) shall be satisfied; and provided further, that with respect to purchases of Student Loans by a Servicer required or expressly permitted as a result of the related Servicing Agreement that is not a Permitted Release covered by clause (b) below, the Administrative Agent has received cash into the Administration Account in an amount equal to that set forth in Section 3.05(a) of the Servicing Agreement or, in the case of any substitution, the Trust shall have received new Eligible FFELP Loans with a Principal Balance equal to or greater than the Principal Balance of the Student Loans being released and the tests set forth in Section 2.18(b)(ii)(B) and (C) shall be satisfied.

(b) In addition, the Administrative Agent hereby further agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the Depositor or an Affiliate thereof in connection with a Permitted Release. The release of the Administrative Agent's security interest in any Released Collateral pursuant to this Section 2.18(b) shall be subject to the following conditions precedent unless the Required Managing Agents (or following a Termination Event or Amortization Event or with respect to a failure to satisfy condition (ii)(B) below, all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender) have waived such condition (and by transferring the Pledged Collateral the Trust shall be deemed to have certified that all such conditions precedent are satisfied):

(i) such release shall be a Permitted Release,

(ii) before and after giving effect to such release and to any simultaneous acquisition of Trust Student Loans at such time,

(A) there shall not exist any Amortization Event, Servicer Default, Termination Event or Potential Termination Event;

(B) the Asset Coverage Ratio is greater than or equal to 100%; and

(C) the Weighted Average Remaining Term in School shall be less than 24 months,

(iii) three Business Days prior to any such release that is a Take Out Securitization, a Fair Market Auction, a Whole Loan Sale, a Permitted SPE Transfer, a Permitted Seller Buy-Back, a Permitted Excess Collateral Release or a Servicer Buy-Out, the Trust, acting through the Administrator, shall have delivered a notice describing the Trust Student Loans proposed to be released substantially in the form and substance of Exhibit F attached hereto (a *"**Notice of Release**"*) to the Administrative Agent, certifying that the foregoing conditions described in clause (ii) above shall have been satisfied in connection therewith, together with a pro forma report in the form attached hereto as Exhibit G, demonstrating compliance with the conditions described in clause (ii) above,

(iv) on or prior to such Permitted Release, the Trust shall have deposited (I) into the Administration Account cash in an amount equal to the sum of (A) the product of the Applicable Percentage (determined as if each Trust Student Loan proposed to be released were an Eligible FFELP Loan) multiplied by the Principal Balance of each Trust Student Loan proposed to be released and (B) any amount previously drawn under the Revolving Credit Agreement to purchase such Student Loan (as reduced by any payments of principal received on such Student Loan, proportionately, based on the portion of the purchase price of such Student Loan financed under the Revolving Credit Agreement) and (II) into the Collection Account cash in an amount equal to all Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date, and

(v) if such release involves Trust Student Loans with an aggregate Principal Balance of more than $500,000,000, the Trust, acting through the Administrator, shall have made the required deliveries under Section 2.25(f).

(c) Within five Business Days after each release of collateral hereunder in connection with a Take Out Securitization, the Trust, acting through the Administrator, shall deliver to the Administrative Agent a reconciliation statement (the *"**Release Reconciliation Statement**"*) which shall include an updated calculation, based on actual figures, in the form attached as Exhibit H, confirming that the Minimum Asset Coverage Requirement was satisfied before and after giving effect to the related release. If the Release Reconciliation Statement shows that the value of the released Trust Student Loans was greater than the value provided on the Notice of Release, then the Trust shall deposit such difference into the Administration Account.

(d) No more than once per calendar month during a Revolving Period, on any date between the delivery of the monthly Valuation Report during such month and the Settlement Date occurring during such month, so long as the Minimum Asset Coverage Requirement is satisfied and no Exiting Facility Group Amortization Period exists, the Trust shall be permitted to dividend, distribute or otherwise transfer Trust Student Loans to the holder of the Excess Distribution Certificate with an aggregate Principal Balance in an amount that would not cause a failure to satisfy the Minimum Asset Coverage Requirement; provided, however, that (i) if the aggregate Principal Balance of the Trust Student Loans to be transferred exceeds $500,000,000, then the Trust shall only be permitted to transfer such Trust Student Loans on or after the third (3rd) Business Day following the delivery of the information described in Section 2.25(f); and (ii)

the Trust shall have deposited into the Collection Account an amount equal to all Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date. The Administrative Agent hereby agrees, and is hereby authorized, to release its lien on that portion of the Pledged Collateral transferred from the Trust to the holder of the Excess Distribution Certificate as a Permitted Release and the provisions of Section 2.18(b) (excluding clause (iv)(I)(A) thereof) shall apply to such release.

(e) The Administrative Agent hereby further agrees, and is hereby authorized, to release its lien on any remaining portion of the Pledged Collateral upon payment in full of the Aggregate Note Balance of all Class A Notes Outstanding and all other Obligations and termination of all Commitments of the Lenders hereunder.

Section 2.19. Effect of Release.

Upon the satisfaction of the conditions in Section 2.18, all right, title and interest of the Administrative Agent in, to and under such Released Collateral shall terminate and revert to the Trust, its successors and assigns, and the right, title and interest of the Administrative Agent in such Released Collateral shall thereupon cease, terminate and become void; and, upon the written request of the Trust, acting through its Administrator, its successors or assigns, and at the cost and expense of the Trust, the Administrative Agent, acting through the Administrator, shall deliver and, if necessary, execute such UCC-3 financing statements and releases prepared by and submitted to the Administrative Agent for authorization as are necessary or reasonably requested in writing by the Trust, acting through the Administrator, to terminate and remove of record any documents constituting public notice of the security interest in such Released Collateral granted hereunder being released.

Section 2.20. Taxes.

(a) All payments made by the Trust under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding any U.S. federal taxes (other than federal withholding taxes on interest), net income taxes and franchise taxes or branch profit taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent, any Managing Agent, any Lender or any Program Support Provider as a result of a present or former connection between the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any Managing Agent, such Lender or any Program Support Provider and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Transaction Document) (collectively, the *"**Excluded Taxes**"*). If any non-Excluded Taxes, levies, imposts, duties, charges, fees of any kind, deductions, withholdings or assessments (including, but not limited to any current or future stamp as documentary taxes or any other excise or property taxes, charges or similar levies, but excluding Excluded Taxes) (*"**Other Taxes**"*) are required to be withheld from any amounts payable to the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any

Managing Agent, any Lender or any Program Support Provider hereunder, the amounts so payable to the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider shall be increased to the extent necessary to yield to the Administrative Agent, the Syndication Agent, each Co-Valuation Agent, any Managing Agent, such Lender or any Program Support Provider (after payment of all Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Trust shall not be required to increase any such amounts payable to any Lender with respect to (i) any Other Taxes that are United States withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement, except to the extent that such Lender's assignor (if any) was entitled, at the time of the assignment, to receive additional amounts from the Trust with respect to such Other Taxes pursuant to this paragraph or (ii) Other Taxes to the extent the Administrative Agent, Managing Agent or Lender will receive a refund or realize the benefit of a credit or reduction in taxes or amount owed to any taxing jurisdiction. To be entitled to receive additional amounts for Other Taxes, the Administrative Agent, Managing Agent or Lender must certify to the Trust that, based upon advice from one of its inside or outside tax advisors, such Administrative Agent, Managing Agent or Lender does not reasonably expect to receive a refund or realize the benefit of a credit or reduction in taxes or amount owed to any taxing jurisdiction as a result of such Other Taxes.

(b) In addition, the Trust shall pay to the relevant Governmental Authority in accordance with applicable law all Other Taxes imposed upon the Administrative Agent, any Managing Agent, such Lender or any Program Support Provider that arise from any payment made hereunder or from the execution, delivery, or registration of or otherwise similarly with respect to, this Agreement.

(c) Whenever any Other Taxes are payable by the Trust, the Administrative Agent or the applicable Managing Agent shall promptly notify the Trust in writing and as soon as practicable, but no later than 30 days thereafter, the Trust shall send to the Administrative Agent for its own account or for the account of the Syndication Agent, any Co-Valuation Agent, any Managing Agent, any Program Support Provider or relevant Lender, as the case may be, a certified copy of an original official receipt received by the Trust showing payment thereof. The Trust agrees to indemnify the Administrative Agent, any Managing Agent, any Program Support Provider and each Lender within 10 days after demand therefor from and against the full amount of the Other Taxes arising out of this Agreement (whether directly or indirectly) imposed upon or paid by the Administrative Agent, any Managing Agent, any Program Support Provider or such Lender and any liability (including penalties, interest, and expenses arising with respect thereto), regardless of whether such Other Taxes were correctly or legally asserted by the relevant Governmental Authority; provided, that such Lender shall have provided the Trust with evidence, setting forth in reasonable detail, of payment of such Other Taxes, and the certification required in clause (a) above.

(d) Each Lender (or transferee) that is not a "U.S. Person" as defined in section 7701(a)(30) of the Code (a "***Non-U.S. Lender***") shall deliver to the Trust and the Administrative Agent and its Managing Agent two copies of either U.S. Internal Revenue Service form W-8BEN or form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from the withholding of U.S. federal income tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," both a form W-8BEN and a certificate substantially in the

form of Exhibit I (a *"**2.20(d) Certificate**"*) or any subsequent versions thereof or successors thereto, in all cases properly completed and duly executed by such Non-U.S. Lender, claiming complete exemption from withholding of U.S. federal income tax on all payments by the Trust under this Agreement. Such forms shall be delivered by each Non-U.S. Lender at least five Business Days before the date of the initial payment to be made pursuant to this Agreement by the Trust to such Lender. In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Trust at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Trust (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision in this paragraph, a Non-U.S. Lender shall not be required to deliver any subsequent form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) For any period with respect to which a Lender has failed to provide the Trust, the Administrative Agent or its Managing Agent with the appropriate form, certificate or other document described in Section 2.20(d) (unless such failure is due to a change in treaty, law or regulation, or any interpretation or administration thereof by any Governmental Authority, occurring after the date on which a form, certificate or other document originally was required to be provided), such Lender shall not be entitled to indemnification of additional amounts under Section 2.20 with respect to Other Taxes by reason of such failure; provided, however, that should a Lender, which is otherwise exempt from or subject to a reduced rate of withholding tax, become subject to Other Taxes because of its failure to deliver a form required hereunder, the Trust shall take such steps as such Lender shall reasonably request to recover such Other Taxes.

(f) A Lender which is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Trust is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Trust (with a copy to the Administrative Agent), at the time or times prescribed by the applicable law or reasonably requested by the Trust, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate; provided, that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(g) In cases in which the Trust makes a payment under this Agreement to a U.S. Person with knowledge that such U.S. Person is acting as an agent for a foreign person, the Trust will not treat such payment as being made to a U.S. Person for purposes of Treas. Reg. § 1.1441-1(b)(2)(ii) (or a successor provision) without the express written consent of such U.S. Person.

(h) Each Lender hereby agrees that, upon the occurrence of any circumstances entitling such Lender to indemnification or additional amounts pursuant to this Section 2.20, such Lender shall use reasonable efforts to designate a different lending office if the making of such a change would avoid the need for, or materially reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be materially disadvantageous to such Lender.

(i) If a Lender receives a refund or realizes the benefit of a credit or reduction in respect of any Other Taxes as to which the Lender has been indemnified by the Trust, or with respect to which the Trust has paid an additional amount hereunder, the Lender shall, within 30 days after the date of such receipt or realization, pay over the amount of such refund or credit (to the extent so attributable, but only to the extent of indemnity payments made, or additional amounts paid, by the Trust under this Section with respect to the taxes or Other Taxes giving rise to such refund or credit) to the Trust, net of all out-of-pocket expenses of such Lender related to claiming such refund or credit, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit); provided, however, that (i) the Lender, acting in good faith, will be the sole judge of the amount of any such refund, credit or reduction and of the date on which such refund, credit or reduction is received, (ii) the Lender, acting in good faith, shall have absolute discretion as to the order and manner in which it employs or claims tax refunds, credits, reductions and allowances available to it and (iii) the Trust agrees to repay the Lender, upon written request from the Lender, as the case may be, the amount of such refund, credit or reduction received by the Trust, plus any penalties, interest or other charges imposed by the relevant Governmental Authority, in the event and to the extent, the Lender is required to repay such refund, credit or reduction to any relevant Governmental Authority.

(j) Notwithstanding any other provision of this Agreement, in the event that a Lender is party to a merger or consolidation pursuant to which such Lender no longer exists or is not the surviving entity (but excluding any change in the ownership of such Lender), any taxes payable under applicable law as a result of such change shall be considered Excluded Taxes to the extent such taxes are in excess of the taxes that would have been payable had such change not occurred.

(k) Within 30 days of the written request of the Trust therefor, the applicable Lender shall execute and deliver to the Trust such certificates, forms or other documents which can be furnished consistent with the facts and which are reasonably necessary to assist the Trust in applying for refunds of taxes remitted hereunder; provided, that nothing in this Section 2.20 shall be construed to require any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Trust or any other Person.

(l) The Trust and each Lender will treat the Class A Notes as debt for U.S. federal income tax purposes.

(m) If a payment made to a Note Purchaser under this Agreement would be subject to U.S. federal withholding tax imposed by FATCA if such Note Purchaser were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), the Managing Agent for such Note Purchaser shall deliver to the Trust and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Trust or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Trust or the Administrative Agent as may be necessary for the Trust and the Administrative Agent to comply with its obligations under FATCA, to determine that such Note Purchaser has or has not complied with such Note Purchaser's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment.

(n) The agreements in this Section shall survive the termination of this Agreement and the payment of all amounts payable hereunder.

Section 2.21. Replacement or Repayment of Facility Group.

(a) ***Departing Facility Group.*** In the event that (i) the Trust is required to pay amounts under Section 2.15, 2.20 or 10.08 or Article VIII of this Agreement that are particular to an individual Lender, a Program Support Provider or its Managing Agent, (ii) the Administrator reasonably determines that, as a result of a Conduit Lender issuing CP outside the United States commercial paper market, the funding costs for such Conduit Lender are materially higher than for other Lenders, (iii) a Program Support Termination Event occurs with respect to a Program Support Provider, (iv) a Lender becomes a Distressed Lender or (v) any Affected Party or a Managing Agent on its behalf delivers a Ratings Request, then the Trust may require, at its sole expense and effort, upon notice to such Lender, Program Support Provider or other Affected Party or to the applicable Managing Agent, that the Managing Agent for such Lender, Program Support Provider or other Affected Party assign, without recourse, to one or more financial institutions designated by the Administrator, on behalf of the Trust, all of the rights and obligations hereunder of all, or with the consent of the related Managing Agent, the applicable, Lenders, Program Support Providers or other Affected Parties within such Facility Group in accordance with Section 10.04; provided, that in the case of any such assignment resulting from a claim for compensation or a Ratings Request under Section 2.15 or payments required to be made pursuant to Section 2.20, such assignment will result in a reduction in such compensation or payments thereafter or a Ratings Request no longer being outstanding, as the case may be; and provided, further that all amounts owing to any member of the Departing Facility Group shall have been paid in full immediately upon the effectiveness of such assignment.

A Managing Agent shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by the affected Lender, Program Support Provider, or Managing Agent or otherwise, the circumstances entitling the Trust to require such assignment and delegation cease to apply. Each member of the Departing Facility Group shall cooperate fully with the Trust in effecting any such assignment.

(b) ***Maturity Non-Renewing Facility Group.*** In the event that one or more Managing Agents (but less than all) gives notice that its Facility Group will not extend the Scheduled Maturity Date pursuant to Section 2.16(b), then the Trust, acting through the Administrator, may request that each such Managing Agent arrange for an assignment to one or more entities and financial institutions designated by the Administrator, acting on behalf of the Trust, of all of the rights and obligations hereunder of such Maturity Non-Renewing Facility Group in accordance with Section 10.04. If the Managing Agent does not comply with such request within ten Business Days of such request, then the Administrator, on behalf of the Trust, may arrange for an assignment to one or more existing Facility Groups or replacement Facility Groups of all of the rights and obligations hereunder of the Maturity Non-Renewing Facility Group in accordance with Section 10.04. Each member of the Maturity Non-Renewing Facility Group shall cooperate fully with the Administrator in effecting any such assignment. If the Administrator is unable to arrange such an assignment prior to the Scheduled Maturity Date, then the Commitment of the Maturity Non-Renewing Facility Group to make new Advances hereunder shall terminate on the relevant Scheduled Maturity Date; provided, that the Maturity

Non-Renewing Facility Group shall make a Capitalized Interest Advance in an amount equal to the lesser of (i) its Pro Rata Share of the Capitalized Interest Account Unfunded Balance and (ii) such Maturity Non-Renewing Facility Group's unused Commitment on the Business Day prior to its Scheduled Maturity Date, for deposit into the Capitalized Interest Account; provided further, that the Maturity Non-Renewing Facility Group will continue to make Advances in an amount not to exceed the amount of such Maturity Non-Renewing Facility Group's unused Commitment until its Scheduled Maturity Date. The Exiting Facility Group Amortization Period for the Maturity Non-Renewing Facility Group shall begin on its Scheduled Maturity Date. So long as the Exiting Facility Group Amortization Period for such Maturity Non-Renewing Facility Group has not terminated pursuant to clause (i) or (ii) of the definition thereof, at such time as all other Advances made by such Maturity Non-Renewing Facility Group have been paid in full, the aggregate amount of all Capitalized Interest Advances made by the Maturity Non-Renewing Facility Group shall be repaid to such Maturity Non-Renewing Facility Group to reduce its portion of the Aggregate Note Balance to zero.

(c) [Reserved].

(d) ***Termination of the Exiting Facility Group Amortization Period.*** The Exiting Facility Group Amortization Period with respect to any Exiting Facility Group shall terminate upon the occurrence of an Amortization Event or Termination Event. After the occurrence of either such event, the Exiting Facility Group shall be entitled to payment with respect to the Aggregate Note Balance pro rata with other Note Purchasers in accordance with Section 2.05(b) or Section 7.03, as applicable.

(e) ***Liquidity Non-Renewing Facility Group.*** In the event that one or more Managing Agents gives notice that its Facility Group will not extend the Liquidity Expiration Date pursuant to Section 2.16(a), then the Trust, acting through the Administrator, may request that each such Managing Agent arrange for an assignment to one or more entities and financial institutions designated by the Administrator, acting on behalf of the Trust, of all of the rights and obligations hereunder of such Liquidity Non-Renewing Facility Group in accordance with Section 10.04. If the Managing Agent does not comply with such request within ten Business Days of such request, then the Administrator, on behalf of the Trust, may arrange for an assignment to one or more existing Facility Groups or replacement Facility Groups of all of the rights and obligations hereunder of the Liquidity Non-Renewing Facility Group in accordance with Section 10.04. Each member of the Liquidity Non-Renewing Facility Group shall cooperate fully with the Administrator in effecting any such assignment. If the Administrator is unable to arrange such an assignment prior to the Liquidity Expiration Date, then the Liquidity Expiration Date shall not be extended with respect to all Facility Groups. For the avoidance of doubt, in the event that the Liquidity Expiration Date is not extended, each Facility Group, including any Liquidity Non-Renewing Facility Group, shall continue to make Advances in accordance with the terms of this Agreement in an amount not to exceed the amount of each Facility Group's unused Commitment until the earliest of the occurrence of an Amortization Event, a Termination Event or the Scheduled Maturity Date.

Section 2.22. Notice of Amendments to Program Support Agreements.

Each Managing Agent shall provide the Trust and the Administrator with written notice of any amendment to the Program Support Agreements executed in connection with this Agreement if such amendment is reasonably expected by such Managing Agent to result in any material increase in costs or expenses for the Trust or otherwise materially impact the Trust.

Section 2.23. Lender Holding Account.

(a) Each Non-Rated Lender must, at the time such Lender becomes a party hereto (or, if a Lender hereunder subsequently becomes a Non-Rated Lender, within ten Business Days of the time it becomes a Non-Rated Lender), and any other Lender may, in its sole discretion at any time, make an advance (such advance, the *"**Lender Holding Deposit**"*) to the Administrative Agent in an amount equal to its Pro Rata Share of the Capitalized Interest Account Unfunded Balance (such amount, the *"**Required Holding Deposit Amount**"*). Upon receipt of any such Lender Holding Deposit, the Administrative Agent shall deposit such funds into a trust account maintained at a Qualified Institution (each such account, a *"**Lender Holding Account**"*), in the name of such Holding Account Lender and referencing the name of the Trust. The Lender Holding Account shall be maintained as a segregated account at the Administrative Agent, and shall be under the sole dominion and control of the Administrative Agent, on behalf of the applicable Holding Account Lender and the Trust. The Lender Holding Account shall not be deemed to be a Trust Account for purposes of this Agreement, but shall be deemed to be property of the Holding Account Lender held for the benefit of the Trust as described herein, and neither the Administrator nor the Trust shall have any rights to withdraw funds from such Lender Holding Account or any interest in or rights to the earnings thereon. Thereafter, until the release and termination of such Lender Holding Account under clause (b) below, any Capitalized Interest Advance to be made by such Holding Account Lender shall be made by withdrawing funds from such Lender Holding Account. Each of the applicable Holding Account Lender and the Trust hereby grants to the Administrative Agent full power and authority, on behalf of the Trust and the applicable Holding Account Lender, to withdraw funds from the applicable Lender Holding Account in order to honor such Holding Account Lender's obligations to fund any Capitalized Interest Advance.

(b) Each Lender Holding Account with respect to any Holding Account Lender, once established, shall continue to be maintained until the earliest of (i) the assignment by such Lender of all of its rights pursuant to Section 10.04 hereof, (ii) such Lender receiving a short-term unsecured indebtedness rating of at least "A-1" by S&P and "Prime-1" by Moody's, (iii) such Lender obtaining a guarantee or letter of credit that causes it to cease to be a Holding Account Lender, (iv) the funding of a Capitalized Interest Advance through a withdrawal of funds from such Lender Holding Account that satisfies in full such Holding Account Lender's obligation to fund further Capitalized Interest Advances and (v) the payment in full of the Aggregate Note Balance and the termination of the Commitments hereunder. Upon any of the events described in clauses (i) through (v) of the immediately preceding sentence, the Administrative Agent, at the times and in the manner requested by the Holding Account Lender, shall sell, liquidate or otherwise transfer the investments on deposit in the applicable Lender Holding Account to such accounts as the Holding Account Lender may request, and release to the Holding Account Lender any remaining funds on deposit in such Lender Holding Account. If, due to a reduction in or partial assignment of Commitments of the Holding Account Lender, the amounts on deposit in its Lender Holding Account exceed the applicable Required Holding Deposit Amount, the Administrative Agent shall, at the request of such Holding Account Lender, release such excess to such Holding Account Lender.

(c) From and after the establishment of a Lender Holding Account until one of the events described in clauses (i) through (v) of the first sentence of Section 2.23(b), the Administrative Agent shall continue to maintain such Lender Holding Account and shall, at the direction of the applicable Holding Account Lender, from time to time invest and reinvest the funds on deposit in such Lender Holding Account in Eligible Investments having a maturity not greater than those permitted for funds in the Trust Accounts under Section 2.08(a). The funding of a Lender Holding Deposit shall not be considered an Advance or part of the Aggregate Note Balance for any purpose under this Agreement, including for purposes of calculating any Yield or Non-Use Fees owed to the Facility Groups hereunder or under the Lenders Fee Letter, as applicable. The Administrative Agent shall remit or cause to be remitted to the Managing Agent for each relevant Holding Account Lender, on each Settlement Date or on such other dates on which the Administrative Agent and such Managing Agent mutually agree, all realized investment earnings earned or received in connection with the investment of such funds on deposit in the Lender Holding Account of such Holding Account Lender so long as the release of such earnings would not cause the amount on deposit in the Lender Holding Account to be less than the Required Holding Deposit Amount. Notwithstanding anything contained herein to the contrary, neither the Administrative Agent nor the Trust shall have any liability for any loss arising from any investment or reinvestment made by it in accordance with, and pursuant to, the provisions hereof.

Section 2.24. Deliveries by Administrative Agent.

The Administrative Agent agrees that it will forward to the Managing Agents each of the following, promptly after receipt thereof: (a) the annual Administrator's statement delivered to the Administrative Agent pursuant to Section 3.02(a) of the Administration Agreement and (b) any notice of a change in the location of the records of a Servicer delivered to the Administrative Agent pursuant to Section 2.03 of the Servicing Agreement.

Section 2.25. Mark-to-Market Valuation.

(a) In accordance with the Valuation Agent Agreement, the Administrator shall provide to the Co-Valuation Agents and, upon request, to each Managing Agent, no later than (i) the fifth calendar day of each month, a collateral tape reflecting the portfolio of Trust Student Loans as of the end of the immediately preceding calendar month and (ii) if required under the Valuation Agent Agreement, the fifth calendar day after each Valuation Date, a collateral tape reflecting the portfolio of Trust Student Loans as of such Valuation Date (provided, that portfolio information from subservicers may not be available). Pursuant to the Valuation Agent Agreement, on or before the fifth Business Day after receipt of such collateral tape, each Co-Valuation Agent will deliver to the Administrative Agent two mark-to-market valuations of the Trust Student Loans based on such collateral tape. The Administrative Agent shall deliver to the Administrator, each Managing Agent and the Co-Valuation Agents on or before the Business Day following receipt of the mark-to-market valuations from the Co-Valuation Agents, a Valuation Report setting forth (i) the mark-to-market valuations submitted by the Co-Valuation Agents and (ii) the resulting Applicable Percentage determined in accordance with the Valuation Agent Agreement.

(b) If any Managing Agent disagrees at any time with the mark-to-market valuation stated in the Valuation Report by more than 0.25% (e.g., such Managing Agent believes that a different percentage, which is at least 0.25% less than the mark-to-market valuation set forth in such Valuation Report, should be used to reflect the market value of the Trust Student Loans), such Managing Agent shall submit a notice of such dispute in writing together with such Managing Agent's own good faith valuation to each Co-Valuation Agent, the Administrative Agent and the Administrator within two Business Days after receipt of the related Valuation Report. In such event, the Co-Valuation Agents shall be required to negotiate with such Managing Agent in good faith to determine an agreed upon mark-to-market valuation within three Business Days after receipt of such notice. If the Co-Valuation Agents do not reach an agreement with the Managing Agent within such three Business Day period, the mark-to-market valuation to be used for determining the new Applicable Percentage shall be the average of the mark-to-market valuations submitted by the Co-Valuation Agents and such Managing Agent.

(c) If the Administrator disagrees at any time with the mark-to-market valuation stated in the Valuation Report by more than 0.25% (e.g., the Administrator believes that a different percentage, which is at least 0.25% greater than the mark-to-market valuation set forth in such Valuation Report, should be used to reflect the market value of the Trust Student Loans), the Administrator shall submit a notice of such dispute in writing to the Administrative Agent and each Co-Valuation Agent within two Business Days after receipt of the related Valuation Report. The Co-Valuation Agents shall be required to negotiate with the Administrator in good faith to determine an agreed upon mark-to-market valuation within three Business Days after receipt of such notice. At the end of such period, each Co-Valuation Agent shall resubmit its good faith valuation (adjusted, to the extent applicable, following such negotiation) to the Administrative Agent and the mark-to-market valuation to be used for determining the new Applicable Percentage shall be the average of the mark-to-market valuations submitted by the Co-Valuation Agents.

(d) During the pendency of any dispute described in clause (b) or (c) above, the Applicable Percentage to be applied shall be the disputed Applicable Percentage set forth in the Valuation Report; provided, however, that to the extent the Administrator has disputed the Applicable Percentage, the Administrator, on behalf of the Trust, shall cause to be transferred into the Administration Account amounts, if any, required for the Asset Coverage Ratio to not be less than 100.00% based on the disputed Applicable Percentage, which amounts shall be maintained therein until such dispute is resolved, at which time the Administrator, on behalf of the Trust, may, if the dispute is resolved at a higher valuation, withdraw the portion of such payment that is no longer required to satisfy the condition that the Asset Coverage Ratio not be less than 100.00% and release such amount to the Trust. To the extent an Applicable Percentage changes due to a mark-to-market valuation or otherwise, all new Eligible FFELP Loans shall thereafter be sold to the Trust using such revised Applicable Percentages. With respect to all Eligible FFELP Loans then owned by the Trust, the Administrator, on behalf of the Trust, shall cure any deficiency resulting from the Asset Coverage Ratio being less than 100.00% due to a mark-to-market valuation, by causing cash or Eligible Investments to be contributed, or by causing Eligible FFELP Loans to be transferred, to the Trust by the fifth Business Day following

the date of adjustment of the Applicable Percentage and deliver an updated calculation of the Asset Coverage Ratio on such Business Day demonstrating that the Asset Coverage Ratio will not be less than 100.00% after giving effect to such cure.

(e) No amounts shall be paid to the holder of the Excess Distribution Certificate pursuant to Section 2.05(b)(xxii) until any dispute as to the Applicable Percentage is resolved and, if applicable, any additional amounts required to be deposited into the Administration Account to satisfy the Minimum Asset Coverage Requirement shall have been deposited therein.

(f) In connection with any Permitted Release under Section 2.18 involving a release of Trust Student Loans with an aggregate Principal Balance of more than $500,000,000, the Trust, acting through the Administrator, shall deliver to each Co-Valuation Agent either (i) summary statistics of the Pledged Collateral being released, together with a copy of a collateral tape describing the released assets, to the extent such a tape has been prepared and delivered to any third parties in connection with such release, or (ii) an updated collateral tape reflecting the portfolio of Trust Student Loans after giving effect to such release. The Trust, acting through the Administrator, shall also use commercially reasonable efforts to provide, with reasonable promptness, such other information as may be reasonably requested by any Managing Agent in connection with such release. Any Managing Agent may request that a mark-to-market valuation be conducted in connection with such release in accordance with and subject to the terms of the Valuation Agent Agreement.

(g) The parties agree that, for purposes of this Agreement and the Valuation Agent Agreement, delivery of any collateral tape shall be effective if (i) the same is posted through the Administrator's customary file transfer protocols as in effect on the Closing Date (as such protocols may be modified in a manner mutually acceptable to the Administrator and the Co-Valuation Agents), and (ii) notice of such posting is given to the applicable recipient in accordance with Section 10.02.

Section 2.26. Inability to Determine Rates.

If the Required Managing Agents determine, for any reason in connection with any request for a LIBOR Advance, that (a) dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Tranche Period of such LIBOR Advance, (b) adequate and reasonable means do not exist for determining the LIBOR Base Rate for any requested Tranche Period with respect to a proposed LIBOR Advance, or (c) the LIBOR Base Rate for any requested Tranche Period with respect to a proposed LIBOR Advance does not adequately and fairly reflect the cost to such Lenders of funding such Advance, the Administrative Agent will promptly so notify the Trust and each Lender. Thereafter, the obligation of the Lenders to make or maintain a LIBOR Advance shall be suspended until the Administrative Agent (upon the instruction of the Required Managing Agents) revokes such notice. Upon receipt of such notice, the Trust may revoke any pending request for a LIBOR Advance, or failing that, will be deemed to have converted such request into a request for Base Rate Advances in the amount specified therein.

Section 2.27. Calculation of Monthly Yield.

On or before the fifth calendar day after the last day of any Settlement Period, each Managing Agent shall notify the Administrator and the Administrative Agent of the Yield payable to its Facility Group on the succeeding Settlement Date together with, (i) if interest for any portion of any Class A Note for any portion of such Settlement Period is determined by reference to the CP Rate, the applicable CP Rate for such Settlement Period for the applicable Conduit Lender and if such CP Rate is calculated based on match-funding rather than pool funding, the Related LIBOR Rate applicable to such Conduit Lender; (ii) if interest for any portion of any Class A Note for any portion of such Settlement Period is determined by reference to the LIBOR Rate, such Managing Agent's calculation of the applicable LIBOR Rate for such Settlement Period (which rate may be based on such Managing Agent's good faith estimates of the LIBOR Rates to be in effect during the remainder of such Interest Accrual Period) and (iii) any Estimated Interest Adjustments owing in respect of the previous Settlement Date.

ARTICLE III.

THE CLASS A NOTES

Section 3.01. Form of Class A Notes Generally.

(a) The Class A Notes shall be in substantially the form set forth in Exhibit J with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Class A Notes, as evidenced by their execution of the Class A Notes.

(b) The Class A Notes shall be typewritten or printed.

(c) The Class A Notes shall be issuable only in registered form and with a maximum aggregate principal amount that, when aggregated with the maximum aggregate principal amounts of each other Outstanding Class A Note, will not be less than the Maximum Financing Amount. One Class A Note in the maximum aggregate principal amount equal to the Pro Rata Share of the Maximum Financing Amount of each Facility Group shall be registered in the name of the Managing Agent for such Facility Group.

(d) All Class A Notes shall be substantially identical except as to maximum denomination and except as may otherwise be provided in or pursuant to this Section.

Section 3.02. Securities Legend.

Each Note issued hereunder will contain the following legend:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR REGULATORY AUTHORITY OF ANY STATE. THIS NOTE HAS BEEN OFFERED AND SOLD PRIVATELY. THE REGISTERED OWNER HEREOF ACKNOWLEDGES THAT

THESE SECURITIES ARE "RESTRICTED SECURITIES" THAT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND AGREES FOR THE BENEFIT OF THE TRUST AND ITS AFFILIATES THAT THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) TO A PERSON WHOM THE TRANSFEROR REASONABLY BELIEVES IS AN INSTITUTIONAL ACCREDITED INVESTOR TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON REGULATION D, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION OR (II) TO A PERSON IN A TRANSACTION THAT IS REGISTERED UNDER THE SECURITIES ACT OR THAT IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE DEPOSITOR, THE ADMINISTRATOR, THE ADMINISTRATIVE AGENT AND THE ELIGIBLE LENDER TRUSTEE THAT: IT IS AN INSTITUTIONAL ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1)-(3) AND (7) OF REGULATION D UNDER THE SECURITIES ACT) OR AN ENTITY IN WHICH ALL THE EQUITY OWNERS COME WITHIN SUCH PARAGRAPHS; ITS ACQUISITION OF THIS NOTE IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS AND IT IS HOLDING THIS NOTE FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION.

Section 3.03. Priority.

Except as permitted by Section 2.05(b), Section 2.21 or Section 7.03(b), all Class A Notes issued under this Agreement shall be in all respects equally and ratably entitled to the benefits hereof and secured by the Pledged Collateral without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement. All payments of Financing Costs on the Class A Notes shall be made pro rata among all Outstanding Class A Notes based on the amount of Financing Costs owed on such Class A Notes, without preference or priority of any kind. Except as provided in Sections 2.05(b) and 2.21, payments of principal on the Class A Notes shall be made pro rata among all Outstanding Class A Notes, without preference or priority of any kind.

Section 3.04. Execution and Dating.

The Class A Notes shall be executed on behalf of the Trust by any of the Authorized Officers of the Eligible Lender Trustee. The signature of any of these officers on the Class A Notes may be manual or facsimile. Each Note shall be dated the date of its execution.

Section 3.05. Registration, Registration of Transfer and Exchange, Transfer Restrictions.

(a) The Trust shall cause to be kept a register (the *"**Note Register**"*) in which, subject to such reasonable regulations as it may prescribe, the Trust shall provide for the registration of

the Class A Notes and for transfers of the Class A Notes. The Administrative Agent, acting solely for this purpose as agent for the Trust, shall serve as *"**Note Registrar**"* for the purpose of registering the Class A Notes and transfers of the Class A Notes as herein provided.

(b) Upon surrender for registration of transfer of any Note at the address of the Trust referred to in Exhibit M, the Trust shall execute and deliver in the name of the designated transferee or transferees, one or more new Class A Notes of any authorized denominations and of a like tenor and aggregate principal amount.

(c) At the option of the Registered Owner, Class A Notes may be exchanged for other Class A Notes of the same series and of like tenor in a maximum principal amount consistent with Section 3.01(c), upon surrender of the Class A Notes to be exchanged at such office or agency. Whenever any Class A Notes are so surrendered for exchange, the Trust shall execute and deliver the Class A Notes, which the Registered Owner making the exchange is entitled to receive.

(d) All Class A Notes issued upon any registration of transfer or exchange of Class A Notes shall be the valid obligations of the Trust, evidencing the same debt, and entitled to the same benefits under this Agreement, as the Class A Notes surrendered upon such registration of transfer or exchange.

(e) Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Trust or the Administrative Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trust and the Note Registrar duly executed, by the Registered Owner thereof or his attorney duly authorized in writing with such signature guaranteed by a commercial bank or trust company, or by a member firm of a national securities exchange, and such other documents as the Administrative Agent may require. The Trust shall notify the Administrative Agent, as the Note Registrar, of each transfer or exchange of Class A Notes.

(f) No service charge shall be made for any registration of transfer or exchange of Class A Notes, but the Trust or the Administrative Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Class A Notes.

Section 3.06. Mutilated, Destroyed, Lost and Stolen Class A Notes.

(a) If any mutilated Class A Note is surrendered to the Administrative Agent, the Trust shall execute and deliver in exchange therefor a new Class A Note of the same series and of like tenor and maximum principal amount and bearing a number not contemporaneously outstanding. If there shall be delivered to the Trust (i) evidence to the Trust's satisfaction of the destruction, loss or theft of any Class A Note and (ii) such security or indemnity as may be required by them to hold the Trust and any of its agents, including the Administrative Agent and the Eligible Lender Trustee, harmless, then, in the absence of notice to the Trust that such Class A Note has been acquired by a bona fide purchaser, the Trust shall execute and deliver, in lieu of any such destroyed, lost or stolen Class A Note, a new Class A Note of the same series and of like tenor and principal amount and maximum principal amount and bearing a number not contemporaneously outstanding.

(b) In case any such mutilated, destroyed, lost or stolen Class A Note has become or is about to become due and payable, the Trust in its discretion may, instead of issuing a new Class A Note, pay such Class A Note.

(c) Upon the issuance of any new Class A Note under this Section, the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Note Registrar) connected therewith.

(d) Every new Class A Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Class A Note shall constitute an original additional contractual obligation of the Trust, whether or not the destroyed, lost or stolen Class A Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Class A Notes duly issued hereunder.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Class A Notes.

Section 3.07. Persons Deemed Owners.

Prior to due presentment of a Class A Note for registration of transfer, the Trust, the Administrative Agent and any agent of the Trust or the Administrative Agent may treat the Person in whose name such Class A Note is registered as the absolute owner of such Class A Note for the purpose of receiving payment of principal of and Financing Costs on such Class A Note and for all other purposes whatsoever, whether or not such Class A Note be overdue, and none of the Trust, the Administrative Agent or any agent of the Trust or the Administrative Agent shall be affected by notice to the contrary.

Section 3.08. Cancellation.

Subject to Section 3.05(b), all Class A Notes surrendered for payment, prepayment in whole, registration of transfer or exchange shall, if surrendered to any Person other than the Trust, be delivered to the Trust and shall be promptly cancelled by the Trust. The Trust may at any time cancel any Class A Notes previously delivered hereunder which the Trust may have acquired in any manner whatsoever, and may cancel any Class A Notes previously executed hereunder which the Trust has not issued and sold. No Class A Notes shall be executed and delivered in lieu of or in exchange for any Class A Notes cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Class A Notes held by the Trust shall be held or destroyed by the Trust in accordance with its standard retention or disposal policy as in effect at the time.

Section 3.09. CUSIP/DTC Listing.

Each of the Administrator, SLM Corporation and the Trust hereby covenants and agrees, at the request of any Lender, to take any actions reasonably requested by any such requesting Lender in order to obtain a CUSIP number for such Lender's Class A Notes or to list such Lender's Class A Notes on The Depository Trust Company (*"**DTC**"*); provided, however, that the Trust shall not be required to pay amounts under Section 2.15, 2.20 or 10.08 as a result of such action. The requesting Lender agrees to pay all costs and expenses (other than legal expenses) associated with obtaining any such CUSIP number or making such listing on DTC, and the Administrator agrees to pay all costs and expenses associated with any amendments to be made to this Agreement as determined to be reasonably necessary to accomplish the foregoing; provided further, that the parties hereto agree that no amendment fee in connection therewith will apply.

Section 3.10. Legal Final Maturity Date.

The Class A Notes shall be due and payable in full on the Legal Final Maturity Date.

ARTICLE IV.

CONDITIONS TO CLOSING DATE AND ADVANCES

Section 4.01. Conditions Precedent to Closing Date.

The parties hereto agree that the following conditions precedent to the purchase of the Class A Notes under the Initial Note Purchase Agreement on the Closing Date were represented by the Trust to have been satisfied on or prior to the Closing Date:

(a) the Administrative Agent shall have received on or before the Closing Date, the following documents and opinions, in form and substance satisfactory to the Administrative Agent and each Managing Agent:

(i) executed copies of the Transaction Documents and each Class A Note; provided, however, that the Servicing Agreement with Pennsylvania Higher Education Assistance Agency shall be approved as to form and legality and executed by all parties thereto on the Closing Date except for the Office of Attorney General of the Commonwealth of Pennsylvania, and shall be executed by the Office of Attorney General of the Commonwealth of Pennsylvania within 90 days after the Closing Date (or such later date that is consented to in writing by the Required Managing Agents); provided, further, that if such approval by the Office of Attorney General of the Commonwealth of Pennsylvania is not received within such 90 day (or longer) period, the Administrator shall take such further action as necessary to obtain such approval;

(ii) UCC-1 Financing Statements and UCC-3 amendments to Financing Statements;

(iii) Officer's Certificates of each of the Eligible Lender Trustee, the Administrator, the Master Servicer, SLM Corporation, the Sellers, the Master Depositor, and the Depositor certifying, in each case, the articles of incorporation or equivalent organization document, certificate of formation, by-laws or the equivalent, board resolutions, good standing certificates and the incumbency and specimen signature of

each officer authorized to execute the Transaction Documents to which it is a party (on which certificates the Administrative Agent, Managing Agents and Note Purchasers may conclusively rely until such time as the Administrative Agent and the Managing Agents shall receive from the applicable Person a revised certificate meeting the requirements of this clause);

(iv) Officer's Certificates of the Administrator and the Eligible Lender Trustee certifying that each of the Guarantee Agreements that have been provided to the Administrative Agent are true and correct copies thereof and remain in full force and effect;

(v) Opinions of counsel to the Trust, the Depositor, the Master Depositor, each Seller, the Administrator, the Master Servicer, SLM Corporation, and the Eligible Lender Trustee in form and substance acceptable to the Administrative Agent, with respect to, among other things: (A) the due organization, good standing and power and authority of each of the Transaction Parties; (B) the due authorization, execution and delivery of each of the Transaction Documents by the Transaction Parties party thereto; (C) the enforceability of each of the transaction documents against each of the Transaction Parties party thereto (in the case of the Servicing Agreement with Pennsylvania Higher Education Assistance Agency, upon the Office of Attorney General of the Commonwealth of Pennsylvania executing and delivering the same); (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the Transaction Documents have been made; (E) the absence of conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Transaction Parties of the Transaction Documents; (F) the exemption from registration of the Notes under the Securities Act; (G) the exemption of the Trust and the Depositor from registration under the Investment Company Act; (H) the validity and perfection of the security interests created under the Transaction Documents; (I) that each transfer of assets under the Purchase Agreements, the Conveyance Agreement and the Tri-Party Transfer Agreement constitutes a "true sale" in the event of the bankruptcy of the applicable Seller or, in the case of the Conveyance Agreement, the Master Depositor; (J) the priority of any security interests created under the Transaction Documents; (K) the non-consolidation of the assets and liabilities of the Depositor and the Trust with the Sellers, the Master Depositor, Sallie Mae, Inc. and SLM Corporation in the event of the bankruptcy of any such entity; and (L) the treatment of the Class A Notes as debt for federal income tax purposes and the classification of the Trust not as an association or otherwise taxable as a corporation for federal income tax purposes;

(vi) a schedule of all Trust Student Loans as of the Closing Date;

(vii) UCC search report results dated a date reasonably near the Closing Date listing all effective financing statements which name the Trust, any Seller, the Master Depositor, the Depositor or the Eligible Lender Trustee (under its present name or any previous names) in any jurisdictions where filings are to be made under clause (ii) above (or similar filings would have been made in the past five years);

(viii) financing statement terminations on Form UCC-3, if necessary, to release any liens;

(ix) evidence of establishment of the Trust Accounts;

(x) evidence of any required certification from S&P and Moody's with respect to pre-review Conduit Lenders;

(xi) such powers of attorney as the Administrative Agent or any Managing Agent shall reasonably request to enable the Administrative Agent to collect all amounts due under any and all of the Pledged Collateral;

(xii) a list of any pre-approved Lockbox Bank arrangements and copies of all related documentation;

(xiii) a letter from Moody's stating that the Class A Notes have received a long term definitive rating of "Aaa", subject to customary surveillance procedures; and

(xiv) a letter from S&P stating that the Class A Notes have received a long term definitive rating of "AAA", subject to customary surveillance procedures;

(b) all fees due and payable to the Lead Arrangers, the Co-Valuation Agents, the Lenders, the Managing Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee on the Closing Date shall have been paid;

(c) the Managing Agents shall have completed satisfactory due diligence on SLM Corporation and its Affiliates;

(d) the other FFELP Loan Facilities shall have closed contemporaneously;

(e) all outstanding obligations under the Churchill Note Purchase Agreements shall have been paid in full and the Churchill Note Purchase Agreements shall have terminated; and

(f) such other information, certificates, documents and actions as the Required Managing Agents and the Administrative Agent may reasonably request have been received or performed.

Section 4.02. Conditions Precedent to Advances.

(a) ***Conditions Precedent to All Advances.*** Each Advance (excluding any Capitalized Interest Advances) shall be subject to the further conditions precedent, unless waived by the Required Managing Agents (or, in the case of clauses (iv)(B)(1), (iv)(B)(2), (iv)(B)(4), (iv)(C), (iv)(D), (iv)(F), (v), (x) and (xi) below, waived by all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender), that on the date of such Advance (and the Trust, by accepting the proceeds of such Advance, shall be deemed to have certified that all such conditions unless waived are satisfied on the date of such Advance):

(i) with respect to any Purchase Price Advance, the Eligible FFELP Loans are being (A) purchased by the Master Depositor from an Ongoing Seller pursuant to a Purchase Agreement, (B) then purchased by the Depositor or a Related SPE Seller from the Master Depositor pursuant to the Conveyance Agreement, (C) then, if applicable, purchased by the Depositor from a Related SPE Seller pursuant to the Tri-Party Transfer Agreement and (D) subsequently purchased by the Trust from the Depositor pursuant to the Sale Agreement;

(ii) with respect to any Purchase Price Advance, on or prior to the Advance Date, the Trust shall cause to be delivered to the Administrative Agent copies of the relevant Purchase Agreement (except to the extent previously delivered), Conveyance Agreement (except to the extent previously delivered), Tri-Party Transfer Agreement (except to the extent previously delivered), Sale Agreement (except to the extent previously delivered), bills of sale and blanket endorsements, together with a Schedule of Trust Student Loans, and copies of all schedules, financing statements and other documents required to be delivered by the applicable Seller, the Master Depositor, the Related SPE Seller (if applicable) and the Depositor as a condition of purchase thereunder;

(iii) with respect to any Advance, on or prior to the Advance Date, the Trust shall cause to be delivered to the Administrative Agent an Advance Request at the time required in Section 2.02(b);

(iv) on the Advance Date, the following statements shall be true, and the Trust by accepting the amount of such Advance shall be deemed to have certified that:

(A) the representations and warranties contained in Article V are correct on and as of such day as though made on and as of such date, both before and after giving effect to such Advance (or, to the extent such representations and warranties speak as of a specific date, were true and correct on and as of such date);

(B) no event has occurred and is continuing, or would result from such Advance, which constitutes (1) a Termination Event, (2) a Servicer Default, (3) a Potential Termination Event, or (4) an Amortization Event;

(C) the Requested Advance Amount does not exceed the Maximum Advance Amount;

(D) there has occurred no event which could reasonably be determined to have a Material Adverse Effect with respect to the Trust;

(E) no law or regulation shall prohibit, and no order, judgment or decree of any Official Body shall prohibit or enjoin, the making of such Advances in accordance with the provisions hereof;

(F) the amount of money equal to any shortfall in the Reserve Account Specified Balance on such date shall be deposited into the Reserve Account on such date from the proceeds of such Advance; and

(G) all covenants and agreements contained in the Transaction Documents, including the delivery of all reports required to be delivered thereunder, shall have been complied with by the Trust, subject to any applicable grace periods or waivers granted;

(v) the Termination Date shall not have been declared;

(vi) with respect to any Purchase Price Advance, the related Servicer, as bailee for the Administrative Agent for the benefit of the Secured Creditors, shall be in possession of the original Student Loan Notes or certified copies thereof, to the extent more than one loan is evidenced by such Student Loan Note, representing the Student Loans being financed with the proceeds of such Advance;

(vii) with respect to any Purchase Price Advance, all conditions precedent to the Trust's acquisition of the Student Loans to be financed with the proceeds of such Advance (other than the payment of the purchase price therefor) shall have been satisfied;

(viii) no suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court or governmental agency, seeking to restrain or prohibit or to obtain damages or other relief in connection with any of the Transaction Documents or the consummation of the transactions contemplated hereby;

(ix) no statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the transactions contemplated by any of the Transaction Documents illegal or otherwise prevent the consummation thereof;

(x) after giving effect to such Advance, the Asset Coverage Ratio shall be greater than or equal to 100%;

(xi) [reserved];

(xii) the amount of such Advance, together with any amounts drawn under the Revolving Credit Agreement in connection with the purchase of the related Student Loans, shall, in the aggregate, be reasonably equal to the fair market value of such Student Loans;

(xiii) with respect to any Purchase Price Advance, after giving effect to the purchase by the Trust of the related additional Eligible FFELP Loans, the Weighted Average Remaining Term in School shall not be more than 24 months;

(xiv) except with respect to the initial Advance hereunder, the Requested Advance Amount for such Advance Date, together with the aggregate amount of all advances to be made under the other FFELP Loan Facilities on such Advance Date, shall not exceed $1,500,000,000;

(xv) except with respect to the initial Advance hereunder, the sum of (A) the Requested Advance Amount on such Advance Date, (B) the aggregate amount of all advances to be made under the other FFELP Loan Facilities on such Advance Date, (C) the amount of all Advances already made during such calendar week and (D) the aggregate amount of all advances already made under the other FFELP Loan Facilities during such calendar week, shall not exceed $5,000,000,000; and

(xvi) there were no Financing Costs (including Step-Up Fees) due and not paid as of the most recent Settlement Date.

(b) ***Conditions Precedent to Capitalized Interest Advances.*** Each Capitalized Interest Advance shall be subject to the following conditions precedent, unless waived by each of the Managing Agents, that on the date of such Advance (and the Trust, by accepting the proceeds of such Advance, shall be deemed to have certified that all such conditions unless waived are satisfied on the date of such Advance):

(i) the Trust shall cause to be delivered to the Administrative Agent an Advance Request (and, if the Trust fails to deliver such Advance Request, the Administrative Agent shall prepare and deliver to the Managing Agents on the Trust's behalf) at the time required in Section 2.02(b); and

(ii) on the Advance Date, the following statements shall be true, and the Trust by accepting the amount of such Advance shall be deemed to have certified that:

(A) the Requested Advance Amount for the Capitalized Interest Advance does not, in the aggregate, exceed the Maximum Advance Amount;

(B) no law or regulation shall prohibit, and no order, judgment or decree of any Official Body shall prohibit or enjoin, the making of such Advances in accordance with the provisions hereof;

(C) no Event of Bankruptcy shall have occurred with respect to the Trust; and

(D) the Scheduled Maturity Date shall not have occurred.

Section 4.03. Condition Subsequent to Advances (other than the Initial Advance).

Within five Business Days after each Advance other than the initial Advance, the Trust shall cause to be delivered to the Administrative Agent a reconciliation statement (the *"**Advance Reconciliation Statement**"*) which shall include an updated calculation, based on actual figures, and certification in the form attached as Exhibit L confirming that the Minimum Asset Coverage Requirement was satisfied after giving effect to the related Advance. If the Advance Reconciliation Statement shows that the actual value of the Trust Student Loans was less than the value provided on the pro forma certification or that the Minimum Asset Coverage Requirement was not satisfied as of the Advance Date, then the Trust shall deposit into the Administration Account an amount for each Trust Student Loan equal to the product of (a) the Applicable Percentage for such Trust Student Loan multiplied by (b) such difference in value. If

the Advance Reconciliation Statement shows that the value of the Trust Student Loans was greater than the value provided on the pro forma certification, then the Administrative Agent shall release funds to the Depositor in an amount, for each Trust Student Loan, equal to the product of (x) the Applicable Percentage for such Trust Student Loan multiplied by (y) such difference in value from the following accounts in order and to the extent available: *first,* from the Administration Account and *second,* from the Collection Account. Before funds from the Collection Account may be used for this purpose, the Administrator must determine that the amounts on deposit in the Collection Account as of the date of payment (excluding any Special Allowance Payments or Interest Subsidy Payments received during the current Settlement Period) after any withdrawal for this purpose are sufficient to pay items (i) through (iv) in Section 2.05(b) of this Agreement due and payable on the next Settlement Date.

Section 4.04. Conditions Precedent to Addition of New Seller.

The addition of any new Seller to a Purchase Agreement shall be subject to the prior written consent of the Administrative Agent and the further conditions precedent that at least five Business Days prior to the first transfer of Eligible FFELP Loans from such Seller, the Trust or the Administrator shall have delivered copies of the following documents to the Administrative Agent and the Managing Agents in form acceptable to the Administrative Agent and the Required Managing Agents:

(i) Executed agreements adding the Seller (and, if applicable, the eligible lender trustee for such Seller) to a Purchase Agreement;

(ii) If applicable, an executed trust agreement with respect to the Seller and the Seller's "Eligible Lender Trustee" (as defined in such trust agreement), to the extent the Seller will be transferring Student Loans with respect to which legal title is held by such trustee;

(iii) UCC, tax lien, pending suit and judgment searches against the Seller in the appropriate jurisdictions;

(iv) A good standing certificate and organizational documents certified by the Secretary of State of such Seller's jurisdiction of organization, together with an officer's certificate with respect to such Seller's organizational documents and incumbency of officers in the form prepared for the initial Sellers;

(v) Evidence of filing of UCC financing statements reflecting the Seller and, to the extent applicable, its eligible lender trustee, in the form prepared for the initial Sellers in the appropriate jurisdiction; and

(vi) To the extent not already covered by a legal opinion of outside legal counsel given to the Administrative Agent, a legal opinion in form reasonably acceptable to the Administrative Agent with respect to true sale, non-consolidation, enforceability and security interest issues.

Section 4.05. Conditions Precedent to A&R Closing Date. The amendment and restatement of the Initial Note Purchase Agreement pursuant to this Agreement on the A&R

Closing Date is subject to the conditions precedent, unless waived in writing by each of the Managing Agents (and the Trust and the Administrator, by executing this Agreement, shall be deemed to have certified that all such conditions precedent unless waived are satisfied on the A&R Closing Date), that:

(a) the Administrative Agent shall have received on or before the A&R Closing Date the following documents and opinions, in form and substance satisfactory to each Managing Agent:

(i) duly executed copies of the A&R Transaction Documents;

(ii) Officer's Certificates of the Eligible Lender Trustee, the Administrator, the Master Servicer, SLM Corporation, each Seller, the Master Depositor, and the Depositor certifying, in each case the articles of incorporation or equivalent organization document, certificate of formation, by-laws or the equivalent (to the extent any of the foregoing has been amended or otherwise modified since the Original Closing Date), board resolutions with respect to the A&R Transaction Documents (and reconfirming that the resolutions delivered pursuant to Section 4.01(a)(iii) of the Initial Note Purchase Agreement have not been modified or revoked and are otherwise in full force and effect), good standing certificates and the incumbency and specimen signature of each officer authorized to execute the A&R Transaction Documents (on which certificates the Administrative Agent, the Managing Agents and the Note Purchasers may conclusively rely until such time as the Administrative Agent and the Managing Agents shall receive from the applicable Person a revised certificate meeting the requirements of this clause);

(iii) a pro forma calculation and certification by the Administrator establishing that the Minimum Asset Coverage Requirement is satisfied as of January 13, 2012 after giving effect to the amendments to the definition of "Applicable Percentage" reflected in the Side Letter on the A&R Closing Date;

(iv) Officer's Certificates of the Administrator and (except in the case of subclause (B)) the Eligible Lender Trustee certifying a listing of each of the (A) Guarantee Agreements, (B) Servicing Agreements and (C) the Interim Trust Agreements relating to the Trust Student Loans as being true, correct and complete and that each such agreement remains in full force and effect, has not been amended or otherwise modified since the Original Closing Date and has been delivered to the Administrative Agent;

(v) Opinions of Counsel to the Trust, the Depositor, the Master Depositor, each Seller, the Administrator, the Master Servicer and SLM Corporation in form and substance acceptable to the Administrative Agent, with respect to: (A) the due organization, good standing and power and authority of each of the Transaction Parties; (B) the due authorization, execution and delivery of each of the A&R Transaction Documents by the Transaction Parties party thereto; (C) the enforceability of each of the A&R Transaction Documents against each of the Transaction Parties party thereto; (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the A&R Transaction Documents have been made or obtained; (E) the absence of

conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Transaction Parties of the A&R Transaction Documents; (F) the exemption from registration of the Class A Notes under the Securities Act; (G) the exemption of the Trust and the Depositor from registration under the Investment Company Act; and (H) the treatment of the Class A Notes as debt for federal income tax purposes and the classification of the Trust not as an association or otherwise taxable as a corporation for federal income tax purposes;

(vi) a schedule of all Trust Student Loans as of December 31, 2011; and

(vii) Opinion of Counsel to the Eligible Lender Trustee in form and substance acceptable to the Administrative Agent with respect to, among other things: (A) the due organization, good standing and power and authority of the Eligible Lender Trustee; (B) the due authorization, execution and delivery by the Eligible Lender Trustee of each of the A&R Transaction Documents to which it is a party; (C) the enforceability against the Eligible Lender Trustee of each of the A&R Transaction Documents to which it is a party; (D) that all governmental consents or filings required under New York or federal law or applicable corporate law in connection with the execution, delivery and performance of the A&R Transaction Documents by the Eligible Lender Trustee have been made; (E) the status of the Eligible Lender Trustee as an "Eligible Lender" under the FFELP Program; (F) the absence of conflicts with organizational documents, laws, regulations, court orders or contracts arising from the execution, delivery and performance by the Eligible Lender Trustee of the A&R Transaction Documents and (G) the absence of any pending or threatened proceedings that would have a material adverse effect on the obligations of the Eligible Lender Trustee under the A&R Transaction Documents;

(b) the Minimum Asset Coverage Requirement shall be satisfied;

(c) all fees due and payable to the Lead Arrangers, the Co-Valuation Agents, the Lenders, the Managing Agents, the Administrative Agent, the Syndication Agent and the Eligible Lender Trustee on or prior to the A&R Closing Date shall have been paid;

(d) the Managing Agents shall have completed satisfactory due diligence on the status of SLM Corporation's current litigation and legal and regulatory compliance issues;

(e) after giving effect to any changes to the Aggregate Note Balance, the Capitalized Interest Account Specified Balance and the Maximum Financing Amount on the A&R Closing Date, the sum of (i) the Aggregate Note Balance and (ii) the Capitalized Interest Account Unfunded Balance shall not exceed the Maximum Financing Amount;

(f) the other FFELP Loan Facilities shall have closed contemporaneously;

(g) no Amortization Event, Termination Event, Servicer Default or, to the best of the Trust's or the Administrator's knowledge, Potential Termination Event has occurred and is continuing pursuant to the provisions of the Initial Note Purchase Agreement and after giving effect to the provisions of this Agreement, pursuant to this Agreement;

(h) the Administrator has withdrawn its request for Moody's to rate the Class A Notes; and

(i) such other information, certificates, documents and actions as the Required Managing Agents and the Administrative Agent may reasonably request have been received or performed.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

Section 5.01. General Representations and Warranties of the Trust. The Administrator (on behalf of the Trust) represents and warrants for the benefit of the Secured Creditors as follows on the Closing Date, on the A&R Closing Date, on the date of each Advance and on each Reporting Date that:

(a) The Trust is a statutory trust duly organized, validly existing and in good standing solely under the laws of the State of Delaware and is duly qualified to do business, and is in good standing, in every jurisdiction in which the nature of its business requires it to be so qualified.

(b) The execution, delivery and performance by the Trust of this Agreement and all Transaction Documents to be delivered by it in connection herewith or therewith, including the Trust's use of the proceeds of Advances,

(i) are within the Trust's organizational powers,

(ii) have been duly authorized by all necessary organizational action,

(iii) do not contravene (A) the Trust's organizational documents; (B) any law, rule or regulation applicable to the Trust; (C) any contractual restriction binding on or affecting the Trust or its property; or (D) any order, writ, judgment, award, injunction or decree binding on or affecting the Trust or its property,

(iv) do not result in a breach of or constitute a default under any indenture, agreement, lease or other instrument to which the Trust is a party,

(v) do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties (other than in favor of the Administrative Agent, for the benefit of the Secured Creditors, with respect to the Pledged Collateral), and

(vi) no transaction contemplated hereby or by the other Transaction Documents to which it is a party requires compliance with any bulk sales act or similar law.

(c) This Agreement and the other Transaction Documents to which it is named as a party have each been duly executed and delivered by the Eligible Lender Trustee, on behalf of the Trust. The Class A Notes have been duly and validly authorized and, when executed and paid for in accordance with the terms of this Agreement, will be duly and validly issued and Outstanding, and will be entitled to the benefits of this Agreement.

(d) No permit, authorization, consent, license or approval or other action by, and no notice to or filing with, any Official Body is required for the due execution, delivery and performance by the Trust of this Agreement or any other Transaction Document to which it is a party, except for the filing of UCC financing statements which shall have been filed on or prior to the date of the initial Advance and except as may be required under non-U.S. law in connection with any future transfer of the Class A Notes.

(e) This Agreement and each other Transaction Document to which the Trust is a party constitute the legal, valid and binding obligations of the Trust, enforceable against the Trust in accordance with their respective terms, subject to (i) applicable bankruptcy, insolvency, moratorium, or other similar laws affecting the rights of creditors and (ii) general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

(f) No Amortization Event, Termination Event, Servicer Default, or, to the best of the Trust's knowledge, Potential Termination Event has occurred and is continuing.

(g) No Monthly Report, Valuation Report (but only to the extent that information contained therein is supplied by the Administrator on behalf of the Trust or by the Trust), information, exhibit, financial statement, document, book, record or report furnished or to be furnished by or on behalf of the Trust to the Affected Parties in connection with this Agreement is or will be incorrect in any material respect as of the date it is or shall be dated.

(h) The Class A Notes will be characterized as debt for federal income tax purposes. The Trust has or has caused to be (i) timely filed all tax returns (federal, state and local) required to be filed, (ii) paid or made adequate provision for the payment of all taxes, assessments and other governmental charges and (iii) accounted for the sale and pledge of the Trust Student Loans in its books consistent with GAAP.

(i) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Trust, overtly threatened in writing against or affecting the Trust (x) asserting the invalidity of this Agreement or any other Transaction Document, (y) seeking to prevent the consummation of any of the transactions contemplated by this Agreement and the other Transaction Documents, or (z) wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect on the Trust or which affects, or purports to affect, the validity or enforceability against the Trust of any Transaction Document.

(j) The Trust is not required to register as an *"*investment company*"* or a company controlled by an *"*investment company*"* under the Investment Company Act.

(k) The Trust is Solvent on the Closing Date and at the time of (and immediately after) each Advance and each purchase of Eligible FFELP Loans made by the Trust. The Trust has given reasonably equivalent value to the Depositor in consideration for the transfer to it of the Trust Student Loans from the Depositor and each such transfer shall not have been made for or on account of an antecedent debt owed by the Depositor to it. No Event of Bankruptcy has occurred with respect to the Trust.

(l) The principal place of business and chief executive office of the Trust and the office where the Trust keeps any Records in its possession are located at the addresses of the Trust referred to in Section 10.02 or such other location as the Trust shall have given notice of to the Administrative Agent pursuant to this Agreement.

(m) The Trust has no trade names, fictitious names, assumed names or "doing business as" names or other names under which it has done or is doing business.

(n) All representations and warranties of the Trust set forth in the Transaction Documents to which it is a party are true and correct in all material respects as of the date made the Trust is hereby deemed to have made each such representation and warranty, as of the date made, to, and for the benefit of, the Secured Creditors as if the same were set forth in full herein.

(o) The Trust is not in violation of, or default under, any material law, rule, regulation, order, writ, judgment, award, injunction or decree binding upon it or affecting the Trust or its property or any indenture, agreement, lease or instrument.

(p) The Trust has incurred no Debt and has no other obligation or liability (except for any contingent liabilities arising out of events which occurred prior to the Closing Date and which survive the termination of the Churchill Town Hall Note Purchase Agreement), other than normal trade payables and the Liabilities. The Trust is not aware of any liabilities, contingent or otherwise, that are outstanding under the Churchill Town Hall Note Purchase Agreement as of the Closing Date (other than those liabilities which have been satisfied in full on the Closing Date).

(q) The sale of the Class A Notes to the initial Note Purchasers pursuant to this Agreement will not require the registration of the Class A Notes under the Securities Act.

(r) (i) No Reportable Event has occurred during the six year period prior to the date on which this representation is made or deemed made with respect to any Benefit Plan; (ii) no steps have been taken by any Person to terminate any Benefit Plan subject to Title IV of ERISA; (iii) no contribution failure or other event has occurred with respect to any Benefit Plan which is sufficient to give rise to a lien on the assets of the Trust or any ERISA Affiliate in favor of the PBGC, during such six-year period; (iv) each Benefit Plan has been administered in all material respects in compliance with its terms and the applicable provisions of ERISA and the Code; (v) neither the Trust nor any ERISA Affiliate maintains or contributes to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA which provides benefits to employees after termination of employment and which is unfunded by a material amount, except as specifically required by the continuation requirements of Part 6 of Title I of ERISA; (vi) the present value of all accrued benefits under each Benefit Plan subject to Title IV of ERISA (based on those assumptions used to fund such Benefit Plans) did not, as of the last valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Benefit Plan allocable to such accrued benefits; (vii) neither the Trust nor any ERISA Affiliate has had a complete or partial withdrawal from any Multiemployer Plan and neither the

Trust nor any ERISA Affiliate would become subject to any liability under ERISA if the Trust or any such ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made; and (viii) no such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA or in reorganization within the meaning of Section 4241 of ERISA; provided, that this subsection (r) shall not apply to events which could not reasonably be expected to have a Material Adverse Effect on the Trust or on SLM Corporation.

(s) No proceeds of any Advances will be used by the Trust for any purpose that violates applicable law, including Regulation U of the Federal Reserve Board. The Trust does not own any "margin stock" within the meaning of Regulation T, U and X of the Federal Reserve Board.

(t) Each Student Loan to be financed with the proceeds of any Advance constitutes an Eligible FFELP Loan as of the date of such Advance and is purchased, or was previously purchased by the Trust, from the Depositor pursuant to the Sale Agreement. Each Trust Student Loan represented as an Eligible FFELP Loan in a Monthly Report, in fact satisfied as of the last day of the related Settlement Period the definition of "Eligible FFELP Loan". Each Trust Student Loan represented to be an Eligible FFELP Loan on any other date or included in the calculation of Asset Coverage Ratio on any other date in fact satisfied as of such date the definition of "Eligible FFELP Loan".

(u) Since the date of its formation, no event has occurred which has had a Material Adverse Effect on the Trust.

(v) The information provided to the Administrative Agent and the Managing Agents with respect to the Trust Student Loans is accurate in all material respects.

(w) Each payment of interest on and principal of the Class A Notes will have been (i) in payment of a debt incurred in the ordinary course of business or financial affairs on the part of the Trust and (ii) made in the ordinary course of business or financial affairs of the Trust.

(x) At all times from and after February 29, 2008, the Administrator has caused and will cause the Trust to comply with the factual assumptions set forth in the opinion letters issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors relating to the issues of substantive consolidation and true sale and with the covenants set forth in Section 6.01(b) and 6.01(c).

Section 5.02. Representations and Warranties of the Trust Regarding the Administrative Agent's Security Interest. The Administrator (on behalf of the Trust) hereby represents and warrants for the benefit of the Secured Creditors as follows on the Closing Date, on the A&R Closing Date, on the date of each Advance and on each Reporting Date that:

(a) This Agreement creates a valid and continuing security interest (as defined in the New York UCC) in the Pledged Collateral in favor of the Administrative Agent, which security interest is both perfected and prior to all other liens, charges, security interests, mortgages or other encumbrances, and is enforceable as such as against creditors of and purchasers from the Trust.

(b) The Trust, by and through the Eligible Lender Trustee as its Eligible Lender, owns and has good and marketable title to the Trust Student Loans and other Pledged Collateral free and clear of any Adverse Claim.

(c) The Trust has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Pledged Collateral granted to the Administrative Agent hereunder.

(d) All executed originals (or certified copies thereof to the extent more than one loan is evidenced by such Student Loan Note) of each Student Loan Note that constitute or evidence the Trust Student Loans have been delivered to the applicable Servicer, as bailee for the Administrative Agent for the benefit of the Secured Creditors.

(e) Other than the security interest granted to the Administrative Agent pursuant to this Agreement, the Trust has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Pledged Collateral. The Trust has not authorized the filing of and is not aware of any financing statements against the Trust that include a description of collateral covering the Pledged Collateral other than any financing statement relating to the security interest granted to the Administrative Agent hereunder or any financing statement that has been terminated. There are no judgments or tax lien filings against the Trust.

(f) The Trust is a "registered organization" (as defined in §9-102(a)(70) of the UCC) organized exclusively under the laws of the State of Delaware and, for purposes of Article 9 of the UCC, the Trust is located in the State of Delaware.

(g) The Trust's exact legal name is the name set forth for it on the signature page hereto.

Section 5.03. Particular Representations and Warranties of the Trust.

The Administrator (on behalf of the Trust) further represents and warrants to each of the parties hereto on the Closing Date, on the A&R Closing Date, on the date of each Advance, on each Reporting Date and on each other date specified below that, with respect to each of the Trust Student Loans included in the Pledged Collateral:

(a) Such Trust Student Loans constitute "accounts," "promissory notes" or "payment intangibles" within the meaning of the applicable UCC and are within the coverage of Sections 432(m)(1)(E) and 439(d)(3) of the Higher Education Act;

(b) Such Trust Student Loans are Eligible FFELP Loans as of the date they become Pledged Collateral and as of any other date upon which they are declared by the Trust or the Administrator to be Eligible FFELP Loans and the description of such Eligible FFELP Loans set forth in the Transaction Documents or the Schedule of Trust Student Loans and in any other documents or written information provided to any of the parties hereunder (other than documents or information stated to be preliminary which have subsequently been replaced by definitive documents or information), as applicable, is true and correct in all material respects;

(c) The Trust is authorized to pledge such Trust Student Loans and the other Pledged Collateral; and the sale, assignment and transfer of such Trust Student Loans has been made pursuant to and consistent with the laws and regulations under which the Trust operates, and will not violate any decree, judgment or order of any court or agency, or conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which the Trust is a party or by which the Trust or its property is bound, or constitute a default (or an event which could constitute a default with the passage of time or notice or both) thereunder;

(d) No consents or approvals are required for the consummation of the pledge of the Pledged Collateral hereunder to the Administrative Agent for the benefit of the Secured Creditors;

(e) Any payments on such Trust Student Loans received by the Trust which have been allocated to the reduction of principal and interest on such Trust Student Loans have been allocated on a simple interest basis;

(f) Due diligence and reasonable care have been exercised in making, administering, servicing and collecting the Trust Student Loans and, with respect to any Trust Student Loan for which repayment terms have been established, all disclosures of information required to be made pursuant to the Higher Education Act have been made;

(g) Except for Trust Student Loans executed electronically or Trust Student Loans evidenced by a master promissory note, there is only one original executed copy of the Student Loan Note evidencing each such Trust Student Loan. For such Trust Student Loans that were executed electronically, the Master Servicer has possession of the electronic records evidencing the Student Loan Note. Each applicable Servicer has in its possession a copy of the endorsement and each Loan Transmittal Summary Form identifying the Student Loan Notes that constitute or evidence the Trust Student Loans. The Student Loan Notes that constitute or evidence the Trust Student Loans do not have any marks or notations indicating that they are currently pledged, assigned or otherwise conveyed to any Person other than the Administrative Agent. All financing statements filed or to be filed against the Eligible Lender Trustee and the Trust in favor of the Administrative Agent in connection herewith describing the Pledged Collateral contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Secured Party"; and

(h) The applicable parties shall have performed, satisfied and complied with the conditions set forth in Section 3 of the Purchase Agreement, the Conveyance Agreement (or the Tri-Party Transfer Agreement, as applicable) and the Sale Agreement as of the date of the related bill of sale.

Section 5.04. Repurchase of Student Loans; Reimbursement.

The Trust shall cause the obligations of each of the Depositor, the Master Depositor, the Master Servicer and the Sellers (or any guarantor on its respective behalf) to purchase, repurchase, make reimbursement or substitute Trust Student Loans to be enforced to the extent such obligations are set forth in the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, the applicable Purchase Agreement and the Servicing Agreement. The Trust shall cause any

such repurchase amount or reimbursement to be remitted to the Collection Account. Any substitute Trust Student Loan obtained by the Trust from the Master Depositor, the Depositor, any Servicer or Seller shall constitute Pledged Collateral hereunder.

Section 5.05. Administrator Actions Attributable to the Trust.

Any action required to be taken by the Trust hereunder may be taken by the Administrator on behalf of the Trust, to the extent permitted under the Administration Agreement. The Trust shall be fully responsible for each of the representations, warranties, certifications and other statements made herein, in any other Transaction Document, any Advance Request, any Notice of Release or any other communication hereunder or thereunder by the Administrator on its behalf as if such representations, warranties, certifications or statements had been made directly by the Trust. In addition, the Trust shall be fully responsible for all actions of the Administrator taken on its behalf under this Agreement or any other Transaction Document as if such actions had been taken directly by the Trust. Nothing in this Section shall limit the responsibility of the Administrator, or relieve the Administrator from any liability for exceeding its authority under the Administration Agreement.

ARTICLE VI.

COVENANTS OF THE TRUST

From and after the Closing Date until all of the Obligations hereunder and under the other Transaction Documents have been satisfied in full:

Section 6.01. Preservation of Separate Existence.

(a) **Nature of Business.** The Trust will engage in no business other than (i) purchases, sales and financings of Trust Student Loans, (ii) the other transactions permitted or contemplated by this Agreement and the other Transaction Documents, and (iii) any other transactions permitted or contemplated by its organizational documents as they exist on the Closing Date, or as amended as such amendments may be permitted pursuant to the terms of this Agreement. The Trust will incur no other Debt except as expressly contemplated by the Transaction Documents.

(b) **Maintenance of Separate Existence.** The Trust will do all things necessary to maintain its existence as a Delaware statutory trust separate and apart from all Affiliates of the Trust, including complying with the provisions described in Section 9j(iv) of the Limited Liability Company Agreement of the Depositor.

(c) **Transactions with Affiliates.** The Trust will not enter into, or be a party to, any transaction with any of its respective Affiliates, except (i) the transactions permitted or contemplated by this Agreement (including the sale and purchase of Eligible FFELP Loans to or from Affiliates) or the other Transaction Documents; and (ii) other transactions (including, without limitation, the lease of office space or computer equipment or software by the Trust to or from an Affiliate) (A) in the ordinary course of business, (B) pursuant to the reasonable requirements of the Trust's business, (C) upon fair and reasonable terms that are no less favorable to the Trust than could be obtained in a comparable arm's-length transaction with a

Person not an Affiliate of the Trust, and (D) not inconsistent with the factual assumptions set forth in (1) the opinion letter issued as of the Closing Date by Bingham McCutchen LLP to the Secured Creditors, (2) the opinion letter issued as of April 16, 2010 by Bingham McCutchen LLP to the Secured Creditors, or (3) the opinion letter issued as of January 14, 2011 by Bingham McCutchen LLP to the Secured Creditors, each relating to the issues of substantive consolidation.

Section 6.02. Notice of Termination Event, Potential Termination Event or Amortization Event.

As soon as possible and in any event within three Business Days after the occurrence of each Termination Event, each Potential Termination Event, each Amortization Event and each Potential Amortization Event (or, to the extent the Trust does not have knowledge of a Termination Event, Potential Termination Event, Amortization Event or Potential Amortization Event, promptly upon obtaining such knowledge), the Trust will provide (or shall cause the Administrator to provide) to the Administrative Agent a statement setting forth details of such Termination Event, Potential Termination Event, Amortization Event or Potential Amortization Event and the action which the Trust has taken or proposes to take with respect thereto. The Administrative Agent shall promptly forward such notice to the Managing Agents.

Section 6.03. Notice of Material Adverse Change.

As soon as possible and in any event within three Business Days after becoming aware of an event which could reasonably be expected to have a Material Adverse Effect on the Trust, the Trust will provide to the Administrative Agent written notice thereof. The Administrative Agent shall promptly forward such notice to the Managing Agents.

Section 6.04. Compliance with Laws; Preservation of Corporate Existence; Code of Conduct.

(a) The Trust will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its legal existence, and will preserve and maintain its rights, franchises, qualifications and privileges in all material respects.

(b) Sallie Mae, Inc. agrees to comply in all material respects with the Student Loan Code of Conduct that it entered into with the New York Attorney General on April 11, 2007 and agrees to comply in all material respects with any other similar codes of conduct that it may expressly agree to after the Closing Date.

Section 6.05. Enforcement of Obligations.

(a) ***Enforcement of Trust Student Loans.*** The Trust shall cause to be diligently enforced and taken all steps, actions and proceedings reasonably necessary for the enforcement of all terms, covenants and conditions of all Trust Student Loans and agreements in connection therewith (except as otherwise permitted pursuant to the Transaction Documents), including the prompt payment of all principal and interest payments and all other amounts due the Trust or the Eligible Lender Trustee, as applicable thereunder.

(b) ***Enforcement of Servicing Agreements and Administration Agreement.*** The Trust shall cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Servicing Agreements and the Administration Agreement, including all Interest Subsidy Payments, Special Allowance Payments and all defaulted payments Guaranteed by any Guarantor and/or by the Department of Education which relate to any Trust Student Loans. Except as otherwise permitted under any Transaction Document, the Trust shall not permit the release of the obligations of any Servicer under any Servicing Agreement or of the Administrator under the Administration Agreement and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Trust, the Eligible Lender Trustee and the Secured Creditors under or with respect to each Servicing Agreement and the Administration Agreement. The Trust shall not consent or agree to or permit any amendment or modification of any Servicing Agreement or of the Administration Agreement, except (i) as required by the Higher Education Act; (ii) solely for the purpose of extending the term thereof; or (iii) in any other manner, if such modification, amendment or supplement is made pursuant to the terms of that agreement. Upon the occurrence of a Servicer Default and during the continuation thereof, the Trust shall replace the Servicer subject to such Servicer Default if instructed to do so by the Administrative Agent. Upon the occurrence of an Administrator Default and during the continuation thereof, the Trust shall replace the Administrator if instructed to do so by the Administrative Agent.

(c) ***Enforcement of Purchase Agreements, Conveyance Agreement, Tri-Party Transfer Agreement and Sale Agreement.*** The Trust shall cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of each Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement and the Sale Agreement. Except as otherwise permitted under any Transaction Document, the Trust shall not permit the release of the obligations of any Seller under any Purchase Agreement, of the Master Depositor under the Conveyance Agreement, of any Related SPE Seller under the Tri-Party Transfer Agreement or of the Depositor under the Sale Agreement (or in each case any guarantor of the obligations thereof) and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Trust, the Depositor, the Master Depositor, the Eligible Lender Trustee and the Secured Creditors under or with respect to each Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement and the Sale Agreement. Except as otherwise permitted under any Transaction Document, the Trust shall not consent or agree to or permit any amendment or modification of any Purchase Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement or the Sale Agreement which will in any manner materially adversely affect the rights or security of the Administrative Agent, the Eligible Lender Trustee or the Secured Creditors. To the extent such action is required under the terms of the Sale Agreement, upon a determination that a Trust Student Loan sold pursuant to a Purchase Agreement was not an Eligible FFELP Loan at the time it was represented to be as such, the Trust shall require the Depositor to repurchase such Trust Student Loan from the Trust pursuant to the Sale Agreement.

(d) ***Enforcement and Amendment of Guarantee Agreements.*** So long as any Class A Notes are Outstanding and each Trust Student Loan is guaranteed by a Guarantee, the Administrator on behalf of the Trust shall (i) from and after the date on which the Eligible Lender Trustee on its behalf shall have entered into any Guarantee Agreement covering Trust

Student Loans, cause the Eligible Lender Trustee to maintain such Guarantee Agreement and diligently enforce the Eligible Lender Trustee's rights thereunder; (ii) cause the Eligible Lender Trustee to enter into such other similar or supplemental agreements as shall be required to maintain benefits for all Trust Student Loans covered thereby; and (iii) not voluntarily consent to or permit any rescission of or consent to any amendment to or otherwise take any action under or in connection with any such Guarantee Agreement or any similar or supplemental agreement in any manner which would materially and adversely affect the ability of the Trust to perform its obligations under this Agreement or cause a Material Adverse Effect with respect to the Trust without the prior written consent of the Administrative Agent.

Section 6.06. Maintenance of Books and Records.

The Administrator on behalf of the Trust shall maintain and implement or cause to be maintained and implemented administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Pledged Collateral in the event of the destruction of the originals thereof), and keep and maintain, or cause to be kept and maintained, all documents, books, records and other information reasonably necessary or advisable for the collection of all the Pledged Collateral.

Section 6.07. Fulfillment of Obligations.

The Trust shall fulfill its obligations pursuant to the Transaction Documents. The Trust shall cause each of its Affiliates to fulfill its respective obligations pursuant to the Transaction Documents.

Section 6.08. Notice of Material Litigation.

As soon as possible and in any event within three Business Days of the Trust's actual knowledge thereof, the Trust shall cause the Administrative Agent to be provided with written notice of (a) any litigation, investigation or proceeding which may exist at any time which could be reasonably likely to have a Material Adverse Effect on the Trust; and (b) to the extent reasonably requested by the Administrative Agent in connection with the delivery of each Monthly Report, a monthly update of material adverse developments in previously disclosed litigation, including in each case, if known to the Trust, including any of the same against a Servicer.

Section 6.09. Notice of Relocation.

The Administrator on behalf of the Trust shall cause the Administrative Agent to be provided notice of any change in the location of the Trust's principal offices or any change in the location of the Trust's books and records within thirty days before any such change.

Section 6.10. Rescission or Modification of Trust Student Loans and Transaction Documents.

(a) Except as expressly permitted in the Servicing Agreement, the Trust shall not permit the release of the obligations of any Obligor under any Trust Student Loan and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected

the rights and privileges of the Trust and the Secured Creditors under or with respect to each Trust Student Loan and each agreement in connection therewith. The Trust shall not consent or agree to or permit any modification, extension or renegotiation in any way of any Trust Student Loan or agreement in connection therewith unless such modification, extension or renegotiation is (i) required under the Higher Education Act or other applicable laws, rules and regulations and the applicable Guarantee Agreement, (ii) provided for in the applicable underwriting guidelines or Servicing Policies, if such modification, extension or renegotiation does not materially adversely affect the value or collectability thereof or (iii) expressly provided for or permitted in the Transaction Documents. Nothing in this Agreement shall be construed to prevent the Trust, the Eligible Lender Trustee or the Administrative Agent, as applicable, from offering any Obligor any borrower benefit to the extent permissible by this Agreement or the Servicing Agreement or settling a default or curing a delinquency on any Trust Student Loan on such terms as shall be permitted by law and shall be consistent with the applicable underwriting guidelines or Servicing Policies.

(b) Unless otherwise specified pursuant to clause (a) above or in any Transaction Document, without the written consent of the Required Managing Agents (and the written consent of the Administrative Agent or the Syndication Agent to the extent any of the following would require the Administrative Agent or the Syndication Agent to take any action or amend, modify or waive the duties or responsibilities of the Administrative Agent or the Syndication Agent hereunder), the Trust will not (nor will it permit any of its agents to):

(i) cancel, terminate, extend, amend, modify or waive (or consent to or approve any of the foregoing) any provision of any Transaction Document (other than any cancellation or termination of a Guarantee Agreement that does not apply at such time to any Trust Student Loans or any extension, amendment, modification or waiver of a Guarantee Agreement that would not have a Material Adverse Effect on the Trust); or

(ii) take or consent to any other action that may impair the rights of any Secured Creditor to any Pledged Collateral or modify, in a manner adverse to any Secured Creditor, the right of such Secured Creditor to demand or receive payment under any of the Transaction Documents (other than any action with regard to a Guarantee Agreement that does not apply at such time to any Trust Student Loans or any extension, amendment, modification or waiver of a Guarantee Agreement that would not have a Material Adverse Effect on the Trust).

Section 6.11. Liens.

(a) ***Transaction Documents.*** The Trust (i) will cause to be taken all action necessary to perfect, protect, keep in full force and effect and more fully evidence the ownership interest of the Trust (or of the Eligible Lender Trustee, acting on behalf of the Trust) and the first priority perfected security interest of the Administrative Agent in favor of the Secured Creditors in the Trust Student Loans, Collections with respect thereto and in the other Pledged Collateral and the Transaction Documents including, without limitation, (A) filing and maintaining effective financing statements (Form UCC-1) in all necessary or appropriate filing offices; (B) filing continuation statements, amendments or assignments with respect thereto in such filing offices; (C) filing amendments, releases and terminations with respect to filed financing statements, as

necessary; and (D) executing or causing to be executed such other instruments or notices as may be necessary or appropriate; and (ii) will cause to be taken all additional actions to perfect, protect, keep in full force and effect and fully evidence the first priority security interest of the Administrative Agent, for the benefit of the Secured Creditors, in the Trust Student Loans and other Pledged Collateral related thereto reasonably requested by the Administrative Agent.

(b) ***UCC Matters; Protection and Perfection of Pledged Collateral; Delivery of Documents.*** Unless the Trust has complied with Section 6.09, the Trust will keep its principal place of business and chief executive office, and the office where it keeps any Records in its possession, at the address of the Trust referred to in Exhibit M. The Trust will not make any change to its name unless prior to the effective date of any such name change or use, the Trust delivers to the Administrative Agent such financing statements necessary, or as the Administrative Agent may request, to reflect such name change, together with such other documents and instruments as the Administrative Agent may request in connection therewith. The Trust will not change its jurisdiction of formation or its corporate structure.

The Trust agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action necessary, or that the Administrative Agent may reasonably request, in order to maintain the Administrative Agent's first priority perfected security interest in the Pledged Collateral for the benefit of the Secured Creditors, or to enable the Administrative Agent or the Secured Creditors to exercise or enforce any of their respective rights hereunder (provided, however, that the foregoing sentence shall not be deemed to require the Trust or the Master Servicer to relocate or deliver any Student Loan Notes to or at the direction of the Administrative Agent prior to the Termination Date). Without limiting the generality of the foregoing, the Trust will: (i) authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate (or as the Administrative Agent may request); and (ii) mark their master data processing records evidencing such Pledged Collateral with a legend or numeric code acceptable to the Administrative Agent, evidencing that the Administrative Agent, for the benefit of the Secured Creditors, has acquired an interest therein as provided in this Agreement. The Trust hereby authorizes the Administrative Agent, or any Secured Creditor on behalf of the Trust, to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Pledged Collateral now existing or hereafter arising without the signature of the Trust where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Pledged Collateral, or any part thereof, shall be sufficient as a financing statement. If the Trust fails to perform any of its agreements or obligations under this Section, the Administrative Agent or any Secured Creditor may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the expenses of the Administrative Agent or such Secured Creditor incurred in connection therewith shall be payable by the Trust upon the Administrative Agent's or such Secured Creditor's demand therefor.

For purposes of enabling the Administrative Agent or any such Secured Creditor to exercise their respective rights described in the preceding sentence and elsewhere in this Agreement, the Trust and the Eligible Lender Trustee hereby authorize, and irrevocably grant a Power of Attorney, exercisable only after the occurrence and during the continuation of a Termination Event, to the Administrative Agent and its respective successors and assigns to take

any and all steps in the Trust's and the Eligible Lender Trustee's name and on behalf of the Trust and/or the Eligible Lender Trustee necessary or desirable, in the determination of the Administrative Agent, as the case may be, to collect all amounts due under any and all Trust Student Loans and other Pledged Collateral, including, without limitation, (i) endorsing the promissory notes to the Administrative Agent or its designee, such that the Administrative Agent or such designee becomes the holder of the promissory notes and has the rights and powers of a holder under applicable law, (ii) endorsing the Trust's and/or the Eligible Lender Trustee's name on checks and other instruments representing Collections and (iii) enforcing such Trust Student Loans and other Pledged Collateral.

Section 6.12. Sales of Assets; Consolidation/Merger.

(a) ***Sales, Liens, Etc.*** Except as otherwise provided herein or in any other Transaction Document, the Trust will not (nor will it permit the Eligible Lender Trustee to) sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any Pledged Collateral.

(b) ***Merger, Etc.*** The Trust will not merge or consolidate with any other entity. The Trust will not convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired), or acquire all or substantially all of the assets or capital stock or other ownership interest of any Person, other than with respect to asset acquisitions or dispositions permitted under the Transaction Documents. The Trust shall not form or create any subsidiary without the consent of each Managing Agent.

Section 6.13. Change in Business.

The Trust will not make any change in the character of its business, which change could reasonably be expected to impair the collectability of any Pledged Collateral or otherwise materially adversely affect the interests or remedies of the Administrative Agent or the Note Purchasers under this Agreement or any other Transaction Document.

Section 6.14. Residual Interest.

The Trust will not issue any Excess Distribution Certificates (other than replacement Excess Distribution Certificates) to any Person other than the Depositor; provided, however, that, except as otherwise provided in this Section 6.14, the Excess Distribution Certificate may be transferred to and owned by an Affiliate of the Depositor and the Depositor or such Affiliate may pledge the Excess Distribution Certificate to the Administrative Agent for the benefit of the Secured Creditors to secure the obligations under the Transaction Documents; provided further, however, that if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then (x) at all times after the relevant acquisition date, the Excess Distribution Certificate shall be owned by the Depositor free and clear of any Lien or other interest (other than the Lien in favor of the Administrative Agent) and (y) at no time after the relevant acquisition date shall the Excess Distribution Certificate be subject to any CRD Prohibited Hedge.

Section 6.15. General Reporting Requirements.

The Trust shall provide to the Administrative Agent (and, as applicable, will cause the Master Servicer to provide) the following:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Trust, the Depositor and the Master Servicer, an annual statement of compliance with the Transaction Documents and applicable law together with an agreed upon procedures letter delivered by an independent public accountant with respect to the Transaction Documents, all in form acceptable to the Administrative Agent;

(b) as soon as available and in any event within 90 days after the end of each fiscal year of SLM Corporation, a copy of the balance sheet of SLM Corporation and its consolidated subsidiaries and the related statements of income, stockholders' equity and cash flows for such year, each prepared in accordance with GAAP consistently applied and duly certified by nationally recognized independent certified public accountants selected by SLM Corporation, together with a certificate of an officer certifying that such financial statements fairly present in all material respects the financial condition of SLM Corporation and its consolidated subsidiaries;

(c) as soon as available and in any event within 60 days after the end of each fiscal quarter of SLM Corporation, a copy of an unaudited balance sheet of SLM Corporation and its consolidated subsidiaries and the related statements of income, stockholders' equity and cash flows for such fiscal quarter, each prepared in accordance with GAAP consistently applied, together with a certificate of an officer certifying that such financial statements fairly present in all material respects the financial condition of SLM Corporation and its consolidated subsidiaries;

(d) promptly following the Administrative Agent's or any Managing Agent's request therefor, copies of all financial statements, settlement statements, portfolio and other material reports, notices, disclosures, certificates and other written material delivered or made available to the Trust by any Person pursuant to the terms of any Transaction Document;

(e) promptly following the Administrative Agent's or any Managing Agent's request therefor, such other information respecting the Trust Student Loans and the other Pledged Collateral or the conditions or operations, financial or otherwise, of the Trust as the Administrative Agent or any Managing Agent may from time to time reasonably request;

(f) with respect to each Guarantor, promptly after receipt thereof as made available to the Trust after request therefor, copies of any audited financial statements of such Guarantor certified by an independent certified public accounting firm;

(g) with respect to each Servicer and promptly after receipt thereof after a good faith effort to obtain such material is made by the Trust, (i) copies of any annual audited financial statements of such Servicer other than the Master Servicer for so long as the Master Servicer is a consolidated subsidiary of SLM Corporation, to the extent available, certified by an independent certified public accounting firm, (ii) on an annual basis within 30 days after receipt thereof, copies of SAS 70 or SSAE 16 reports, as applicable, for such Servicer, or, if not available, the annual compliance audit for each Servicer required by Section 428(b)(1)(U) of the Higher

Education Act and (iii) to the extent not included in the financial information provided pursuant to clauses (i) and (ii) above and to the extent available, such Servicer's net dollar loss for the year due to servicing errors;

(h) promptly following the Administrative Agent's or any Managing Agent's request therefor, a Schedule of Trust Student Loans;

(i) promptly and in any event within 45 days after the filing or receiving thereof, copies of all reports and notices with respect to (A) any "Reportable Event," relating to a Benefit Plan (B) the institution of proceedings or the taking of any other action regarding the termination of, withdrawal from, reorganization within the meaning of Section 4241 of ERISA or insolvency within the meaning of Section 4245 of ERISA, any Benefit Plan subject to Title IV of ERISA which the Trust or any of its ERISA Affiliates files under ERISA with the Internal Revenue Service, the PBGC or the U.S. Department of Labor or which the Trust or any of its ERISA Affiliates receives from the PBGC, (C) a failure to make any required contribution to a Benefit Plan or (D) the creation of any lien against the assets of the Trust or an ERISA Affiliate in favor of the PBGC or a Benefit Plan under ERISA;

(j) promptly after the occurrence thereof, written notice of changes in the Higher Education Act or any other law of the United States that could reasonably have a probability of having a Material Adverse Effect on the Trust or could materially and adversely affect (i) the ability of a Servicer to perform its obligations under its Servicing Agreement, (ii) the ability of a Subservicer to perform its obligations under its Servicing Agreement, or (iii) the collectability or enforceability of a material amount of the Trust Student Loans, or any Guarantee Agreement or Federal Reimbursement Contract with respect to a material amount of Trust Student Loans;

(k) promptly, notice of any change in the accountants of the Trust or SLM Corporation;

(l) promptly, after the occurrence thereof or if sooner upon any executive officer of the Administrator having direct or primary responsibility for ABS trust administration obtaining knowledge of any pending change, notice of any change in the accounting policy of the Trust or SLM Corporation to the extent such change could reasonably be seen to have a material and adverse impact on the transactions contemplated herein;

(m) promptly, copies of any written notices received by SLM Corporation or any of its Affiliates from the Department or any other Governmental Authority regarding any material non-compliance by SLM Corporation or any of its Affiliates with any government sponsored facility for the financing of FFELP Loans;

(n) any information made available to the Eligible Lender Trustee pursuant to Section 11.05(b) of the Trust Agreement to the extent such information was not previously delivered to the Administrative Agent; and

(o) such other information, documents, tapes, data, records or reports respecting the Pledged Collateral, the Trust, the Depositor, the Master Depositor, any Seller, any Related SPE Seller, any Related SPE Trust, the Administrator, the Master Servicer or SLM Corporation which is in its possession or under its control, as the Administrative Agent may from time to time reasonably request, or that any Affected Party may reasonably require in order to comply with their respective obligations under Article 122a(4) and (5) of CRD.

Section 6.16. Inspections.

The Administrative Agent and the Managing Agents may, upon reasonable notice and from time to time during regular business hours, once per calendar year (or, after the occurrence and during the continuation of an Amortization Event or a Termination Event, as frequently as requested by the Administrative Agent on behalf of any Managing Agent) (i) examine and make copies of and take abstracts from all books, records and documents (including computer tapes and disks) relating to the Pledged Collateral and (ii) visit the offices and properties of the Trust (or the Master Servicer or Subservicer, as applicable) for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Pledged Collateral or the Trust's (or the Master Servicer's or Subservicer's) performance hereunder and under the other Transaction Documents with any of the officers, directors, employees or independent public accountants of the Trust (to the extent available), the Master Servicer or Subservicer having knowledge of such matters. Any reasonable expenses related to such inspections shall be reimbursable directly by the Master Servicer. In addition, from time to time during the year, the Administrative Agent and the Managing Agents may, at their own expense, conduct any other inspections as they may deem necessary or appropriate, provided such inspections occur upon reasonable notice and during regular business hours.

Section 6.17. ERISA.

The Trust will not adopt, maintain, contribute to or incur by any of its own actions or assume any legal obligation with respect to any Benefit Plan or Multiemployer Plan.

Section 6.18. Servicers.

Except as permitted by any Servicing Agreement, the Trust will not permit any Person other than the Master Servicer or a Subservicer to collect, service or administer the Trust Student Loans.

Section 6.19. Acquisition, Financing, Collection and Assignment of Student Loans.

The Trust shall acquire or finance only Eligible FFELP Loans with proceeds of the Advances and shall cause to be collected all principal and interest payments on all the Trust Student Loans and all sums to which the Trust or Administrative Agent is entitled pursuant to the Sale Agreement, and all Interest Subsidy Payments, Special Allowance Payments and all defaulted payments Guaranteed by any Guarantor which relate to such Trust Student Loans as more fully set forth in the Servicing Agreement. The Trust shall assign or direct the assignment of such Trust Student Loans for payment of guarantee benefits as required by applicable law and regulations. The Trust shall comply in all material respects with any Guarantor's rules and regulations which apply to such Trust Student Loans. From and after the Closing Date, the Trust shall purchase only Student Loans from the Depositor pursuant to the Sale Agreement that have been sold by (i) an Ongoing Seller to the Master Depositor pursuant to a Purchase Agreement and by the Master Depositor to the Depositor pursuant to the Conveyance Agreement or (ii) a Related SPE Seller to the Depositor pursuant to the Tri-Party Transfer Agreement.

Section 6.20. Administration and Collection of Trust Student Loans.

All Trust Student Loans shall be administered and collected either by the Trust or by the Master Servicer or a Subservicer on behalf of the Trust in accordance in all material respects with the Servicing Agreements.

Section 6.21. Obligations of the Trust With Respect to Pledged Collateral.

The Trust will (a) at its expense, regardless of any exercise by any Secured Creditor of its rights hereunder, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Transaction Documents included in the Pledged Collateral to the same extent as if the Pledged Collateral had not been pledged hereunder; and (b) pay when due any taxes, including without limitation, sales and excise taxes, payable in connection with the Pledged Collateral. In no event shall any Secured Creditor have any obligation or liability with respect to any Trust Student Loans or other instrument document or agreement included in the Pledged Collateral, nor shall any of them be obligated to perform any of the obligations of the Trust or any of its Affiliates thereunder. The Trust will timely and fully comply in all respects with each Transaction Document to which it is a party.

Section 6.22. Asset Coverage Requirement.

The Trust shall at all times, to the best of its actual knowledge, cause the Asset Coverage Ratio to not be less than 100.00%.

Section 6.23. Amendment of Organizational Documents.

The Trust shall cause the Administrative Agent to be notified in writing of any proposed amendments to the Trust's organizational documents. No such amendment shall become effective unless and until the Required Managing Agents have consented in writing thereto, which consent shall not be unreasonably withheld or delayed.

Section 6.24. Amendment of Underwriting Guidelines or Servicing Policies.

Promptly after the occurrence thereof, the Trust shall cause the Administrative Agent to be notified of any material changes to the underwriting guidelines or Servicing Policies. The Trust shall not permit or implement any change in the underwriting guidelines or Servicing Policies applicable to any Trust Student Loan which would materially and adversely affect the collectability of any Trust Student Loan, the performance of the portfolio of Trust Student Loans or the Administrative Agent's security interest in such Trust Student Loans without the prior written consent of the Required Managing Agents, and unless such changes are made with respect to all FFELP Loans serviced by the Servicer for its own portfolio and for securitization trusts sponsored by SLM Corporation.

Section 6.25. No Payments on Excess Distribution Certificate.

Except as expressly permitted by Section 2.05(b) or Section 2.18(d) of this Agreement, the Trust shall not make any payments or distributions with respect to the Excess Distribution Certificate without the prior written consent of the Required Managing Agents.

Section 6.26. Borrower Benefit Programs.

(a) The Trust shall cause the Servicer to maintain any rate reduction programs or other borrower benefit programs in effect at the time the Trust purchased such Trust Student Loan. The Trust shall not permit any Servicer to apply any additional rate reduction programs with respect to the Trust Student Loans unless (i) such borrower benefit program is required under the Higher Education Act, (ii) the Master Servicer, the Depositor or the applicable Seller has deposited funds into the Borrower Benefit Account in an amount sufficient to offset any effective yield reductions in accordance with Section 3.12 of the Servicing Agreement or (iii) the Administrative Agent has consented to the Trust's participation in that borrower benefit program or other rate reduction program.

(b) With respect to each Advance Date for a Purchase Price Advance, if any Eligible FFELP Loans (excluding any Eligible FFELP Loans that were owned by the Trust or any Related SPE Trusts on the Closing Date) to be sold to the Trust on such Advance Date are subject to a Borrower Benefit Program, the Master Servicer, the Depositor or the applicable Seller shall deposit any Borrower Benefit Amount relating to such Eligible FFELP Loans into the Borrower Benefit Account. On each Settlement Date, based on information provided by the Servicer, the Administrative Agent shall withdraw funds on deposit in the Borrower Benefit Account in excess of the expected net present value of the aggregate maximum amount of borrower benefits (including Borrower Benefit Amounts) that could be payable on all related Trust Student Loans for which Required Borrower Benefit Amounts were previously deposited and shall deposit such excess amount into the Collection Account and treat such excess amount as Available Funds for such Settlement Date. In addition, on each date that the advance rates under clause (a) of the definition of "Applicable Percentage" are amended, the Administrative Agent shall withdraw all funds on deposit in the Borrower Benefit Account on such date and shall deposit such amount into the Collection Account for application as Available Funds on the next Settlement Date.

ARTICLE VII.

AMORTIZATION EVENTS AND TERMINATION EVENTS

Section 7.01. Amortization Events.

Each of the following events (each, an *"**Amortization Event**"*) shall be an Amortization Event under this Agreement:

(a) the Aggregate Note Balance and all other Obligations due under the Transaction Documents are not repaid in full on the Scheduled Maturity Date (as such date may be extended from time to time); or

(b) any settlement or one or more judgments or orders for the payment of money or adverse rulings shall be rendered against any Seller, the Depositor, the Master Depositor, any Related SPE Seller, the Administrator or the Master Servicer in excess of $50,000,000 on an individual basis or on an aggregate basis that relates to the student loan origination or servicing practices of such Person and such settlement, judgment or ruling shall remain unsatisfied or unstayed for a period in excess of 30 days; or

(c) the filing of any judgment or adverse ruling against any Seller, the Depositor, the Master Depositor, the Master Servicer, the Administrator, any Related SPE Seller or SLM Corporation that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on such Person and such judgment or ruling shall remain unsatisfied or unstayed for a period in excess of 30 days; or

(d) any material adverse development in any federal or state litigation, investigation or proceeding against the Trust, the Depositor, the Administrator, any Seller, the Master Servicer, the Master Depositor, any Related SPE Seller, or SLM Corporation shall occur that could reasonably be expected to have a Material Adverse Effect on such Person or on the Pledged Collateral which continues for 30 days after the earlier to occur of knowledge thereof or written notice thereof shall have been received by the Trust; or

(e) the filing of any actions or proceedings against the Trust, the Depositor, the Administrator, any Seller, the Master Servicer, any Related SPE Seller, the Master Depositor or SLM Corporation that involves the Transaction Documents or any material portion of the Pledged Collateral as to which the Administrative Agent reasonably believes there is likely to result a materially adverse determination which remains unsettled, unsatisfied or unstayed for a period in excess of 30 days; or

(f) (i) the Internal Revenue Service shall file notice of a lien involving a sum in excess of $50,000,000 pursuant to Section 6323 of the Code with regard to any assets of the Trust and such lien shall not have been released within two Business Days, (ii) any Person shall institute steps to terminate any Benefit Plan if the assets of such Benefit Plan are insufficient to satisfy all of its benefit liabilities in excess of $50,000,000 (as determined under Title IV of ERISA), or a contribution failure in excess of $50,000,000 occurs with respect to any Benefit Plan, which is sufficient to give rise to a lien under Section 302(f) or 303(k), as applicable, of ERISA or where the PBGC shall, or shall indicate its intention to, file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Trust and in each case such lien shall not have been released within two Business Days, or (iii) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving a Benefit Plan; or any Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, a Benefit Plan subject to Title IV of ERISA, which Reportable Event is likely to result in termination of such Benefit Plan; or the Trust or any ERISA Affiliate is likely to incur any liability in connection with the withdrawal from, or the insolvency within the meaning of Section 4245 of ERISA or reorganization within the meaning of Section 4241 of ERISA of, a Multiemployer Plan; provided, that an event described in this subsection (f) shall not be an Amortization Event unless such event could reasonably be expected to have a Material Adverse Effect on the Trust or on SLM Corporation; or

(g) any material provision of this Agreement or any other Transaction Document (other than a Guarantee Agreement that does not apply at such time to any Trust Student Loans) to which the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the

Master Servicer is a party shall cease to be in full force and effect for a period of 30 days subject to any other applicable cure period under this Agreement or any other Transaction Documents; or

(h) any amendment to the Higher Education Act or any other federal law becomes effective that materially adversely affects the interests of the Administrative Agent or the Note Purchasers in the Pledged Collateral; or

(i) the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance shall exceed the Maximum Financing Amount; provided, that an Amortization Period caused solely by this clause (i) shall terminate and the Revolving Period shall be reinstated if the sum of (i) the Aggregate Note Balance of the Outstanding Class A Notes and (ii) the Capitalized Interest Account Unfunded Balance no longer exceeds the Maximum Financing Amount; or

(j) the Asset Coverage Ratio shall be less than 100.00% and such deficiency shall not have been cured within five Business Days following the earlier to occur of actual knowledge or receipt of such notice by the Administrator (it being understood that, without limitation, the Administrator's receipt of a Valuation Report shall constitute notice for purposes hereof); provided, that an Amortization Period caused solely by this clause (j) shall terminate and the Revolving Period shall be reinstated if the Asset Coverage Ratio subsequently ceases to be less than 100.00%; or

(k) the Consolidated Tangible Net Worth of SLM Corporation shall be less than $1,380,000,000; or

(l) at the last day of any fiscal quarter of SLM Corporation, both (i) the Interest Coverage Ratio shall be less than 1.15:1.00 and (ii) the Net Adjusted Revenue shall be less than $400,000,000, in each case for the period of four consecutive fiscal quarters then ended.

Section 7.02. Termination Events.

Each of the following events (each, a *"**Termination Event**"*) shall be a Termination Event under this Agreement:

(a) (i) the Trust shall fail to pay the Aggregate Note Balance or any other Obligations in full on the last day of the Amortization Period (other than an Amortization Period ending as a result of the reinstatement of the Revolving Period), (ii) the Trust shall fail to make any payment under Sections 2.05(b)(i) through 2.05(b)(iv) within five Business Days of the due date thereof, or (iii) the Trust, the Depositor, the Master Servicer, the Master Depositor, any Material Subservicer, SLM Corporation or the Eligible Lender Trustee shall fail to make any other payment, transfer or deposit (unless waived by the payee or in the case of a failure to make a payment by a Material Subservicer, such failure was cured by the Master Servicer within the permissible grace period) on the date first required of such party under the Transaction Documents and such failure shall remain uncured following the expiration of any applicable payment or grace period provided for in the Transaction Documents (including the Amortization Period, if applicable); provided, however, that failure by the Trust to make a required payment on a Settlement Date under Sections 2.05(b)(vi) through (xxi) solely due to insufficient Available

Funds on such Settlement Date shall not by itself constitute a Termination Event (other than with respect to all amounts due and owing on the Termination Date or as expressly specified below); or

(b) any material representation, warranty, certification or statement made or deemed to be made by the Trust, the Administrator, the Eligible Lender Trustee, any Seller, the Depositor, the Master Depositor, the Master Servicer or any Material Subservicer (to the extent such entity remains a Subservicer after the 30-day cure period noted below) under or in connection with this Agreement or any other Transaction Document, or other information, report or document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made, deemed made or delivered (except for representations and warranties concerning Eligible FFELP Loans with respect to which the applicable Seller, the Depositor, the Master Depositor or the Servicer has repurchased the related Student Loans) and shall remain unremedied (if such default can be remedied) for the greater of (i) 30 days or (ii) the time period expressly provided for the cure of such representation or warranty in the related Transaction Document, in each case after written notice thereof shall have been received by the Trust; or

(c) the Trust, the Administrator, the Eligible Lender Trustee, any Seller, the Depositor, the Master Depositor, the Master Servicer, any Material Subservicer or SLM Corporation shall materially default in the performance or observance of any term, covenant or undertaking to be performed or observed herein (except for the obligation to cure a mark-to-market valuation deficiency described in the last sentence of Section 2.25(d), which shall instead first result in an Amortization Event as provided in Section 7.01(j)), or in any other Transaction Document on its part and any such failure shall remain unremedied (if such default can be remedied) for 30 days after the earlier to occur of actual knowledge by an Authorized Officer of the Trust, the Administrator or the Master Servicer and written notice thereof shall have been received by the Trust (or, if the obligation in question arises under another Transaction Document, within the cure period, if any, provided in such Transaction Document); provided, however, such 30-day cure period shall not apply to defaults under Section 6.01, 6.11, 6.12, or 6.25; or

(d) a Servicer Default shall have occurred with respect to the Master Servicer or the Servicing Agreement of the Master Servicer shall not be in full force and effect for any reason and the Master Servicer shall not have been replaced within 30 days after notification from the Administrative Agent; or

(e) an Event of Bankruptcy shall have occurred with respect to the Trust, the Eligible Lender Trustee, the Depositor, the Master Depositor, any Seller, the Administrator, the Master Servicer, SLM Corporation or any Material Subservicer (to the extent such entity remains a Subservicer after the 30-day period provided in the definition of an Event of Bankruptcy); or

(f) [reserved]; or

(g) the Trust shall fail to deposit, (i) for two consecutive Settlement Periods, into the Reserve Account, such additional amounts, if any, as are necessary to cause the amount on deposit in the Reserve Account to be at least equal to the Reserve Account Specified Balance,

(ii) into the Borrower Benefit Account, any amount required to be deposited therein under the Transaction Documents on or prior to the first Settlement Date for such deposit as described in the Transaction Documents or (iii) into the Floor Income Rebate Account, amounts required to be deposited therein when and as such amounts are required to be deposited pursuant to the Transaction Documents; or

(h) the filing of any judgment or adverse ruling against the Trust that could reasonably be expected to have a Material Adverse Effect on the Trust and such judgment or ruling shall continue unsatisfied or unstayed for a period in excess of 30 days; or

(i) the Administrative Agent, for the benefit of the Secured Creditors, shall, for any reason, cease to have a valid and perfected first priority security interest in the Pledged Collateral, or the Trust shall, for any reason, cease to have a valid and perfected first priority ownership interest in any of the Pledged Collateral, in each case for a period of two Business Days following the date the Administrator acquired such knowledge or its receipt of such notice; or

(j) a Change of Control has occurred with respect to the Trust, the Administrator, any Seller, the Depositor, the Master Depositor or the Master Servicer; or

(k) the Depositor shall fail to maintain its status as a limited purpose bankruptcy remote limited liability company or the Trust shall fail to maintain its status as a single purpose bankruptcy remote Delaware statutory trust; or

(l) the Excess Spread Test is not satisfied; or

(m) the Trust shall be required to register as an "investment company" or a company controlled by an "investment company" under the Investment Company Act; or

(n) any Seller, the Depositor, the Master Depositor, the Master Servicer, any Material Subservicer (to the extent such Material Subservicer has not been removed as a Subservicer prior to the expiration of any related cure period), the Administrator or any Affiliate thereof (other than the Trust) shall default with respect to any outstanding financing arrangement (other than in connection with this Agreement and the Transaction Documents) representing indebtedness in excess of $50,000,000 and either (i) such indebtedness is incurred with respect to any other financing comprising part of the FFELP Loan Facilities or (ii) the result of such default is to cause the acceleration of such indebtedness; or

(o) the Asset Coverage Ratio (calculated without giving effect to clauses (b) and (c) of the definition of "Applicable Percentage") shall be less than 100% and such deficiency shall not have been cured within one Business Day; or

(p) [reserved]

(q) [reserved]

(r) the Trust shall fail to pay to any Exiting Facility Group its Pro Rata Share of the Aggregate Note Balance within 90 days of the commencement of the Exiting Facility Group Amortization Period with respect to such Exiting Facility Group; or

(s) [reserved]; or

(t) any failure by the Trust to pay amounts required to be paid under Section 2.15, 8.01 or 10.08 on or before the 30th day following the date of demand for payment thereof; or

(u) (1) SLM Education Credit Finance Corporation shall fail to comply with clause (u) of Section 10.01(a) in connection with the amendment, alteration, change or deletion of the definition of "Independent Manager" or any of the "Special Purpose Provisions" (each as defined in the related organizational document), or (2) any Person shall be appointed as an "Independent Manager" (as defined in the related organizational document) of the Depositor other than in strict compliance with the requirements therefor set forth in the Depositor's Amended and Restated Limited Liability Company Operating Agreement, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

Section 7.03. Remedies.

(a) ***Amortization Event.*** After the occurrence of an Amortization Event and during the continuation of the Amortization Period, the Yield Rate shall be increased as provided in clause (b) of the definition thereof and any increase in amounts owed shall be payable as Step-Up Fees subject to the priority of payments set forth in Section 2.05(b). In addition, following the occurrence of an Amortization Event and during the continuation of the Amortization Period, no further Advances (other than Capitalized Interest Advances) shall be made. During the Amortization Period, the Administrative Agent or any party acting on its behalf shall not have the right to seize or sell the Pledged Collateral. Upon the expiration of the Amortization Period (other than by reason of the reinstatement of the Revolving Period), the Administrative Agent may, by notice to the Trust, declare that the Termination Date has occurred and may sell the Pledged Collateral to the extent required in order to repay in full all outstanding Advances and all other amounts due and owing under this Agreement and the other Transaction Documents in accordance with the procedures set forth in subsection (b) below.

(b) ***Termination Event.*** After the occurrence of a Termination Event, the Yield Rate shall be increased as set forth in clause (d) of the definition thereof and any increase in amounts owed shall be payable as Step-Up Fees subject to the priority of payments set forth in Section 2.05(b). In addition, after the occurrence of a Termination Event, the Administrative Agent may, and shall, at the direction of the Required Managing Agents, by notice to the Trust, declare that a Termination Date shall have occurred (except that, in the case of any event described in Section 7.02(e) above, the Termination Date shall be deemed to have occurred automatically). Upon the declaration of the Termination Date or the automatic occurrence thereof, no further Advances will be made and all of the Obligations due and owing to the Affected Party shall become immediately due and payable. Upon any such declaration or automatic occurrence, the Administrative Agent (for the benefit of the Secured Creditors) shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided to a secured party under the UCC of the applicable jurisdiction and

other applicable laws, which rights shall be cumulative. The rights and remedies of a secured party which may be exercised by the Administrative Agent pursuant to this Article shall include, without limitation, the right, without notice except as specified below, to solicit and accept bids for and sell the Pledged Collateral or any part thereof in one or more parcels at a public or private sale, at any exchange, broker's board or at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable, including selling Trust Student Loans on a servicing released basis; provided, that the Administrative Agent may not, without the prior written consent of the Required Managing Agents, sell the entire corpus of the Trust Student Loans unless the net proceeds of such sale will be sufficient to pay in full all interest and principal owing on the Class A Notes. Any sale or transfer by the Administrative Agent of Trust Student Loans shall only be made to an Eligible Lender. The Trust agrees that, to the extent notice of sale shall be required by law, ten Business Days' notice to the Trust and the Administrator of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and that it shall be commercially reasonable for the Administrative Agent to sell the Pledged Collateral to an Eligible Lender on an *"*as is*"* basis, without representation or warranty of any kind. The proceeds of any such sale shall be deposited into the Collection Account and shall be distributed pursuant to Section 2.05(b). The Administrative Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given and may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

Section 7.04. Setoff.

Each of the Secured Creditors and the Administrative Agent on behalf of all the Secured Creditors is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date due to the occurrence of a Termination Event or during the continuation of a Potential Termination Event to set off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Secured Creditor or all the Secured Creditors, as applicable, to, or for the account of, the Trust against the amount of the Outstanding Class A Notes and other Obligations owing by the Trust to such Secured Creditor or to the Administrative Agent on behalf of such Secured Creditor (even if contingent or unmatured).

ARTICLE VIII.

INDEMNIFICATION

Section 8.01. Indemnification by the Trust.

(a) Without limiting any other rights which the Affected Parties or any of their respective Affiliates may have hereunder or under applicable law, the Trust hereby agrees to indemnify the Affected Parties and each of their respective members, investors, officers, directors, employees, agents, advisors, attorneys-in-fact and Affiliates (each, an *"**Indemnified Party**"*) from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (except as may be expressly

limited by Section 10.08) awarded against or incurred by any of the Indemnified Parties arising out of or as a result of the purchase of any Class A Notes, the funding of Advances, this Agreement, the other Transaction Documents or the Pledged Collateral; excluding, however (i) any indemnified amounts to the extent determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification and (ii) any recourse for Defaulted Student Loans or Delinquent Student Loans or losses attributable to changes in the market value of the Trust Student Loans because of changes in market interest rates or in rate of prepayment (the foregoing, being collectively referred to as *"**Trust Indemnified Amounts**"*).

(b) Any amounts subject to the indemnification provisions of this Section 8.01 shall be paid by the Trust, to the extent not already paid by the Seller, the Depositor or the Servicer under any other Transaction Documents, to the related Indemnified Party on or before the 30th day following the date of demand therefor accompanied by reasonable supporting documentation with respect to such amounts.

Section 8.02. Indemnification and Limited Guaranty by SLM Corporation.

(a) Without limiting any other rights that any such Person may have hereunder or under applicable law (including, without limitation, the right to recover damages for breach of contract), SLM Corporation hereby agrees to indemnify each Indemnified Party, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements awarded against or incurred by any of them arising out of or relating to (i) the Transaction Documents, the transactions contemplated under the Transaction Documents or the Trust Student Loans, or (ii) use of proceeds hereunder, including indemnified amounts arising out of or relating to any Regulatory Change that results in any Other Tax, all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of the purchases hereunder, or any security interest in the Trust Student Loans or any item of the Trust Student Loans; excluding, however, (A) indemnified amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of such Indemnified Party, (B) any amounts payable as indemnification by the Trust for which the Indemnified Party has a claim against the Depositor, the Master Depositor, a Seller or the Master Servicer under the indemnification provisions in the Sale Agreement, the Conveyance Agreement, the Tri-Party Transfer Agreement, any Purchase Agreement or the Servicing Agreement, unless such claim has not been paid within the applicable timeframe provided therein, (C) recourse for Defaulted Student Loans or Delinquent Student Loans or losses attributable to changes in the market value of the Trust Student Loans because of changes in market interest rates or in rate of prepayment, or (D) indemnified amounts to the extent that such indemnified amounts, together with any amounts paid by SLM Corporation pursuant to Section 8.02(c), exceed in the aggregate the least of (1) 5% of the highest Aggregate Note Balance at any time during the immediately preceding 12-month period, (2) $133,333,333, and (3) 10% of the then applicable Maximum Financing Amount (the foregoing being collectively referred to as *"**SLM Indemnified Amounts**"*).

(b) Any Trust Indemnified Amounts which are also SLM Indemnified Amounts and are not paid by the Trust on or before the 30th day following the date of demand pursuant to

Section 8.01, shall be paid by SLM Corporation to the related Indemnified Party within five Business Days following demand therefor accompanied by reasonable supporting documentation with respect to such amounts.

(c) SLM Corporation further agrees that, to the extent there are insufficient Available Funds in the Collection Account on any Settlement Date to pay any Non-Use Fee due and owing on such Settlement Date in accordance with Section 2.05(b), SLM Corporation shall pay to the Managing Agent for each Facility Group on such Settlement Date the portion of such Facility Group's Non-Use Fee that would otherwise not be paid; provided, however, that SLM Corporation shall not be obligated to pay any amounts under this Section 8.02(c) to the extent that the aggregate amounts paid under Section 8.02(a) and this Section 8.02(c) exceed the least of (1) 5% of the highest Aggregate Note Balance at any time during the immediately preceding 12-month period, (2) $133,333,333, and (3) 10% of the then applicable Maximum Financing Amount. Any failure by SLM Corporation to pay its obligations under this Section 8.02(c) (other than by reason of the proviso in the immediately preceding sentence) that remains uncured for five (5) Business Days after SLM Corporation receives notice from the Administrative Agent or any Managing Agent of any such obligation being due and payable shall constitute a Termination Event under Section 7.02(a) of this Agreement. SLM Corporation hereby subordinates (to the rights of the Secured Creditors to receive payment of the Obligations in full in immediately available funds) and releases any and all rights and claims it may now or hereafter have or acquire against the Trust in connection with this Section 8.02(c) that would constitute it a "creditor" of the Trust for purposes of the Bankruptcy Code, including all rights of subrogation against the Trust and its property and all rights of indemnification, contribution and reimbursement from the Trust and its property, all of which are hereby waived.

ARTICLE IX.

ADMINISTRATIVE AGENT, SYNDICATION AGENT AND MANAGING AGENTS

Section 9.01. Authorization and Action of Administrative Agent and Syndication Agent.

(a) The Conduit Lenders, the LIBOR Lenders, the Managing Agents and the Alternate Lenders, as of the Closing Date, accept the appointment of and authorize the Administrative Agent and the Syndication Agent to take such action as agent on their behalf and to exercise such powers as are delegated to the Administrative Agent and the Syndication Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Each of the Administrative Agent and the Syndication Agent reserves the right, in its sole discretion, to take any actions and exercise any rights or remedies under this Agreement and any related agreements and documents. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent and the Syndication Agent shall not have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall the Administrative Agent or the Syndication Agent have or be deemed to have any fiduciary relationship with any Lender or Managing Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent and the Syndication Agent. Without limiting the generality of the foregoing sentence, the use of the

terms "Administrative Agent" and "Syndication Agent" in this Agreement with reference to the Administrative Agent and the Syndication Agent, respectively, are not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such terms are used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Each of the Administrative Agent and the Syndication Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each of the Administrative Agent and the Syndication Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care. The Administrative Agent agrees to give the Managing Agents notice of each notice and determination and a copy of each certificate and report (if such notice, report, determination, or certificate is not given by the applicable Person to such Managing Agent) given to it by the Trust, the Administrator, any Seller, the Master Depositor, the Depositor, any Servicer, any Co-Valuation Agent or the Eligible Lender Trustee pursuant to the terms of the Transaction Documents within five Business Days of receipt thereof. Except for actions which each of the Administrative Agent and the Syndication Agent is expressly required to take pursuant to this Agreement, neither the Administrative Agent nor the Syndication Agent shall be required to take any action which exposes the Administrative Agent or the Syndication Agent to personal liability or which is contrary to applicable law unless the Administrative Agent or the Syndication Agent shall receive further assurances to its satisfaction from the Managing Agents that it will be indemnified against any and all liability and expense which may be incurred in taking or continuing to take such action.

Section 9.02. Authorization and Action of Managing Agents.

(a) Each Lender hereby accepts the appointment of and authorize its related Managing Agent to take such action as agent on its behalf and to exercise such powers as are delegated to such Managing Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Each Managing Agent reserves the right, in its sole discretion, to take any actions and exercise any rights or remedies under this Agreement and any related agreements and documents. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, no Managing Agent shall have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall any Managing Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against any Managing Agent. Without limiting the generality of the foregoing sentence, the use of the term "Managing Agent" in this Agreement with reference to any Managing Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Each Managing Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be

entitled to advice of counsel concerning all matters pertaining to such duties. No Managing Agent shall be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care. Each Managing Agent agrees to give to its related Lenders prompt notice of each notice and determination and a copy of each certificate and report (if such notice, report, determination, or certificate is not given by the applicable Person to such Lender) given to it by the Administrative Agent, the Syndication Agent, the Trust, the Administrator, any Seller, the Depositor, any Servicer, any Co-Valuation Agent or the Eligible Lender Trustee pursuant to the terms of this Agreement. Except for actions which each Managing Agent is expressly required to take pursuant to this Agreement, such Managing Agent shall not be required to take any action which exposes such Managing Agent to personal liability or which is contrary to applicable law unless such Managing Agent shall receive further assurances to its satisfaction from its related Lenders that it will be indemnified against any and all liability and expense which may be incurred in taking or continuing to take such action.

Section 9.03. Agency Termination.

The appointment and authority of the Administrative Agent, the Syndication Agent and the Managing Agents hereunder shall terminate upon the payment by the Trust of all Obligations hereunder unless sooner terminated pursuant to Sections 9.07 and 9.08, as applicable.

Section 9.04. Administrative Agent's, Syndication Agent's and Managing Agent's Reliance, Etc.

None of the Administrative Agent, the Syndication Agent, any Managing Agent or any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it as Administrative Agent, the Syndication Agent, or Managing Agent, as applicable, under or in connection with this Agreement or any related agreement or document, except for its own gross negligence or willful misconduct. Without limiting the foregoing, each of the Administrative Agent, the Syndication Agent and each Managing Agent:

(a) may consult with legal counsel (including counsel for the Trust or any Affiliate of the Trust), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(b) makes no warranty or representation to any Lender, any Managing Agent or any Program Support Provider and shall not be responsible to any Lender, any Managing Agent or any Program Support Provider for any statements, warranties or representations made by the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Seller, the Depositor, any Servicer, any Guarantor or any Co-Valuation Agent in connection with this Agreement or any other Transaction Document;

(c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Transaction Document on the part of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Seller, the Depositor, any Guarantor or any Co-Valuation Agent or to inspect the property (including the books and records) of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Seller, the Depositor, any Guarantor or any Co-Valuation Agent;

(d) shall not be responsible to any Lender, any Managing Agent, or any Program Support Provider, as the case may be, for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any Transaction Document or any other instrument or document furnished pursuant hereto; and

(e) shall incur no liability under or in respect of this Agreement by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile or other electronic means) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

Section 9.05. Administrative Agent, Syndication Agent, Managing Agents and Affiliates.

The Administrative Agent, the Syndication Agent, the Managing Agents and their Affiliates may generally engage in any kind of business with the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Guarantor, any Seller, the Depositor, any of their respective Affiliates and any Person who may do business with or own securities of the Trust, the Administrator, SLM Corporation, the Eligible Lender Trustee, any Servicer, any Guarantor, any Seller, the Depositor, or any of their respective Affiliates, all as if such entities were not the Administrative Agent, the Syndication Agent or a Managing Agent and without any duty to account therefor to any Lender, any Managing Agent or any Program Support Provider.

Section 9.06. Decision to Purchase Class A Notes and Make Advances.

The Lenders acknowledge that each has, independently and without reliance upon the Administrative Agent or any Managing Agent, and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and to make Advances hereunder. The Lenders also acknowledge that each will, independently and without reliance upon the Administrative Agent, any Managing Agent or any of their Affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement or any related agreement, instrument or other document. Furthermore, each of the Lenders and Managing Agents acknowledges and agrees that although it may have received modeling and other structural information (including cash flow analysis) from the Administrative Agent or a Managing Agent, neither the Administrative Agent nor any Managing Agent assumes any responsibility for the accuracy or completeness of such information and such information is not intended to be relied upon as a prediction of performance or for any other reason.

Section 9.07. Successor Administrative Agent or Syndication Agent.

(a) The Administrative Agent or the Syndication Agent may resign at any time by giving five days' written notice thereof to the Syndication Agent or the Administrative Agent, as applicable, each Conduit Lender, each Managing Agent, each LIBOR Lender, each Alternate Lender, the Trust, the Administrator and the Eligible Lender Trustee. Upon any such resignation, the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate

Lenders shall have the right to appoint a successor Administrative Agent or Syndication Agent approved by the Administrator (which approval will not be unreasonably withheld or delayed and will not be required after the occurrence and during the continuation of a Termination Event). If no successor Administrative Agent or Syndication Agent shall have been so appointed and shall have accepted such appointment within sixty days after the retiring Administrative Agent's or Syndication Agent's giving of notice of resignation, then the retiring Administrative Agent or Syndication Agent may, on behalf of the Conduit Lenders, the Managing Agents, the LIBOR Lenders and the Alternate Lenders, appoint a successor Administrative Agent or Syndication Agent. If the successor Administrative Agent or Syndication Agent is not an Affiliate of the resigning Administrative Agent or Syndication Agent, a LIBOR Lender or an Alternate Lender, such successor Administrative Agent or Syndication Agent shall be subject to the Administrator's prior written approval (which approval will not be unreasonably withheld or delayed). Upon the acceptance of any appointment as Administrative Agent or Syndication Agent hereunder by a successor Administrative Agent or Syndication Agent, such successor Administrative Agent or Syndication Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent or Syndication Agent, and the retiring Administrative Agent or Syndication Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's or Syndication Agent's resignation hereunder as Administrative Agent or Syndication Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Administrative Agent or Syndication Agent under this Agreement.

(b) The "Administrative Agent" and "Syndication Agent" shall include any successors to the Administrative Agent or Syndication Agent as a result of a merger, consolidation, combination, conversion, reorganization or any other transaction (or series of related transactions) in which shares of the Administrative Agent's or the Syndication Agent's capital stock are sold or exchanged for or converted or otherwise changed into other stock or securities, cash and/or any other property, or the sale, lease, assignment, transfer or other conveyance of a majority of the assets of the Administrative Agent or the Syndication Agent in any transaction (or series of related transactions). Notwithstanding anything to the contrary in this Agreement, no consent of the Lenders, the Managing Agents or the Trust shall be required in connection with the succession of the Administrative Agent or the Syndication Agent as a result of any of the foregoing transactions.

Section 9.08. Successor Managing Agents.

Any Managing Agent may resign at any time by giving five days' written notice thereof to its related Lenders, the Trust, the Administrator, the Administrative Agent and the Eligible Lender Trustee. Upon any such resignation, the applicable Lenders shall have the right to appoint a successor Managing Agent approved by the Administrator (which approval will not be unreasonably withheld or delayed and will not be required (x) after the occurrence and during the continuation of a Termination Event or (y) if the successor is a Lender (including a Conduit Assignee) or a Program Support Provider within the resigning Managing Agent's Facility Group). If no successor Managing Agent shall have been so appointed and shall have accepted such appointment, within sixty days after the retiring Managing Agent's giving of notice of resignation, then the retiring Managing Agent may, on behalf of its related Lenders, appoint a

successor Managing Agent. If the successor Managing Agent is not an Affiliate of the resigning Managing Agent or a Lender (including a Conduit Assignee) or a Program Support Provider within the resigning Managing Agent's Facility Group, such successor Managing Agent shall be subject to the Administrator's prior written approval (which approval will not be unreasonably withheld or delayed and will not be required after the occurrence and during the continuation of a Termination Event). Upon the acceptance of any appointment as a Managing Agent hereunder by a successor Managing Agent, such successor Managing Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Managing Agent, a new Class A Note will be issued in the name of the successor Managing Agent as Registered Owner in exchange for the retiring Managing Agent's Class A Note pursuant to Section 3.05(c) and the retiring Managing Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Managing Agent's resignation hereunder as a Managing Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was a Managing Agent under this Agreement.

Section 9.09. Reimbursement.

Each Managing Agent, Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to reimburse and indemnify the Administrative Agent, the Syndication Agent and its officers, directors, employees, representatives, counsel and agents (to the extent the Administrative Agent or the Syndication Agent is not paid or reimbursed by the Trust, the Administrator, SLM Corporation, the Master Servicer, the Sellers or the Depositor), ratably according to the amounts owed to each such Person hereunder, from and against such Lender's ratable share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent or the Syndication Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by the Administrative Agent or the Syndication Agent under this Agreement or any Transaction Document; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Syndication Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Alternate Lender, LIBOR Lender and Committed Conduit Lender agrees to reimburse the Administrative Agent and the Syndication Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent and the Syndication Agent in connection with the due diligence, negotiation, preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Transaction Document, in each case to the extent that the Administrative Agent or the Syndication Agent is not reimbursed for such expenses by the Trust, the Administrator, SLM Corporation, the Master Servicer, the Sellers, the Master Depositor or the Depositor.

Section 9.10. Notice of Amortization Events, Termination Events, Potential Amortization Events, Potential Termination Events or Servicer Defaults.

Neither the Administrative Agent nor the Syndication Agent shall be deemed to have knowledge or notice of the occurrence of an Amortization Event, a Termination Event, a Potential Amortization Event, a Potential Termination Event or a Servicer Default, unless the Administrative Agent or the Syndication Agent has received written notice from a Note Purchaser, a Managing Agent or the Trust referring to this Agreement, describing such Amortization Event, Termination Event, Potential Amortization Event, Potential Termination Event or Servicer Default and stating that such notice is a "Notice of Termination Event or Potential Termination Event," "Notice of Amortization Event or Potential Amortization Event" or "Notice of Servicer Default," as applicable. The Administrative Agent or the Syndication Agent will notify the Managing Agents of its receipt of any such notice.

Section 9.11. Compliance with Rule 17g-5. Each of the Lenders, the Managing Agents, the Lead Arrangers, the Syndication Agent, the Co-Valuation Agents and the Administrative Agent agrees that (i) each such Person shall be responsible for its own compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission, including, without limitation, any requirement to provide information regarding any CP to any Rating Agency or any other nationally recognized statistical rating organization, and (ii) neither this Agreement nor any other Transaction Document shall constitute a contract by or with any other party hereto or its Affiliates to provide information to a nationally recognized statistical rating organization on behalf of any such Person or its Affiliates.

ARTICLE X.

MISCELLANEOUS

Section 10.01. Amendments, Etc.

(a) Unless otherwise specified herein, no amendment to or waiver of any provision of this Agreement or the Side Letter nor consent to any departure by the Trust or any other Person therefrom shall in any event be effective unless the same shall be in writing and signed by the Trust, the Eligible Lender Trustee and the Required Managing Agents and the Rating Agency Condition has been satisfied; provided, however, that (v) SLM Education Credit Finance Corporation agrees that it shall notify the Administrative Agent in writing of any proposed amendments or other modifications to the organizational documents of any Seller, any Related SPE Seller, the Master Depositor or the Depositor and will not effect any such amendment or other modification without the prior written consent of the Required Managing Agents, not to be unreasonably withheld; (w) any waiver of the Termination Event set forth in Section 7.02(r) shall also require the consent of the applicable Exiting Facility Group; (x) no such amendment, waiver or consent shall, without the consent of the Administrative Agent or the Syndication Agent, require the Administrative Agent or the Syndication Agent, as applicable, to take any action or amend, modify or waive the duties, responsibilities or rights of the Administrative Agent or the Syndication Agent, as applicable, hereunder or under any other Transaction Document; (y) the consent of the applicable Alternate Lender, LIBOR Lender or Committed Conduit Lender, shall be required to increase the amount of its Commitment or extend the Scheduled Maturity Date; and (z) no such amendment, waiver or consent shall, without the consent of each affected Managing Agent exclusive (except in the case of clauses (ii)(A), (ii)(B), (iii), (v), (vi) and (vii) below) of any Managing Agent for any Distressed Lender (unless such amendment, waiver or consent is (A) necessary to correct a mistake or cure any ambiguity or (B) made solely to satisfy the Rating Agency Condition, in each case as reasonably determined by the Required Managing Agents):

(i) amend Section 7.01, Section 7.02 or Article VIII or the definitions of Adjusted Pool Balance, Amortization Period, Applicable Percentage (including as set forth in the Side Letter), Asset Coverage Ratio, Defaulted Student Loan, Eligible FFELP Loan, Excess Concentration Amount (including as set forth in the Side Letter), Excess Spread, Excess Spread Test, Floor (including as set forth in the Side Letter), Maximum Advance Amount, Minimum Asset Coverage Requirement, or Required Managing Agents or any other provision hereof specifying the percentage of Managing Agents required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder contained in this Agreement or modify the then existing Excess Concentration Amount;

(ii) amend, modify or waive any provision of this Agreement in any way which would (A) reduce the amount of principal or Financing Costs payable on account of any Note or delay any scheduled date for payment thereof, (B) reduce fees payable by the Trust to the Administrative Agent, the Managing Agents or the Lenders or delay the dates on which such fees are payable or (C) modify any provisions relating to the Asset Coverage Ratio or any required reserves so as to reduce such reserves;

(iii) agree to the payment of a different rate of interest on the Class A Notes pursuant to this Agreement;

(iv) waive the Termination Events set forth in Section 7.02(e) (with respect to the Trust, the Administrator, the Master Servicer or SLM Corporation), Section 7.02(j), Section 7.02(o) and Section 7.02(s);

(v) amend this Section 10.01 in any way other than expanding the list of amendments, waivers or consents that require the consent of each Managing Agent;

(vi) release all or substantially all of the Pledged Collateral except as expressly permitted by this Agreement;

(vii) amend Section 2.14 in a manner that would alter the pro rata sharing of payments required thereby; or

(viii) amend, modify or waive any provision of the Side Letter.

(b) Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. To the extent the consent of any of the parties hereto (other than the Trust) is required under any of the Transaction Documents, the determination as to whether to grant or withhold such consent shall be made by such party in its sole discretion without any implied duty toward any other Person, except as otherwise expressly provided herein or therein. The parties acknowledge that, before entering into such an amendment or granting such a waiver or consent, Lenders may be entitled to receive an amount as may be mutually agreed upon between the Trust and the Managing Agents and, in addition,

may be required to obtain the approval of some or all of the Program Support Providers. If any Conduit Lender is required pursuant to its program documents to provide notice of an amendment to the Transaction Documents to any Rating Agency rating the CP of such Conduit Lender, such Conduit Lender's related Managing Agent shall provide such Rating Agency with notice of such amendment to the Transaction Documents.

(c) The Administrative Agent covenants and agrees not to consent to any amendment or waiver to the Administration Agreement or the Servicing Agreement referred to in clause (a) of the definition thereof or any Servicing Agreement with a Material Subservicer without receiving the consent of the Required Managing Agents (or, in the case of any amendment to Section 5.01 of the Servicing Agreement in clause (a) of the definition of Servicing Agreement, all of the Managing Agents exclusive of any Managing Agent for any Distressed Lender).

Section 10.02. Notices; Non-Public Information, Etc.

(a) ***Notices.*** All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy or other electronic means) and mailed, delivered by nationally recognized overnight courier service, transmitted or delivered by hand, as to each party hereto, at its address set forth on Exhibit M hereto or at such other address as shall be designated by such party in a written notice to the other parties hereto. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the specified facsimile number and an appropriate confirmation is received, (ii) if given by e-mail, when sent to the specified e-mail address and an appropriate confirmation is received, (iii) if given by mail, five days after being deposited in the United States mails, first class postage prepaid (except that notices and communications pursuant to Article II shall not be effective until received), (iv) if given by nationally recognized courier guaranteeing overnight delivery, the Business Day following such day after such communication is delivered to such courier or (v) if given by any other means, when delivered at the address (electronic or otherwise) specified in this Section. Notwithstanding the foregoing, with respect to any Transaction Document, any recipient may designate what it deems to be appropriate confirmation and that notification by e-mail to it shall not be effective without such confirmation.

(b) ***MNPI.*** The Trust hereby acknowledges that (i) the Administrative Agent and/or the Syndication Agent will make available to the Lenders materials and/or information provided by or on behalf of the Trust hereunder (collectively, *"**Trust Materials**"*) by posting the Trust Materials on IntraLinks or another similar electronic system (the *"**Platform**"*) and (ii) certain of the Lenders may be *"*public-side*"* Lenders (each, a *"**Public Lender**"*) which may have personnel who do not wish to receive material non-public information (within the meaning of the United States federal securities laws) with respect to the Trust or its Affiliates, or the respective securities of any of the foregoing (*"**MNPI**"*), and who may be engaged in investment and other market-related activities with respect to the Trust's or its Affiliate's securities or debt. The Trust hereby agrees that (w) all Trust Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked *"*PUBLIC*"* which, at a minimum, shall mean that the word *"*PUBLIC*"* shall appear prominently on the first page thereof; (x) by marking Trust Materials *"*PUBLIC,*"* the Trust shall be deemed to have authorized the Administrative Agent, the Syndication Agent and the Lenders to treat such Trust Materials as not containing any MNPI

with respect to the Trust, its Affiliates or their respective securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Trust Materials constitute confidential information, they shall be treated as set forth in Section 10.12); (y) all Trust Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Syndication Agent shall be entitled to treat any Trust Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

(c) ***The Platform.*** THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE TRUST MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE TRUST MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE TRUST MATERIALS OR THE PLATFORM. In no event shall any of the Administrative Agent, the Syndication Agent or any of its Related Parties (collectively, the "***Agent Parties***") have any liability to the Trust, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Trust's, the Administrative Agent's or the Syndication Agent's transmission of Trust Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party.

(d) ***Private Side Information.*** Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender at all times to have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States federal and state securities laws, to make reference to Trust Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain MNPI with respect to the Trust or its securities for purposes of United States federal or state securities laws.

Section 10.03. No Waiver; Remedies; Limitation of Liability.

No failure or delay by any party hereto in exercising any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No claim may be made by any Transaction Party or any other Person against any Lender, Managing Agent, the Administrative Agent, the Syndication Agent or any of their Related Parties for any indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages) in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any act, omission or event occurring in connection therewith; and each party hereto hereby waives, releases and agrees not to sue upon

any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor. No claim may be made by any Lender, Managing Agent, the Administrative Agent, the Syndication Agent or any other Person against any Transaction Party or any of their Related Parties for any indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages) in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any act, omission or event occurring in connection therewith; and each party hereto hereby waives, releases and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 10.04. Successors and Assigns; Binding Effect.

(a) This Agreement shall be binding on the parties hereto and their respective successors and permitted assigns; provided, however, that neither the Trust nor the Administrator may assign or otherwise transfer any of its rights or obligations or delegate any of its duties hereunder or under any of the other Transaction Documents to which it is a party without the prior written consent of the Administrative Agent. Except as provided in clauses (b), (d), (f) and (g) below and except as provided in Article III, no provision of this Agreement shall in any manner restrict the ability of any Lender to assign, participate, grant security interests in, or otherwise transfer any portion of its Note.

(b) ***Lenders***. Any Alternate Lender, LIBOR Lender or Committed Conduit Lender may assign all or any portion of its Commitment and any Lender may assign all or any portion of its interest in its Facility Group's Class A Notes, the Pledged Collateral and its other rights and obligations hereunder to any Person with the prior written approval of the Administrator and the Administrative Agent (which approvals shall not be unreasonably withheld or delayed and shall not be required after the occurrence and during the continuation of a Termination Event) and the approval of the Managing Agent of such Lender's Facility Group; provided, however, such consent of the Administrator or the Administrative Agent shall not be required in the case of an assignment to a Lender, an Affiliate of an existing Lender, an Approved Fund or a commercial paper conduit managed or administered by an Affiliate of an existing Lender or Managing Agent (it being understood that in the case of an assignment to a commercial paper conduit that does not become a Committed Conduit Lender, the related Commitment must be assigned to or retained by, as applicable, an Alternate Lender within such conduit's Facility Group); provided further, that (x) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and interest in its Facility Group's Class A Notes at the time owing to it or in the case of any assignment to a Lender, an Affiliate of a Lender an Approved Fund or a commercial paper conduit managed by an Affiliate of an existing Lender or Managing Agent, no minimum amount need be assigned; and (y) in any case not described in clause (x) of this proviso, the aggregate minimum amount of the Commitment or interest in a Facility Group's Class A Notes to be assigned determined as of the date of the assignment and assumption agreement shall not be less than $10,000,000, unless each of the Administrative Agent and, so long as no Amortization Event or Termination Event has occurred and is continuing, the Administrator otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignment from members of an Assignee Group to a single assignee (or to an assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

In connection with any such assignment, the assignor shall deliver to the assignee(s) an assignment and assumption agreement, duly executed, assigning to such assignee a pro rata interest in such assignor's Commitment and other obligations hereunder and in its interest in its Facility Group's Class A Notes and the Pledged Collateral and other rights hereunder, and such assignor shall promptly execute and deliver all further instruments and documents, and take all further action, that the assignee may reasonably request, in order to protect, or more fully evidence the assignee's right, title and interest in and to such interest and to enable the Administrative Agent, on behalf of such assignee, to exercise or enforce any rights hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party. Upon any such assignment, (i) the assignee shall have all of the rights and obligations of the assignor hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party with respect to such assignor's Commitment and interest in its Facility Group's Class A Notes and the Pledged Collateral for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party and (ii) the assignor shall have no further obligations with respect to the portion of its Commitment which has been assigned and shall relinquish its rights with respect to the portion of its interest in its Facility Group's Class A Notes and Pledged Collateral which has been assigned for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such assignment, was a party. No such assignment shall be effective until a fully executed copy of the related assignment and assumption agreement has been delivered to the Administrative Agent, the applicable Managing Agent and the Administrator, together with an assignment processing and recordation fee in the amount of $3,500.00 (which fee includes all costs and expenses of the Administrative Agent, assignor and assignee for which the Trust is responsible in connection with such assignment); provided, however, that the Administrative Agent may, in its sole discretion elect to waive such processing recordation fee in the case of any assignment.

(c) The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. No such assignment shall be made to the Trust or any of the Trust's Affiliates, except as otherwise explicitly permitted by this Agreement.

(d) ***Conduit Lenders***. Without limiting the foregoing, each Conduit Lender may, from time to time, with prior or concurrent notice to the Trust, the Administrator, the Managing Agent for such Conduit Lender's Facility Group, and the Administrative Agent, in one transaction or a series of transactions, assign all or a portion of its interest in its Facility Group's Class A Notes and its rights and obligations under this Agreement and any other Transaction Documents to which it is a party to a Conduit Assignee. Upon and to the extent of such assignment by a Conduit Lender to a Conduit Assignee:

(i) such Conduit Assignee shall be the owner of the assigned portion of the related Facility Group's Class A Notes and the right to make Advances;

(ii) unless otherwise provided for in an agreement among the Conduit Assignee, the Administrative Agent and the Trust, the Managing Agent for the Conduit Lender assignor will act as the Managing Agent for such Conduit Assignee, with all corresponding rights and powers, express or implied, granted to the Managing Agent hereunder or under the other Transaction Documents;

(iii) such Conduit Assignee (and any related commercial paper issuer, if such Conduit Assignee does not itself issue commercial paper) and their respective Program Support Providers and other Related Parties shall have the benefit of all the rights and protections provided to the Conduit Lender and its Program Support Provider(s) herein and in the other Transaction Documents (including any limitation on recourse against such Conduit Assignee or Related Parties, any agreement not to file or join in the filing of a petition to commence an insolvency proceeding against such Conduit Assignee, and the right to assign to another Conduit Assignee as provided in this paragraph);

(iv) such Conduit Assignee shall assume all (or the assigned or assumed portion) of the Conduit Lender's obligations, if any, hereunder or any other Transaction Document, and the Conduit Lender shall be released from such obligations, in each case to the extent of such assignment, and the obligations of the Conduit Lender and such Conduit Assignee shall be several and not joint;

(v) all distributions in respect of the Class A Notes shall be made to the applicable agent or Managing Agent, as applicable, on behalf of the Conduit Lender and such Conduit Assignee on a pro rata basis according to their respective interests;

(vi) the defined terms and other terms and provisions of this Agreement and the other Transaction Documents shall be interpreted in accordance with the foregoing; and

(vii) if requested by the Administrative Agent or the Managing Agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such Managing Agent may reasonably request to evidence and give effect to the foregoing.

No assignment by a Conduit Lender to a Conduit Assignee of all or any portion of its interest in its Facility Group's Class A Notes shall in any way diminish its related Alternate Lenders' obligation under this Agreement to fund any Advances not previously funded by the Conduit Lender or such Conduit Assignee.

(e) In the event that a Conduit Lender makes an assignment to a Conduit Assignee in accordance with clause (d) above, the Alternate Lenders in such Conduit Lender's Facility Group:

(i) if requested by the related Managing Agent, shall terminate their participation in the applicable Program Support Agreement related to the assigning Conduit Lender to the extent of such assignment;

(ii) if requested by the related Managing Agent, shall execute (either directly or through a participation agreement, as determined by such Managing Agent) the program support agreement related to such Conduit Assignee, to the extent of such assignment, the terms of which shall be substantially similar to those of the participation or other agreement entered into by such Alternate Lender with respect to the applicable Program Support Agreement (or which shall be otherwise reasonably satisfactory to the related Managing Agent and the Alternate Lenders);

(iii) if requested by the Conduit Assignee, shall enter into such agreements as requested by the Conduit Assignee pursuant to which they shall be obligated to provide funding to the Conduit Assignee on substantially the same terms and conditions as is provided for in this Agreement in respect of the Conduit Lender (or which agreements shall be otherwise reasonably satisfactory to the Conduit Assignee and the Alternate Lenders); and

(iv) shall take such actions as the Administrative Agent shall reasonably request in connection therewith.

(f) Notwithstanding the foregoing, each of the Administrator and the Trust hereby agrees and consents to the assignment by any Conduit Lender from time to time of all or any part of its rights under, interest in and title to the Advances, the Pledged Collateral, this Agreement, and the other Transaction Documents to any Program Support Provider.

(g) If its related Managing Agent so elects, a Conduit Lender shall assign (and each of the Administrator and the Trust consents to such assignment), effective on the Assignment Date referred to below, all or such portions as may be elected by the Conduit Lender of its interest in its Facility Group's Note, at such time to its related Alternate Lender(s); provided, however, that no such assignment shall take place pursuant to this paragraph at a time when an Event of Bankruptcy with respect to such Conduit Lender exists. No further documentation or action on the part of the Conduit Lender shall be required to exercise the rights set forth in the immediately preceding sentence, other than the giving of notice by its related Managing Agent on behalf of the Conduit Lender referred to above and the delivery by such related Managing Agent of a copy of such notice to each related Alternate Lender (the date of the receipt by the applicable Managing Agent of any such notice being the *"**Assignment Date**"*). Each related Alternate Lender hereby agrees, unconditionally and irrevocably and under all circumstances, without setoff, counterclaim or defense of any kind, to pay the full amount of its Assignment Amount on such Assignment Date to its related Conduit Lender or Conduit Lenders in immediately available funds to an account designated by the related Managing Agent. Upon payment of its Assignment Amount, each such Alternate Lender shall acquire an interest in such Facility Group's Class A Notes equal to that transferred by the Conduit Lender. In the event that the aggregate of the Assignment Amounts paid by any Facility Group's Alternate Lenders pursuant to this paragraph on any Assignment Date occurring is less than the principal balance of the Class A Notes of the applicable Conduit Lender on such Assignment Date, then to the extent payments are therefore received by the applicable Managing Agent hereunder in respect of such Class A Notes in excess of the aggregate of the unrecovered Assignment Amounts funded by the related Alternate Lenders, such excess shall be remitted by the applicable Managing Agent to the applicable Conduit Lenders.

(h) By executing and delivering an assignment and assumption agreement, the assignor and assignee thereunder confirm to and agree with each other and the other parties hereto as follows:

(i) other than as provided in such assignment and assumption agreement, the assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value or this Agreement, the other Transaction Documents or any such other instrument or document;

(ii) the assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Administrator, SLM Corporation, the Trust or any Affiliate thereof or the performance or observance by the Administrator, SLM Corporation, the Trust or any Affiliate thereof of any of their respective obligations under this Agreement or the other Transaction Documents or any other instrument or document furnished pursuant hereto;

(iii) such assignee confirms that it has received a copy of this Agreement and each other Transaction Document and such other instruments, documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such assignment and assumption agreement and to purchase such interest;

(iv) such assignee will, independently and without reliance upon the Administrative Agent, any Managing Agent, any other Lender, or any of their respective Affiliates, or the assignor and based on such agreements, documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Transaction Documents;

(v) such assignee appoints and authorizes the Administrative Agent and its applicable Managing Agent to take such action as agent on its behalf and to exercise such powers under this Agreement, the other Transaction Documents and any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent or its applicable Managing Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto and to enforce its respective rights and interests in and under this Agreement, the other Transaction Documents and the Pledged Collateral;

(vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Transaction Documents are required to be performed by it as the assignee of the assignor; and

(vii) such assignee agrees that it will not institute against the Conduit Lenders any proceeding of the type referred to in Section 10.15 prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after the payment in full of all CP issued by the Conduit Lender (or any related commercial paper issuer, if the Conduit Lender does not itself issue CP).

(i) From and after the effective date specified in each assignment and acceptance, (i) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such assignment and acceptance, have the rights and obligations of the assigning Lender under this Agreement, (ii) the assigning Lender shall, to the extent of the interest so assigned, be relieved from its obligations hereunder and (iii) in the case of an assignment of all of a Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, that such Lender shall continue to be entitled to the benefits of Sections 2.02(c), 2.15, 2.20 and 10.08 and Article VIII, in each case solely with respect to facts and circumstances occurring prior to the effective date of such assignment.

(j) The Administrative Agent shall, acting solely for this purpose as an agent of the Trust, maintain a register (the *"**Register**"*) on which it will record the Lenders' rights hereunder, and each assignment and acceptance and participation. The Register shall include the names and addresses of the Lenders (including all assignees, successors and participants). Failure to make any such recordation, or any error in such recordation, shall not affect the Lenders' obligations in respect of such rights. If a Lender assigns or sells a participation in its rights hereunder, it shall provide the Trust and the Administrative Agent with the information described in this paragraph and permit the Trust to review such information as reasonably needed for the Trust and the Administrative Agent to comply with its obligations under this Agreement or to maintain the Obligations at all times in *"*registered form*"* within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations. The entries in the Register shall be conclusive, and the Trust, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Trust and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(k) Each Lender may at any time pledge or Grant a security interest in all or any portion of its rights under this Agreement (including, without limitation, rights to payment of principal and Yield) to secure its obligations, including without limitation any pledge, grant, or assignment to secure obligations to a Federal Reserve Bank, without notice to or consent of SLM Corporation, the Administrator, the Trust or the Administrative Agent; provided, that no such pledge or Grant of a security interest shall release a Lender from any of its obligations under this Agreement, or substitute any such pledgee or grantee for such Lender as a party to this Agreement.

(l) [Reserved].

(m) Any Lender may, without the consent of, or notice to, the Trust or the Administrative Agent, sell participations to any Person (other than a natural person or the Trust or any of the Trust's Affiliates) (each, a *"**Participant**"*) in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or its interest in its Facility Group's Class A Notes owing to it); provided, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely

responsible to the other parties hereto for the performance of such obligations; (iii) the Trust and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; and (iv) such Lender shall obtain from the Participant, on behalf of the Administrator, a confidentiality agreement consistent with the restrictions set forth in Section 10.12 or a written agreement to comply with the provisions of Section 10.12.

Section 10.05. Termination and Survival.

This Agreement shall remain in full force and effect until the Aggregate Note Balance of all Class A Notes Outstanding and all other Obligations are paid in full; provided, that the rights and remedies with respect to any breach of a representation and warranty made by or on behalf of the Trust pursuant to Article V and the indemnification and payment provisions of Articles VIII and IX and Sections 2.14, 2.15, 2.20, 10.06, 10.07, 10.08, 10.09, 10.10, 10.12, 10.14, 10.15, 10.16 and 10.17 shall be continuing and shall survive the termination of this Agreement and, with respect to the Administrative Agent's, the Syndication Agent's, each Managing Agent's and the Eligible Lender Trustee's rights under Articles VIII, IX and X, the removal or resignation of the Administrative Agent, the Syndication Agent, such Managing Agent or the Eligible Lender Trustee.

Section 10.06. Governing Law.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 10.07. Submission to Jurisdiction; Waiver of Jury Trial; Appointment of Service Agent.

(a) EACH OF THE PARTIES HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS SECTION 10.07 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT, THE SYNDICATION AGENT, THE MANAGING AGENTS OR THE NOTE PURCHASERS TO BRING ANY ACTION OR PROCEEDING AGAINST THE TRUST OR THE ADMINISTRATOR OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

(b) EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

(c) The Trust and the Administrator each hereby appoint CT Corporation located at 111 Eighth Avenue, New York, New York 10011 as the authorized agent upon whom process may be served in any action arising out of or based upon this Agreement, the other Transaction Documents to which such Person is a party or the transactions contemplated hereby or thereby that may be instituted in the United States District Court for the Southern District of New York and of any New York State court sitting in The City of New York by the Administrative Agent or the Note Purchasers or any successor or assignee of any of them.

Section 10.08. Costs and Expenses.

The Trust agrees to pay, on or before the 30th day following the date of demand, all reasonable and customary costs, fees and expenses of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers incurred in connection with the due diligence, negotiation, preparation, execution, delivery, renewal or any amendment or modification of, or any waiver or consent issued in connection with, this Agreement, any Program Support Agreement or any other Transaction Document, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers with respect thereto and all costs, fees and expenses, if any (including the applicable Rating Agency fees (except as specified in Section 2.15(d)) and reasonable auditors' and counsel fees and expenses), incurred by the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Lead Arrangers, the Managing Agents, the Lenders or the Program Support Providers in connection with the enforcement of this Agreement and the other Transaction Documents. Notwithstanding the foregoing, each of the Managing Agents, the Lenders and the Program Support Providers agrees that the Trust shall only be required to pay amounts for legal fees and expenses of not more than one law firm engaged by the Administrative Agent or the Syndication Agent, as applicable, on behalf of the Secured Creditors, unless otherwise agreed to by the Trust in its sole discretion. Each of SLM Education Credit Finance Corporation and the Administrator agrees to pay such required payments on behalf of the Trust on the Closing Date to the extent such expenses are properly invoiced prior to the Closing Date.

Section 10.09. Bankruptcy Non-Petition and Limited Recourse.

Notwithstanding any other provision of this Agreement, each party hereto (other than the Trust) covenants and agrees that it shall not, prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after payment in full of the Class A Notes, institute against, or join any other Person in instituting against, the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or any similar proceeding

under any federal or state bankruptcy or similar law; provided, that nothing in this provision shall preclude or be deemed to stop any party hereto (a) from taking any action prior to the expiration of the aforementioned one year and one day period in (i) any case or proceeding voluntarily filed or commenced by the Trust or (ii) any involuntary insolvency proceeding filed or commenced against the Trust by any Person other than a party hereto or (b) from commencing against the Trust or the Pledged Collateral any legal action which is not a bankruptcy, reorganization, arrangement, insolvency or a liquidation proceeding. The obligations of the Trust under this Agreement are limited recourse obligations payable solely from the Pledged Collateral and, following realization of the Pledged Collateral and its application in accordance with the terms hereof, any outstanding obligations of the Trust hereunder shall be extinguished and shall not thereafter revive. In addition, no recourse shall be had for any amounts payable or any other obligations arising under this Agreement against any officer, member, director, employee, partner or security holder of the Trust or any of its successors or assigns. The provisions of this Section shall survive the termination of this Agreement.

Section 10.10. Recourse Against Certain Parties.

No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or any incorporator, Affiliate, stockholder, officer, employee or director of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders and the Program Support Providers contained in this Agreement and all of the other agreements, instruments and documents entered into by the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers, as applicable. No personal liability whatsoever shall attach to or be incurred by any administrator of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or any incorporator, stockholder, Affiliate, officer, employee or director thereof or any such administrator, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers contained in this Agreement or in any other such instruments, documents or agreements, or which are implied therefrom, and any and all personal liability of every such administrator and each incorporator, stockholder, Affiliate, officer, employee or director of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers or of any such administrator, or any of them, for breaches by the

Eligible Lender Trustee, the Administrative Agent, the Syndication Agent, the Managing Agents, the Lenders or the Program Support Providers of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section shall survive the termination of this Agreement and, with respect to the rights of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents, the resignation or removal of the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents.

Section 10.11. Execution in Counterparts; Severability.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or electronic mail of an executed signature page of this Agreement or any other Transaction Document shall be effective as delivery of an executed counterpart hereof. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 10.12. Confidentiality.

(a) Each of the Administrative Agent, the Syndication Agent, the Managing Agents and the Lenders agrees to keep confidential and not disclose any non-public information or documents related to the Trust or any Affiliate of the Trust delivered or provided to such Person in connection with this Agreement, any other Transaction Document or the transactions contemplated hereby or thereby and which are clearly identified in writing by the Trust or such Affiliate as being confidential; provided, however, that each of the foregoing may disclose such information:

(i) to the extent required or deemed necessary and/or advisable by such Person's counsel in any judicial, regulatory, arbitration or governmental proceeding or under any law, regulation, order, subpoena or decree;

(ii) to its officers, directors, employees, accountants, auditors and outside counsel, in each case, provided they are informed of the confidentiality thereof and agree to maintain such confidentiality;

(iii) to any Program Support Provider, any potential Program Support Provider, or any assignee or participant or potential assignee or participant of any Program Support Provider, provided they are informed of the confidentiality thereof and agree to maintain such confidentiality;

(iv) to any assignee, participant or potential assignee or participant of or with any of the foregoing;

(v) in connection with the enforcement of its rights and remedies under this Agreement or of any of the other Transaction Documents or any Program Support Agreement;

(vi) to any Rating Agency rating the Class A Notes, the CP of the Conduit Lenders or rating SLM Corporation, or any nationally recognized statistical rating organization in connection with any Conduit Lender's compliance with Rule 17g-5 promulgated by the U.S. Securities and Exchange Commission;

(vii) to any administrative agent, sub-administrative agent, administrator, sub-administrator, administrative trustee, sub-administrative trustee or any entity serving in a similar capacity for any Conduit Lender; and

(viii) to such other Persons as may be approved by the Trust.

Notwithstanding the foregoing, the foregoing obligations shall not apply to any such information, documents or portions thereof that (x) were of public knowledge or literature generally available to the public at the time of such disclosure; or (y) have become part of the public domain by publication or otherwise, other than as a result of the failure of such party or any of its respective employees, directors, officers, advisors, accountants, auditors, or legal counsel to preserve the confidentiality thereof.

(b) Each of the Trust and the Administrator hereby agrees that it will not disclose the contents of this Agreement or any other Transaction Document or any other proprietary or confidential information of or with respect to any Note Purchaser, any Managing Agent, the Administrative Agent, the Syndication Agent or any Program Support Provider to any other Person except (i) its auditors and attorneys, employees or financial advisors (other than any commercial bank) and any nationally recognized statistical rating organization, provided such auditors, attorneys, employees, financial advisors or rating agencies are informed of the highly confidential nature of such information or (ii) as otherwise required by applicable law or order of a court of competent jurisdiction; provided, that, to the extent reasonably practicable, the Trust and the Administrator shall provide to the Administrative Agent and Syndication Agent an opportunity to review the form and content of a disclosure pursuant to this clause (ii) prior to the making of such disclosure and shall provide to each Managing Agent an opportunity to review any such disclosure which mentions by name such Managing Agent or any member of its Facility Group.

(c) Notwithstanding any other provision herein to the contrary, each of the parties hereto (and each employee, representative or other agent of each such party) may disclose to any and all persons, without limitation of any kind, any information with respect to the United States federal, state and local "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated by the Transaction Documents and all materials of any kind (including opinions or other tax analyses) that are provided to such party or its representatives relating to such tax treatment and tax structure; provided, that no person may disclose the name of or identifying information with respect to any party identified in the Transaction Documents or any pricing terms or other nonpublic business or financial information that is unrelated to the United States federal, state and local tax

treatment of the transaction and is not relevant to understanding the United States federal, state and local tax treatment of the transaction, without complying with the provisions of Section 10.12(a); provided, further, that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the United States federal, state and local tax treatment or tax structure of the transactions contemplated hereby.

Section 10.13. Section Titles.

The section titles contained in this Agreement shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties.

Section 10.14. Entire Agreement.

This Agreement, including all Exhibits, Schedules and Appendices and other documents attached hereto or incorporated by reference herein, together with the other Transaction Documents constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other negotiations, understandings and representations, oral or written, with respect to the subject matter hereof.

Section 10.15. No Petition.

Each of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent and the Managing Agents hereby covenants and agrees with respect to each Conduit Lender that, prior to the date which is one year and one day (or, if longer, any applicable preference period plus one day) after the payment in full of all outstanding indebtedness of such Conduit Lender (or its related commercial paper issuer), it will not institute against or join any other person or entity in instituting against such Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The foregoing shall not limit the rights of the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents to file any claim in, or otherwise take any action with respect to, any insolvency proceeding instituted against any Conduit Lender by a Person other than the Trust, the Administrator, the Eligible Lender Trustee, the Administrative Agent, the Syndication Agent or the Managing Agents, as applicable. The provisions of this Section shall survive the termination of this Agreement.

Section 10.16. Excess Funds.

Notwithstanding any provisions contained in this Agreement to the contrary, no Conduit Lender shall, nor shall be obligated to, pay any amount pursuant to this Agreement unless (i) such Conduit Lender has received funds which may be used to make such payment and which funds are not required to repay its CP when due and (ii) after giving effect to such payment, either (x) such Conduit Lender could issue CP to refinance all of its outstanding CP (assuming such outstanding CP matured at such time) in accordance with the program documents governing such Conduit Lender's securitization program or (y) all of such Conduit Lender's CP are paid in full. Any amount which a Conduit Lender does not pay pursuant to the operation of the preceding

sentence shall not constitute a claim (as defined in §101 of the Bankruptcy Code) against or corporate obligation of such Conduit Lender for any such insufficiency unless and until such Conduit Lender satisfies the provisions of clauses (i) and (ii) above.

Section 10.17. Eligible Lender Trustee.

(a) The parties hereto agree that the Eligible Lender Trustee shall be afforded all of the rights, immunities and privileges afforded to the Eligible Lender Trustee under the Trust Agreement in connection with its execution of this Agreement.

(b) Notwithstanding the foregoing, none of the Secured Parties shall have recourse to the assets of the Eligible Lender Trustee in its individual capacity in respect of the obligations of the Trust. The parties hereto acknowledge and agree that The Bank of New York Mellon Trust Company, National Association and any successor eligible lender trustee is entering into this Agreement solely in its capacity as Eligible Lender Trustee, and not in its individual capacity, and in no case shall The Bank of New York Mellon Trust Company, National Association (or any person acting as successor eligible lender trustee) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trust, all such liability, if any, being expressly waived by the parties hereto, any person claiming by, through, or under any such party.

Section 10.18. USA PATRIOT Act Notice.

Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Trust that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the *"**Patriot Act**"*), it is required to obtain, verify and record information that identifies the Trust, which information includes the name and address of the Trust and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Trust in accordance with the Patriot Act.

Section 10.19. Risk Retention.

(a) SLM Education Credit Finance Corporation agrees that, if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then at all times after the relevant acquisition date (i) it shall hold and own, free and clear of any Lien or other interest, all limited liability company interests and any other equity interests in the Depositor and (ii) it shall not cause or permit such limited liability company interests and other equity interests in the Depositor to be subject to any CRD Prohibited Hedge.

(b) SLM Corporation agrees that, if one or more new Trust Student Loans are acquired by the Trust on or after January 1, 2015, then at all times after the relevant acquisition date (i) it shall hold and own, free and clear of any Lien or other interest, all stock and any other equity interests in SLM Education Credit Finance Corporation, (ii) it shall not cause or permit such stock and other equity interests in SLM Education Credit Finance Corporation to be subject to any CRD Prohibited Hedge, (iii) it shall own and hold, and shall not sell, assign or otherwise transfer, its rights or obligations under the Revolving Credit Agreement, including, without limitation, the outstanding loans and advances made to the Trust thereunder, (iv) it shall not

cause or permit its credit exposure under the Revolving Credit Agreement to be subject to any CRD Prohibited Hedge and (v) it shall not change the manner (as contemplated under Article 122a of the CRD) in which it retains a net economic interest in the Trust Student Loans as required under Article 122a of the CRD.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE TRUST:

TOWN HALL FUNDING I

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of the Closing Date by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ELIGIBLE LENDER TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely in its capacity as Eligible Lender Trustee under the Second Amended and Restated Trust Agreement dated as of the Closing Date by and among the Depositor, the Delaware Trustee and the Eligible Lender Trustee

By: /s/ Michael G. Ruppel
Name: Michael G. Ruppel
Title: Vice President

THE ADMINISTRATOR:

SALLIE MAE, INC.

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Signature Page to
Amended and Restated Note Purchase Agreement
(Town Hall Funding I)

THE ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

BANK OF AMERICA, N.A., as securities intermediary and depositary bank with respect to the Trust Accounts

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LEAD ARRANGER:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (as successor by merger to BANC OF AMERICA SECURITIES LLC)

By: /s/ Helen G. Richards
Name: Helen G. Richards
Title: Director

BANK OF AMERICA FACILITY GROUP:

MANAGING AGENT:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

LIBOR LENDER:

BANK OF AMERICA, N.A.

By: /s/ Margaux L. Karagosian
Name: Margaux L. Karagosian
Title: Vice President

THE SYNDICATION AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

LEAD ARRANGER:

J.P. MORGAN SECURITIES LLC (formerly known as J.P. MORGAN SECURITIES INC.)

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

JPMORGAN FACILITY GROUP:

CONDUIT LENDERS:

CHARIOT FUNDING LLC (including as successor by merger to Falcon Asset Securitization Company LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

JUPITER SECURITIZATION COMPANY LLC (as successor by merger to JS Siloed Trust and Park Avenue Receivables Company, LLC)

By: JPMORGAN CHASE BANK, N.A.,
its attorney-in-fact

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

MANAGING AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

ALTERNATE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Gareth Morgan
Name: Gareth Morgan
Title: Vice President

BARCLAYS FACILITY GROUP:

COMMITTED CONDUIT LENDERS:

SHEFFIELD RECEIVABLES CORPORATION

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

SALISBURY RECEIVABLES COMPANY LLC

By: BARCLAYS BANK PLC, as attorney-in-fact

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

MANAGING AGENT:

BARCLAYS BANK PLC

By: /s/ Janette Lieu
Name: Janette Lieu
Title: Director

RBS FACILITY GROUP:

CONDUIT LENDERS:

AMSTERDAM FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

WINDMILL FUNDING CORPORATION

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

MANAGING AGENT:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

ALTERNATE LENDER:

THE ROYAL BANK OF SCOTLAND PLC

By: RBS Securities Inc., as agent

By: /s/ Gregory S. Blanck
Name: Gregory S. Blanck
Title: Managing Director

DEUTSCHE BANK FACILITY GROUP:

CONDUIT LENDER:

GEMINI SECURITIZATION CORP., LLC

By: /s/ Frank B. Bilotta
Name: Frank B. Bilotta
Title: President

MANAGING AGENT:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

ALTERNATE LENDER:

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ John A. Hupalo
Name: John A. Hupalo
Title: Director

By: /s/ Chawey Wu
Name: Chawey Wu
Title: Vice President

CREDIT SUISSE FACILITY GROUP:

CONDUIT LENDER:

ALPINE SECURITIZATION CORP.

By: /s/ David Lister
Name: David Lister
Title: Director

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

MANAGING AGENT:

CREDIT SUISSE AG, NEW YORK BRANCH

By: /s/ David Lister
Name: David Lister
Title: Director

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

ALTERNATE LENDER:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By: /s/ David Lister
Name: David Lister
Title: Director

By: /s/ Robbin W. Conner
Name: Robbin W. Conner
Title: Director

RBC FACILITY GROUP:

CONDUIT LENDERS:

OLD LINE FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

THUNDER BAY FUNDING, LLC
By: Royal Bank of Canada, as its Agent, as attorney-in-fact

By: /s/ Sofia Shields
Name: Sofia Shields
Title: Authorized Signatory

MANAGING AGENT:

ROYAL BANK OF CANADA

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

By: /s/ Karen Stone
Name: Karen Stone
Title: Authorized Signatory

ALTERNATE LENDER:

ROYAL BANK OF CANADA

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

By: /s/ Roger Pellegrini
Name: Roger Pellegrini
Title: Authorized Signatory

Agreed and acknowledged with respect
to Section 3.09, Section 8.02 and Section 10.19:

SLM CORPORATION

By: /s/ Jonathan C. Clark
Name: Jonathan C. Clark
Title: Executive Vice President and Chief Financial Officer

Agreed and acknowledged with respect
to Section 10.01(a), the last sentence of Section 10.08 and Section 10.19:

SLM EDUCATION CREDIT FINANCE CORPORATION

By: /s/ Mark D. Rein
Name: Mark D. Rein
Title: Vice President

Exhibit 10.24

DIRECTOR'S INDEMNIFICATION AGREEMENT

This Director's Indemnification Agreement ("Agreement") is made as of July 31, 2008 (the "Effective Date") by and between SLM Corporation, a Delaware corporation (the "Company"), and J. Terry Strange who serves as a Director of the Company ("Indemnitee").

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve corporations as Directors unless they are provided with adequate protection through insurance and/or indemnification against the risks of claims being asserted against them arising out of their service to and activities on behalf of such corporations; and

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's investors and that the Company should act to assure such persons that there will be increased certainty of such protection in the future; and

WHEREAS, the Board has determined that, in order to help attract and retain qualified individuals as Directors, the best interests of the Company and its investors will be served by attempting to maintain, on an ongoing basis, at the Company's sole expense, insurance to protect persons serving the Company as directors and in other capacities from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises for many years, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation; and

WHEREAS, the Board has determined that, in order to help attract and retain qualified individuals as directors and in other capacities, the best interests of the Company and its investors will be served by assuring such individuals that the Company will indemnify them to the maximum extent permitted by law; and

WHEREAS, Article VIII of the Amended and Restated By-Laws effective May 19, 2005 (the "By-Laws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to Section 145 of the Delaware General Corporation Law ("DGCL"); and

WHEREAS, the Certificate of Incorporation, the By-Laws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board with respect to indemnification and the advancement of defense costs; and

WHEREAS, it therefore is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance defense costs on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, By-Laws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor shall it be deemed to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, the Board recognizes that the Indemnitee does not regard the protection available under the Company's Certificate of Incorporation, the By-Laws and insurance program as adequate in the present circumstances, and may not be willing to serve or continue to serve as a director and/or in such other capacity as the Company may request without adequate protection, and the Company desires Indemnitee to serve in such capacity; and

WHEREAS, Indemnitee is willing to serve, and continue to serve, as a member of the Board of Directors of the Company, on the condition that he or she be indemnified as provided for herein.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. **Services to the Company.** Indemnitee will serve or continue to serve as a Director of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation. This Agreement shall not serve as a binding commitment on the part of Indemnitee to continue to serve in such capacity, or on the part of the Company to cause him to be nominated to successive terms as a Director or to not otherwise be removed for cause as permitted under law.

2. **Definitions.** As used in this Agreement:

(a) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Any Person (excluding any employee benefit plan of the Company or any subsidiary of the Company) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's outstanding securities then entitled ordinarily to vote for the election of Directors; or

(ii) During any period of two (2) consecutive years commencing on or after the Effective Date, the individuals who at the beginning of such period constitute the Board or any individuals who would be Continuing Directors (as defined below) cease for any reason to constitute at least a majority thereof; or

(iii) The Board shall approve a sale of all or substantially all of the assets of the Company; or

(iv) The Board shall approve any merger, consolidation, or like business combination or reorganization of the Company, the consummation of which would result in the occurrence of any event described in clause (a) or (b), above.

(b) "Continuing Directors" shall mean the directors of the Company in office on the Effective Date and any successor to any such director and any additional director who after the Effective Date (i) was nominated or selected by a majority of the Continuing Directors in office at the time of his or her nomination or selection and (ii) who is not an "affiliate" or "associate" (as defined in Regulation 12B under the Exchange Act) of any person who is the beneficial owner, directly or indirectly, of securities representing ten percent (10%) or more of the combined voting power of the Company's outstanding securities then entitled ordinarily to vote for the election of directors.

(c) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(d) "Person" shall have the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company and (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or a subsidiary of the Company.

(e) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 issued under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(f) "Corporate Status" shall describe the status of a person who is or was a director, officer, trustee, partner, member, fiduciary, employee or agent of the Company or of any other Enterprise (as defined below), which such person is or was serving at the request of the Company.

(g) "Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding (as defined below) in respect of which indemnification is sought by Indemnitee.

(h) "Enterprise" shall mean any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, administrator, partner, member, fiduciary, employee or agent.

(i) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and accountants, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types and amounts customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding (as defined below). Expenses also shall include costs incurred in connection with any appeal resulting from any Proceeding (as defined below), including, without limitation, the premium, security for, and other costs relating to any bond, supersedeas bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(j) References to "fines" shall include any excise tax assessed on a person with respect to any employee benefit plan pursuant to applicable law.

(k) References to "serving at the request of the Company" shall include any service provided at the request of the Company as a director, officer, trustee, administrator, partner, member, fiduciary, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, trustee, administrator, partner, member, fiduciary, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

(l) Any action taken or omitted to be taken by a person for a purpose which he or she reasonably believed to be in the interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have been taken in "good faith" and for a purpose which is "not opposed to the best interests of the Company", as such terms are referred to in this Agreement and used in the DGCL.

(m) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any related appeal, in which Indemnitee was, is or will be involved as a party or witness or otherwise by reason of the fact that Indemnitee is or was a director, officer, trustee, administrator, partner, member, fiduciary, employee or agent of the Company, by reason of any action taken or not taken by him or her while acting as director, officer, trustee, administrator, partner, member, fiduciary, employee or agent of the Company, or by reason of the fact that he or she is or was serving at the request of the Company as a director, officer, trustee, administrator, partner, member, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement.

(n) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

3. **Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is made, or is threatened to be made, a party to or a participant in (as a witness or otherwise) any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all judgments, fines, penalties, amounts paid in settlement (if such settlement is approved in writing in advance by the Company, which approval shall not be unreasonably withheld) (including, without limitation, all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing) (collectively, "Losses") and Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any action, discovery event, claim, issue or matter therein or related thereto, if Indemnitee acted in good faith, for a purpose which he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, in addition, had no reasonable cause to believe that his or her conduct was unlawful.

4. **Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is made, or is threatened to be made, a party to or a participant in (as a witness or otherwise) any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with the defense or settlement of such Proceeding or any action, discovery event, claim, issue or matter therein or related thereto, if Indemnitee acted in good faith, for a purpose which he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification, however, shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged to be liable to the Company, unless and only to the extent that the court in which the Proceeding was brought or, if no Proceeding was brought in a court, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, Indemnitee fairly and reasonably is entitled to indemnification for such portion of the Expenses as the court deems proper.

5. **Indemnification for Expenses Where Indemnitee is Wholly or Partly Successful.** Notwithstanding and in addition to any other provisions of this Agreement, to the extent that Indemnitee is a party to a Proceeding and is successful, on the merits or otherwise, in the defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with such successful defense. For the avoidance of doubt, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and, without limitation, the termination of any claim, issue or matter in such a Proceeding by withdrawal or dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. **Indemnification for Expenses of a Witness.** Notwithstanding and in addition to any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in or otherwise incurs Expenses in connection with any Proceeding to which Indemnitee is not a party, he or she shall be indemnified by the Company against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

7. **Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 3, 4, or 5 hereof or in Section 145 of the DGCL or other applicable statutory provision, the Company shall indemnify Indemnitee to the fullest extent permitted by law if Indemnitee is made, or is threatened to be made, a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Losses and Expenses actually and reasonably incurred by Indemnitee in connection with the Proceeding. No indemnification shall be made under this Section 7(a) on account of Indemnitee's conduct which constitutes a breach of Indemnitee's duty of loyalty to the Company or its investors or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law.

(b) For purposes of Sections 7(a), the meaning of the phrase "to the fullest extent permitted by law" shall include, but not be limited to:

i. to the fullest extent authorized or permitted by the then-applicable provisions of the DGCL or other applicable statutory provision, that authorize or contemplate indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL or other applicable statutory provision, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL or other applicable statutory provision, adopted after the date of this Agreement that increase the extent to which a corporation limited liability company or partnership, as applicable may indemnify its officers, directors or persons holding similar fiduciary responsibilities.

(c) Indemnitee shall be entitled to the prompt payment of all Expenses reasonably incurred in enforcing successfully (fully or partially) this Agreement.

8. **Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment actually has been received by or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount actually received under such insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company or any subsidiary of the Company within the meaning of Section 16(b) of the Exchange Act, as amended, or similar provisions of state blue sky law, state statutory law or common law; or

(c) prior to a Change in Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company (other than any Proceeding referred to in Sections 13(d) or (e) below or any other Proceeding commenced to recover any Expenses referred to in Section 7(c) above) or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) if the funds at issue were paid pursuant to a settlement approved by a court and indemnification would be inconsistent with any condition with respect to indemnification expressly imposed by the court in approving the settlement.

9. **Advances of Expenses; Defense of Claim.**

(a) Notwithstanding any provision of this Agreement to the contrary, the Indemnitee shall be entitled to advances of Expenses incurred by him or her or on his or her behalf in connection with a Proceeding that Indemnitee claims is covered by Sections 3 and 4 hereof, prior to a final determination of eligibility for indemnification and prior to the final disposition of the Proceeding, upon the execution and delivery to the Company of an undertaking by or on behalf of the Indemnitee providing that the Indemnitee will repay such advances to the extent that it ultimately is determined that

Indemnitee is not entitled to be indemnified by the Company. This Section 9(a) shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 8.

(b) The Company shall advance pursuant to Section 9(a) the Expenses incurred by Indemnitee in connection with any Proceeding within thirty (30) days after the receipt by the Company of a written statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay such advances. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce such right to receive advances.

(c) The Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on the Indemnitee without the Indemnitee's prior written consent, which consent shall not be unreasonably withheld.

10. **Procedure for Notification and Application for Indemnification.**

(a) Within sixty (60) days after the actual receipt by Indemnitee of notice that he or she is a party to or is requested to be a participant in (as a witness or otherwise) any Proceeding, Indemnitee shall submit to the Company a written notice identifying the Proceeding. The failure by the Indemnitee to notify the Company within such 60-day period will not relieve the Company from any liability which it may have to Indemnitee (i) otherwise than under this Agreement, and (ii) under this Agreement, provided that if the Company can establish that such failure to notify the Company in a timely manner resulted in actual prejudice to the Company, then the Company will be relieved from liability under this Agreement only to the extent of such actual prejudice.

(b) Indemnitee shall at the time of giving such notice pursuant to Section 10(a) or thereafter deliver to the Company a written application for indemnification. Such application may be delivered at such time as Indemnitee deems appropriate in his or her sole discretion. Following delivery of such a written application for indemnification by Indemnitee, the Indemnitee's entitlement to indemnification shall be determined promptly according to Section 11(a) of this Agreement and the outcome of such determination shall be reported to Indemnitee in writing within forty-five (45) days of the submission of such application.

11. **Procedure Upon Application for Indemnification.**

(a) Upon written application by Indemnitee for indemnification pursuant to Section 10(b) or written statement by Indemnitee for advances of Expenses

pursuant to Section 9(b), a determination with respect to Indemnitee's entitlement thereto pursuant to the mandatory terms of this Agreement, pursuant to statute, or pursuant to other sources of right to indemnity, and pursuant to Section 12 of this Agreement shall be made in the specific case: (i) by a majority vote of the Disinterested Directors, whether or not such directors otherwise would constitute a quorum of the Board; (ii) by a committee of Disinterested Directors designated by a majority vote of such directors, whether or not such directors would otherwise constitute a quorum of the Board, (iii) if there are no Disinterested Directors or if so requested by (x) the Indemnitee in his or her sole discretion or (y) the Disinterested Directors, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (iv) by the stockholders of the Company. Indemnitee shall reasonably cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless from any such costs and expenses.

(b) If it is determined that Indemnitee is entitled to indemnification requested by the Indemnitee in a written application submitted to the Company pursuant to Section 10(b), payment to Indemnitee shall be made within ten (10) days after such determination. All advances of Expenses requested in a written statement by Indemnitee pursuant to Section 9(b) prior to a final determination of eligibility for indemnification shall be paid in accordance with Section 9.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11(a) hereof, the Independent Counsel shall be selected as provided in this Section 11(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion.

Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit.

(d) If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 9(b) or 10(b) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11(a) hereof.

(e) The Company agrees to pay the reasonable fees and expenses of the Independent Counsel and to fully indemnify such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13(a) of this Agreement, any Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

12. **Presumptions and Effect of Certain Proceedings.**

(a) Presumption in Favor of Indemnitee. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted an application for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption.

(b) No Presumption Against Indemnitee. Neither the failure of the Company (including by its Directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement nor an actual determination by the Company (including by its Directors or Independent Counsel) that Indemnitee has not met the applicable standard of conduct for indemnification shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(c) Sixty Day Period for Determination. If the person, persons or entity empowered or selected under Section 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty

(60) days after receipt by the Company of an application therefor, a determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(d) No Presumption from Termination of a Proceeding. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere, or its equivalent, shall not of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and for a purpose which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(e) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action or failure to act is based on the records or books of account of the Company or any Enterprise other than the Company, including financial statements, or on information supplied to Indemnitee by the officers of the Company or any Enterprise other than the Company in the course of their duties, or on the advice of legal counsel for the Company or any Enterprise other than the Company or on information or records given or reports made to the Company or any Enterprise other than the Company by an independent certified public accountant or by an appraiser or other expert selected by the Company or any Enterprise other than the Company, except if the Indemnitee knew or had reason to know that such records or books of account of the Company, information supplied by the officers of the Company, advice of legal counsel or information or records given or reports made by an independent certified public accountant or by an appraiser or other expert were materially false or materially inaccurate. The provisions of this Section 12(e) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met any applicable standard of conduct.

(f) Actions of Others. The knowledge and/or actions, or failure to act, of any other director, officer, trustee, administrator, partner, member, fiduciary, employee or agent of the Company or any Enterprise other than the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

13. **Remedies of Indemnitee.**

(a) Adjudication/Arbitration. In the event that (i) a determination is made pursuant to Section 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 9 of this Agreement, (iii) subject to Section 12(c), no determination of entitlement to indemnification shall have been made pursuant to Section 11(a) of this Agreement within 60 days after receipt by the Company of the application for indemnification, or (iv) payment of indemnification is not made pursuant to Sections 3, 4, 5, 6, 7 and 11(b) of this Agreement within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or after receipt by the Company of a written request for any additional monies owed with respect to a Proceeding as to which it already has been determined that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) Indemnitee Not Prejudiced by Prior Adverse Determination. In the event that a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of the prior adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 13, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) Company Bound by Prior Determination. If a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) Expenses. In the event that Indemnitee, pursuant to this Section 13, seeks a judicial adjudication of or an award in arbitration to enforce his or her rights under, or to recover damages for breach of this Agreement, Indemnitee shall be entitled to recover from the Company and shall be jointly and severally indemnified by the Company against, any and all Expenses actually and reasonably incurred by him or her in such judicial adjudication or arbitration if it shall be determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive all or part of the indemnification or advancement of Expenses sought which the Company had disputed prior to the commencement of the judicial proceeding or arbitration.

(e) Advances of Expenses. If requested by Indemnitee, the Company shall (within ten (10) days after receipt by the Company of a written request therefore) advance to Indemnitee the Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, if the Indemnitee has submitted an undertaking to repay such Expenses if Indemnitee ultimately is determined to not be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be. The Indemnitee's financial ability to repay any such advances shall not be a basis for the Company to decline to make such advances.

(f) Precluded Assertions by the Company. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

14. **Non-exclusivity; Survival of Rights; Insurance; Subrogation.**

(a) Rights of Indemnitee Not Exclusive. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, or the By-Laws, any agreement, vote of investors or a resolution of directors, members, partners, or otherwise. No right or remedy herein conferred by this Agreement is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

(b) Survival of Rights. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal.

(c) Change of Law. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation or the By-Laws, or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy and be conferred by this Agreement the greater benefits so afforded by such change.

(d) Insurance. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, administrators partners, members, fiduciaries, employees, or agents of the Company or of

any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, trustee, partner, member, fiduciary, officer, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise) the Company has director and officer liability insurance in effect that covers Indemnitee, the Company or shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(e) Subrogation. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(f) Other Payments. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(g) Other Indemnification. The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, administrator partner, member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such Enterprise.

15. **Duration of Agreement.** This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as any of the following: a director, officer, agent or employee of the Company or as a director, officer, trustee, administrator partner, member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee served at the request of the Company; or (b) one (1) year after the final termination of any Proceeding (including after the expiration of any rights of appeal) then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 13 of this Agreement (including any rights of appeal of any Proceeding commenced pursuant to Section 13). This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators.

16. **Severability.** If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

17. **Enforcement.**

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve, or to continue to serve, as a director, of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director agent of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

18. **Modification and Waiver.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

19. **Successors and Binding Agreement.**

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) and any acquiror of all or substantially all of the business or assets of the Company by agreement in form and substance reasonably satisfactory to Indemnitee and/or his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform it if no such succession had taken place.

(b) This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of

the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for purposes of this Agreement), but will not otherwise be assignable or delegatable by the Company.

(c) This Agreement will inure to the benefit of and be enforceable by the Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, legatees and other successors.

(d) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 19(a), (b) and (c). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will, devise, a grantor's trust instrument under which the Indemnitee or his estate is the sole beneficiary, or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 19(d), the Company will have no liability to pay any amount so attempted to be assigned or transferred.

20. **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if: (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, on the date of such receipt, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee subsequently shall provide in writing to the Company.

(b) If to the Company to:

SLM Corporation
12061 Bluemont Way
Reston, VA 20190
Attention: Chief Executive Officer

With a copy to:
General Counsel

or to any other address as may have been furnished to Indemnitee in writing by the Company.

21. **Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any

reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall jointly and severally contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company, on the one hand, and Indemnitee, on the other, as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company, on the one hand (and its directors, officers, employees and agents) and Indemnitee, on the other, in connection with such event(s) and/or transaction(s).

22. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws, principles or rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 13 of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) irrevocably appoint, to the extent such party is not a resident of the State of Delaware, CT Corporation, 1209 Orange Street, Wilmington, New Castle County, Delaware 19808 as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

23. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

24. **Miscellaneous.** Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

SLM Corporation

By: _____

General Counsel

INDEMNITEE

_____

Name:

Address for Notices to Indemnitee:

Exhibit 10.25

SALLIE MAE 401(k) SAVINGS PLAN
— Plan Document —
Effective as of January 1, 2010
(Incorporating Plan Amendments through September 1, 2009)

Restatement as of January 1, 2010

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ARTICLE 1
NAME AND EFFECTIVE DATE

1.01 Name of Plan. Effective November 1, 1997, this Plan shall be known as the Sallie Mae 401(k) Savings Plan. Prior to November 1, 1997, the Plan was known as the Student Loan Marketing Association Employees' Thrift and Savings Plan.

This Plan is a profit-sharing plan. This Plan is intended to qualify as a participant-directed account plan under section 404(c) of ERISA.

1.02 Effective Date. The Effective Date of the Plan is April 1, 1974. The Plan was amended and restated to reflect statutory changes that are generally effective January 1, 1997, (except to the extent an amendment required by a statutory enactment is effective on a later date, as stated herein), and to reflect administrative changes to the Plan. The Plan was restated as of February 28, 1999, to reflect amendments made to the Plan after January 1, 1997 and effective on February 28, 1999 unless otherwise stated herein. The Plan was further restated as of December 31, 1999 to reflect amendments through December 31, 1999, and the Plan was further restated as of December 31, 2001 to reflect amendments through December 31, 2001. The Plan was further amended by the First Amendment to the Sallie Mae 401(k) Savings Plan to comply with the Economic Growth and Tax Relief Reconciliation Act of 2001, and to incorporate certain other plan design changes. The Plan was further amended by the Second Amendment to the Sallie Mae 401(k) Savings Plan, effective as of January 1, 2003 or as otherwise provided, to incorporate certain plan design changes. The Plan was thereafter amended as of January 1, 2006 to incorporate changes to the optional forms of benefit and for purposes of further defining eligibility and vesting service for new participants added to the plan as a result of acquisition.

The Plan was further restated as of September 1, 2006, to reflect amendments through January 1, 2006. The Plan (as most recently restated as of September 1, 2006, to reflect amendments through January 1, 2006) was then amended as follows: (1) by the First Amendment, effective as of January 1, 2006, or as otherwise provided, to incorporate certain changes required by the final regulations issued under section 401(k) of the Code; (2) by the Second Amendment, effective as of August 1, 2007, to incorporate changes related to a freeze in eligibility and participation under the Plan; (3) by the Third Amendment, effective as of October 1, 2008, to make changes to the definition of Compensation and the amount of Employer Core Contributions and Employer Matching Contributions; (4) by the Fourth and Fifth Amendments, effective as of January 1, 2008, to clarify the administrative provisions of the Plan and to comply with the final regulations issued under section 415 of the Code; (5) by the Sixth Amendment, effective as of September 1, 2009, to reflect a special employer discretionary contribution (a "Service Contract Act Contribution") exclusively for employees designated by the Corporation as government contract employees; (6) by the Seventh Amendment, effective January 1, 2007 and January 1, 2008, to incorporate certain changes required by the Pension Protection Act of 2006; (7) by the Eighth Amendment, effective for distributions on and after January 1, 2003, to comply with the final regulations issued under section 401(a)(9) of the Code; and (8) by the Ninth Amendment, effective January 1, 2009, to clarify how the Plan has been administered. The Plan is hereby further amended and restated, effective as of January 1, 2010, to reflect the merger of the Sallie Mae 401(k) Retirement Savings Plan into the Plan, to restore the eligibility and participation provisions, and to reflect amendments through January 1, 2010.

Except as may otherwise be provided by ERISA or other law or the terms of this Plan, the benefit of a Terminated Participant who terminated his employment with an Employer before the effective date of an amendment shall be governed by the provisions of the Plan as in effect on the date of such termination.

ARTICLE 2
DEFINITIONS

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.01 Affiliated Employer. "Affiliated Employer" means:

(a) any corporation which is in the same "controlled group of corporations", as defined in section 414(b) of the Code, as an Employer, but which is not an Employer;

(b) any trade or business which is under common control, as defined in section 414(c) of the Code, with an Employer, but which is not an Employer;

(c) any employer that is a member of an affiliated service group, as defined in section 414(m) of the Code, that includes an Employer, but which is not an Employer; or

(d) any other entity that is required to be aggregated with an Employer pursuant to regulations under section 414(o) of the Code, but which is not an Employer.

A corporation, a trade or business, an employer or an entity is an Affiliated Employer for all purposes under the Plan only during the period or periods when the corporation is a member of the same controlled group of corporations as an Employer, when the trade or business is under common control with an Employer, when the employer is a member of an affiliated service group that includes an Employer, or when the entity is required to be aggregated with an Employer. For purposes of Section 4.07, the definitions prescribed by sections 414(b) and 414(c) of the Code shall be modified as provided by section 415(h) of the Code.

2.02 Aggregation Group. "Aggregation Group" means either a Required Aggregation Group or a Permissive Aggregation Group.

2.03 Authorized Leave of Absence. "Authorized Leave of Absence" means:

(a) a leave of absence of an employee approved by an Employer or Affiliated Employer in accordance with rules that apply on a uniform basis to all similarly situated employees; or

(b) a leave of absence of an employee as required by the Veteran Re-employment Rights Act or other applicable law.

2.04 Beneficiary. "Beneficiary" means the person, persons or entity, including one or more trusts, last designated, on a form supplied by the Retirement Committee, by a Participant as a beneficiary, co-beneficiary or contingent beneficiary to receive benefits payable under the Plan in the event of the death of the Participant; provided, however, that in the case of a married Participant, the Beneficiary shall be the Participant's surviving spouse, unless the surviving spouse consents, on a form supplied by the Retirement Committee, to the designation of another Beneficiary or Beneficiaries. The spouse's consent must acknowledge the effect of such designation, must be witnessed by a Plan representative or a notary public, and, unless the spouse executes a general consent, must acknowledge the specific non-spouse Beneficiary, if any, including any class of Beneficiaries or any contingent Beneficiaries. A general consent to permit the Participant to change his Beneficiary without any requirement of further consent by his spouse is valid only if the spouse acknowledges that the spouse has a right to limit consent to a specific Beneficiary and the spouse voluntarily relinquishes that right. Notwithstanding the above, if it is established to the satisfaction of a Plan representative that such consent may not be

obtained because there is no spouse or because the spouse cannot be located, no consent will be required. Spousal consent is also not required if the Participant is legally separated or the Participant has been abandoned, within the meaning of local law, and the Participant has a court order to such effect. If the spouse is legally incompetent to give consent, the spouse's legal guardian, even if the guardian is the Participant, may give consent.

If no designation of a Beneficiary is in effect at the time of death of the Participant, or if no person, persons or entity so designated shall survive the Participant, the Beneficiary shall be the Participant's surviving spouse, if any, or if there shall be no such surviving spouse, the Beneficiary shall be the estate of the Participant.

2.05 Board of Directors. "Board of Directors" or "Board" means the Board of Directors of the Corporation.

2.06 Code. "Code" means the Internal Revenue Code of 1986, as amended.

2.07 Compensation. "Compensation" means, for the portion of a Plan Year during which an Employee is a Participant, the gross amount of base salary, overtime, shift differential, bonus and commissions paid by the Employer to an Employee for services rendered as an Employee to or on behalf of the Employer, including payments for sick leave, vacation, holidays, jury duty, bereavement and other paid leaves of absence, short-term disability payments, recruiting/job referral bonuses, plus any amount that is deferred or reduced pursuant to a salary reduction agreement in respect of which the Employer makes contributions to this Plan or to a cafeteria plan within the meaning of section 125 of the Code, except that Compensation shall not include severance, hiring bonuses, long-term disability payments, any amount deferred or paid under a nonqualified deferred compensation plan maintained by the Employer; amounts paid on

account of the Corporation's Vacation Sell Program; or amounts paid on account of the exercise of stock options or on account of the award or vesting of restricted stock or other stock-based compensation. The annual Compensation of each Participant taken into account under the Plan shall not exceed $245,000 (for 2010), adjusted as of January 1 of each calendar year pursuant to sections 401(a)(17) and 415(d) of the Code.

2.08 Corporation. "Corporation" means SLM Corporation or any other person, firm or corporation which may succeed to the business of SLM Corporation by merger, consolidation or otherwise and which, by appropriate action, shall adopt the Plan, except that prior to May 17, 2002, "Corporation" means USA Education, Inc., prior to July 31, 2000, "Corporation" means SLM Holding Corporation, and prior to August 7, 1997, "Corporation" means Student Loan Marketing Association.

2.09 Determination Date. "Determination Date" means, with respect to any Plan Year, (i) the last day of the immediately preceding Plan Year, or (ii) in the case of the first Plan Year of the Plan, the last day of such Plan Year.

2.10 Direct Rollover. "Direct Rollover" means a payment by the Plan of an Eligible Rollover Distribution to the Eligible Retirement Plan specified by the Participant or a Qualified Beneficiary.

2.11 Disability. "Disability" means a mental or physical condition for which an individual receives disability benefits for total and permanent disability under either (a) the Federal Social Security Act or (b) any welfare plan maintained by the Employer that provides long-term disability benefits.

2.12 Effective Date. "Effective Date" means April 1, 1974, the date when this Plan first became effective.

2.13 Eligible Retirement Plan. "Eligible Retirement Plan" means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, a qualified trust described in section 401(a) of the Code, an eligible deferred compensation plan described in section 457(b) of the Code that is maintained by an eligible employer described in section 457(e)(1)(A) of the Code and that agrees to separately account for amounts rolled into such plan from this Plan, an annuity contract described in section 403(b) of the Code, or a Roth IRA if the rollover requirements of sections 402(c) and 408A of the Code (as applicable) are met, that accepts the Participant's or Qualified Beneficiary's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a surviving spouse who is not an alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, an Eligible Retirement Plan is an individual retirement account described in section 408(a) of the Code or an individual retirement annuity described in section 408(b) of the Code.

In the case of an Eligible Rollover Distribution to a Qualified Beneficiary who is the Participant's or Terminated Participant's surviving spouse, or spouse or former spouse who is an alternate payee under a qualified domestic relations order (as defined in section 414(p) of the Code), an Eligible Retirement Plan shall be defined in the same manner as if such Qualified Beneficiary were the Employee. However, in the case of an Eligible Rollover Distribution to any other Qualified Beneficiary, an "Eligible Retirement Plan" shall include only an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, or a Roth IRA, if the rollover requirements of sections 402(c) and 408A of the Code (as applicable) are met.

2.14 Eligible Rollover Distribution. "Eligible Rollover Distribution" means any distribution of all or any portion of a Participant's Vested Benefit, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments, made not less frequently than annually, for the life, or life expectancy, of the Participant or the Participant's designated beneficiary or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more; any distribution, to the extent such distribution is required under section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income, determined without regard to the exclusion for net unrealized appreciation with respect to employer stock; and any amount distributed on account of hardship.

Notwithstanding any provision of the Plan to the contrary, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of voluntary employee contributions that are not includible in gross income; provided, however, such portion may be transferred only to an individual retirement account or annuity described in sections 408(a) or (b) of the Code, a qualified retirement plan (either a defined contribution plan or a defined benefit plan) described in section 401(a) or 403(a) of the Code, or an annuity contract described in section 403(b) of the Code that agrees to separately account for amounts so transferred and earnings thereon, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

2.15 Employee. "Employee" means any person who is employed by an Employer. Notwithstanding the prior provision, the following classifications of employees are excluded:

(a) any such person who is a member of a unit of employees covered by a collective bargaining agreement where retirement benefits have been the subject of good faith collective bargaining between the collective bargaining agent and an Employer, unless such collective bargaining agreement expressly provides for the inclusion of such persons as Participants in the Plan;

(b) any such person who is a Leased Employee;

(c) any such person who is treated by an Employer as a Leased Employee, independent contractor, or employee of a third party other than the Employer or Affiliated Employer, even if such person is later determined to have been a common law employee of the Employer;

(d) any Employee who is hired in order to participate in a training program established for the purpose of training and recruiting future full-time Employees, such as intern, co-op, mentor or any other similar program that may be implemented by the Employer; and

(e) any Employee employed on a temporary or periodic basis, by the Corporation or by any Affiliated Employer, where such Employee from time to time accepts, at his or her discretion, job assignments having a fixed and limited duration, such as (but not limited to) special project(s) to cover illness, vacation or other temporary vacancies or unusual or cyclical employment needs, at potentially varying rates of compensation commensurate with each job assignment and who is classified in the Employer's records as a "temporary employee."

When used in the Plan without an initial capital letter, the term "employee" means any person who is employed by an Employer or Affiliated Employer under the common-law standard.

2.16 Employee Account. "Employee Account" means a separate account maintained for each Participant which is composed of the following sub-accounts (to the extent amounts are credited to any such sub-account):

(a) an Employee Contribution sub-account, which consists of the Employee Contributions contributed to the Plan pursuant to Section 4.01(a);

(b) an Employer Matching Contribution sub-account, which consists of the Employer Matching Contributions contributed to the Plan pursuant to Section 4.01(b);

(c) an Employer Discretionary Profit-Sharing Contribution sub-account, which consists of the Employer Discretionary Profit-Sharing Contributions contributed to the Plan pursuant to Section 4.01(c);

(d) an Employer Core Contribution sub-account, which consists of the Employer Core Contributions contributed to the Plan pursuant to Section 4.01(d);

(e) a Rollover Contribution sub-account, which consists of a Participant's Rollover Contributions contributed to the Plan pursuant to Section 4.02;

(f) a participant contribution sub-account, which consists of the participant contributions contributed to the Plan prior to January 1, 1982;

(g) a voluntary contribution sub-account, which consists of the voluntary contributions contributed to the Plan prior to January 1, 1987;

(h) a Qualified Non-Elective Contribution sub-account, which consists of any Qualified Non-Elective Contributions that were previously contributed to the Plan as necessary to pass the nondiscrimination tests described in sections 401(k)(3), 401(k)(12), 401(m)(2), or 401(m)(11) of the Code; and

(i) a Service Contract Act Contribution sub-account, which consists of the Service Contract Act Contributions contributed to the Plan pursuant to Section 4.01(g).

Each sub-account shall be adjusted as of each Valuation Date to reflect investment earnings or losses thereon and any other applicable adjustments thereto, including such allocations described in Section 5.03.

From time to time, additional sub-accounts may be established and maintained for recordkeeping purposes to protect optional forms of benefits, rights and features as may be required upon plan asset transfers arising from mergers and acquisitions.

2.17 Employee Contribution. "Employee Contribution" means a contribution made to the Plan by an Employer pursuant to an Employee's salary deferral election.

2.18 Employer. "Employer" means the Corporation or any wholly- or majority-owned subsidiary of the Corporation or any organization affiliated with or associated with the Corporation which adopts the Plan and becomes a party to it with the written approval of the Corporation. A list of the Employers as of the date of this restatement is attached hereto as Appendix A.

2.19 Employer Core Contribution. "Employer Core Contribution" means a contribution to the Plan by the Employer in accordance with Section 4.01(d).

2.20 Employer Discretionary Profit-Sharing Contribution. "Employer Discretionary Profit-Sharing Contribution" means a contribution to the Plan by the Employer in accordance with Section 4.01(c).

2.21 Employer Matching Contribution. "Employer Matching Contribution" means a contribution to the Plan by the Employer in accordance with Section 4.01(b), which matches in whole or in part an Employee Contribution made to the Plan on behalf of an Employee.

2.22 Employment Commencement Date. "Employment Commencement Date" means the date an employee first performs an Hour of Service for an Employer or Affiliated Employer.

2.23 ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.24 Five Percent Owner. "Five Percent Owner" means any person who owns (or is considered as owning within the meaning of section 318 of the Code, as modified by substituting "5 percent" for "50 percent" in section 318(a)(2)(C) of the Code) more than five percent (5%) of the outstanding stock of an Employer or any Affiliated Employer or stock possessing more than five percent (5%) of the total combined voting power of all stock of an Employer or any Affiliated Employer, or any person who owns more than five percent (5%) of the capital or profits interest in any Affiliated Employer that is not a corporation.

2.25 Fund. "Fund" means the trust fund established under the Trust Agreement and funded by Employer and Employee contributions and from which benefits are to be paid.

2.26 Highly Compensated Employee. "Highly Compensated Employee" means an employee who is a highly compensated active employee or highly compensated former employee, within the meaning of section 414(q) of the Code and the regulations thereunder. A Highly Compensated Employee includes any active employee who:

(a) was a Five Percent Owner at any time during the current Plan Year or the preceding Plan Year, or

(b) for the preceding Plan Year, received Non-deferred Compensation from the Employer in excess of $110,000 (for 2010), as adjusted pursuant to sections 414(q) and 415(d) of the Code, and was in the top-paid group of employees for such preceding Plan Year.

The top-paid group of employees is the group consisting of the top twenty percent (20%) of employees when ranked on the basis of Non-deferred Compensation paid during such preceding Plan Year, excluding the following employees:

(i) employees who have not completed six (6) months of service;

(ii) employees who normally work less than seventeen and one-half (17 1/2) hours per week;

(iii) employees who normally work during not more than six (6) months during any Plan Year;

(iv) employees who have not attained age 21; and

(v) except to the extent provided in regulations, employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the Employer.

A former employee shall be a Highly Compensated Employee if (i) such employee was a Highly Compensated Employee when such employee separated from service, or (ii) such employee was a Highly Compensated Employee at any time after attaining age fifty-five (55). Whether or not a former employee is a Highly Compensated Employee shall be determined in accordance with applicable regulations as in effect for that determination year.

2.27 Hour of Service. "Hour of Service" means:

(a) Each hour for which an employee is directly or indirectly paid, or entitled to payment, by an Employer or Affiliated Employer for the performance of duties;

(b) Each hour for which no duties were performed but for which back pay, irrespective of mitigation of damages, has either been awarded or agreed to by an Employer or Affiliated Employer, which hours shall be credited for the Plan Year to which the award or agreement pertains; and

(c) Each hour for which an employee is directly or indirectly paid, or entitled to payment, by an Employer or Affiliated Employer for a period during which no duties are performed, irrespective of whether the employment relationship has terminated, due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, which hours shall be credited for the Plan Year in which payment is made or due. An hour for which an employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed shall not be credited to the employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation, or disability insurance laws; and Hours of Service shall not be credited for a payment which solely reimburses an employee for medical or medically related expenses incurred by the employee.

The same Hours of Service shall not be credited under (a) or (c) above, as the case may be, and under (b) above. Nothing herein shall be construed as denying an employee credit for an Hour of Service if credit is required by ERISA or other Federal law.

Notwithstanding anything in this Section 2.27 to the contrary, Hours of Service shall be calculated and credited pursuant to section 2530.200b-2 of the Department of Labor regulations which are incorporated herein by reference.

2.28 Investment Advisory Committee. "Investment Advisory Committee" means the committee described in Section 9.03.

2.29 Key Employee. "Key Employee" means, for any Plan Year, any employee or former employee of an Employer or an Affiliated Employer or beneficiary of such employee who, at any time during such Plan Year is:

(a) an officer of an Employer or an Affiliated Employer having annual Non-deferred Compensation greater than $160,000, as adjusted annually by the Commissioner of Internal Revenue; provided that no more than 50 employees shall be treated as officers for such purpose;

(b) a Five Percent Owner within the meaning of sections 416(i)(1)(A)(ii) and (B)(i) of the Code and the regulations thereunder; or

(c) a One Percent Owner having aggregate annual Non-deferred Compensation of more than $150,000, within the meaning of section 416(i)(1)(A)(iii) and (B)(ii) of the Code and the regulations thereunder.

2.30 Leased Employee. "Leased Employee" means any person, other than an employee of an Employer or Affiliated Employer, who pursuant to an agreement between an Employer or Affiliated Employer and any other person ("leasing organization") has performed services for an Employer or Affiliated Employer on a substantially full-time basis for a period of at least one year and such services are performed under the primary direction or control of the Employer or Affiliated Employer. A Leased Employee shall be considered an employee of an Employer or an Affiliated Employer to the extent required by ERISA and/or the Code.

2.31 Named Fiduciary. "Named Fiduciary" means the Retirement Committee and the Trustee, but only with respect to the specific responsibilities of each for the administration of the Plan and Fund. The fiduciary responsibility of the Retirement Committee shall be as set forth in Articles 9 and 10. The fiduciary responsibility of the Trustee shall be as set forth in the Trust Agreement.

2.32 Non-deferred Compensation. "Non-deferred Compensation" includes all of the following:

(a) The employee's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a non-accountable plan (as described in Treas. Reg. Section 1.62-2(c)).

(b) In the case of an employee who is an employee within the meaning of section 401(c)(1) of the Code and the regulations thereunder, the employee's earned income (as defined in section 401(c)(2) of the Code and the regulations thereunder).

(c) Amounts described in sections 104(a)(3), 105(a), and 105(h) of the Code, but only to the extent that these amounts are includible in the gross income of the employee.

(d) Amounts paid or reimbursed by the Employer for moving expenses incurred by an employee, but only to the extent that, at the time of the payment, it is reasonable to believe that these amounts are not deductible by the Employer under section 217 of the Code.

(e) The value of a non-qualified stock option granted to an employee by the Employer, but only to the extent that the value of the option is includible in the gross income of the employee for the taxable year in which granted.

(f) The amount includible in the gross income of an employee upon making the election described in section 83(b) of the Code.

(g) The amount of any elective deferral (as defined in section 402(g)(3) of the Code), and any amount which in contributed or deferred by the Employer at the election of the employee and which is not includible in the gross income of the employee by reason of section 125, 132(f)(4), or 457 of the Code.

(h) Amounts that are includible in the gross income of an employee under the rules of section 409A or 457(f)(1)(A) of the Code or because the amounts are constructively received by the employee.

The following items are not included in the definition of compensation:

(i) Except to the extent required to be included in the definition of compensation by section 415(c)(3)(D) of the Code, contributions made by the Employer to a plan of deferred compensation (including a simplified employee pension described in section 408(k) of the Code or a simple retirement account described in section 408(p) of the Code, and whether or not qualified) to the extent that, before the application of the section 415 limitations to that plan, the contributions are not includible in the gross income of the employee for the taxable year in which contributed. Additionally, any distributions from a plan of deferred compensation (whether or not qualified) are not considered as compensation for purposes of section 415 of the Code, regardless of whether such amounts are includible in the gross income of the employee when distributed. However, any amounts received by an employee pursuant to an unfunded non-qualified plan are permitted to be considered as compensation for section 415 purposes in the year the amounts are actually received, but only to the extent such amounts are includible in the gross income of the employee.

(ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or other property) held by an employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture (see section 83 of the Code and the regulations thereunder).

(iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option (as defined in Treas. Reg. §1.421-1(b)).

(iv) Except to the extent required to be included in the definition of compensation by section 415(c)(3)(D) of the Code, other amounts which receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the

premiums are not includible in the gross income of the employee and are not salary reduction amounts that are described in section 125 of the Code), or other items of remuneration that are similar to any of the items listed in paragraphs (i) through this (iv).

The annual Non-deferred Compensation of each employee taken into account under the Plan shall not exceed the first $245,000 (for 2010) of such Non-deferred Compensation, as adjusted annually by the Commissioner of Internal Revenue pursuant to sections 401(a)(17) and 415(d) of the Code.

2.33 Non-Key Employee. "Non-Key Employee" means any employee or former employee of an Employer or an Affiliated Employer or beneficiary of such employee who is not a Key Employee, within the meaning of section 416(i)(2) of the Code and the regulations thereunder.

2.34 Normal Retirement Age. "Normal Retirement Age" means age sixty-five (65).

2.35 One Percent Owner. "One Percent Owner" means any person who would be a Five Percent Owner if "one percent (1%)" were substituted for "five percent (5%)" each place it appears.

2.36 Participant. "Participant" means any Employee who has satisfied the eligibility requirements for the Plan as provided under Article 3 and who (a) has elected to participate in the Plan by enrolling in the Plan as described in Section 3.02(a), and/or (b) who has received an allocation of Employer Discretionary Profit-Sharing Contributions, Employer Core Contributions, or Service Contract Act Contributions, as applicable. The term Participant, as used throughout this Plan document, shall also include Terminated Participants where the context reasonably requires.

2.37 Pension Plan. "Pension Plan" means any defined benefit plan or any defined contribution plan established by an Employer or an Affiliated Employer and qualified under section 401 of the Code.

2.38 Period of Service. "Period of Service" means the period that begins on an employee's Employment Commencement Date, or Reemployment Commencement Date, with an Employer or Affiliated Employer and ends on his Severance from Service Date, and includes the employee's total number of years and months of service, crediting each completed and partial month as a full month. In the event an employee has a Severance from Service Date followed by a Reemployment Commencement Date within twelve (12) months of such Severance from Service Date, the Period of Severance shall be treated as a Period of Service. In addition, if an employee is on an Authorized Leave of Absence and subsequently experiences a Severance from Service Date, but later has a Reemployment Commencement Date within twelve (12) months of the day he was first absent from employment because of the Authorized Leave of Absence, then the period from the Severance from Service Date until the Reemployment Commencement Date shall be treated as a Period of Service.

2.39 Period of Severance. "Period of Severance" shall be the period beginning on the Severance from Service Date and ending on the employee's next Reemployment Commencement Date.

2.40 Permissive Aggregation Group. "Permissive Aggregation Group" means a Required Aggregation Group that also includes a Pension Plan of an Employer or an Affiliated Employer which, although not required to be included in the Required Aggregation Group, is treated by an Employer or an Affiliated Employer as being part of such Required Aggregation Group, provided that such Required Aggregation Group would continue to meet the requirements of sections 401(a)(4) and 410(b) of the Code with such Pension Plan being taken into account.

2.41 Plan. "Plan" means this Sallie Mae 401(k) Savings Plan and all authorized amendments, except that, prior to November 1, 1997, Plan shall mean the Student Loan Marketing Association Employees' Thrift and Savings Plan and all authorized amendments.

2.42 Plan Administrator. "Plan Administrator" means the Retirement Committee.

2.43 Plan Year. "Plan Year" means the twelve (12) month period beginning on January 1 and ending on December 31.

2.44 Qualified Beneficiary. "Qualified Beneficiary" means a Participant's or former Participant's surviving spouse, or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, or, effective January 1, 2010, non-spouse designated beneficiary (as defined in section 401(a)(9)(E) of the Code).

2.45 Qualified Non-Elective Contribution. "Qualified Non-Elective Contribution" means a previous contribution by an Employer that was made to enable the Plan to meet the nondiscrimination tests described in sections 401(k)(3), 401(k)(12), 401(m)(2), or 401(m)(11) of the Code.

2.46 Reemployment Commencement Date. "Reemployment Commencement Date" means the date an employee first performs an Hour of Service for an Employer or Affiliated Employer following a Period of Severance.

2.47 Required Aggregation Group. "Required Aggregation Group" means (i) each Pension Plan of an Employer or an Affiliated Employer in which a Key Employee is a Participant, and (ii) each other Pension Plan of an Employer or an Affiliated Employer which enables any Pension Plan described in the immediately preceding clause (i) to meet the requirements of section 401(a)(4) or 410(b) of the Code.

2.48 Retirement Committee. "Retirement Committee" means the committee appointed to administer the Plan as provided in Article 9.

2.49 Rollover Contribution. "Rollover Contribution" means any rollover account or rollover contribution as defined in section 402(c)(4), 403(a)(4) or 408(d)(3) of the Code.

2.50 Service Contract Act Contribution. "Service Contract Act Contribution" means a contribution to the Plan by the Employer in accordance with Section 4.01(g).

2.51 Severance from Service Date. "Severance from Service Date" means:

(a) the date on which an employee's employment is terminated for any reason, other than an Authorized Leave of Absence; or

(b) in the case of an Authorized Leave of Absence, the earlier of (i) the first anniversary of the first date of an Authorized Leave of Absence, or (ii) in the event an employee fails to return to employment with an Employer or Affiliated Employer on or before the expiration of an Authorized Leave of Absence, the date following the date on which an Authorized Leave of Absence expires; or

(c) in the case of an absence from work which is due to the pregnancy of the employee, the birth of a child of the employee, the adoption of a child by the employee, or the caring for a child by the employee for a period beginning immediately following the birth or adoption of the child, and which extends beyond the first anniversary of the first day of such absence from work, the second anniversary of the first date on which the employee commenced such absence from work.

2.52 Terminated Participant. "Terminated Participant" means a Participant who has ceased to be an employee.

2.53 Top Heavy Group. "Top Heavy Group" means, with respect to any Plan Year, an Aggregation Group if, as of the Determination Date with respect to such Plan Year, (i) the sum of (1) the present value of the cumulative accrued benefits under all Pension Plans included in such Aggregation Group, determined in accordance with section 416(g) of the Code and the regulations thereunder, and (2) the aggregate of the accounts of Key Employees under all defined contribution plans included in such Aggregation Group, as determined in accordance with section 416(g) of the Code and the regulations thereunder, exceeds (ii) sixty percent (60%) of a similar sum determined for Key Employees and Non-Key Employees; provided, however, that if any employee is a Non-Key Employee with respect to any Pension Plan for any Plan Year, but such employee was a Key Employee with respect to such Pension Plan for any prior Plan Year, any accrued benefit for such employee and any account of such employee shall not be taken into account for purposes of the foregoing determination; and provided further, that if any employee

has not performed any service for any Employer or Affiliated Employer maintaining the Pension Plan at any time during the one (1)-year period ending on the Determination Date, any accrued benefit for such employees and any account of such employees shall not be taken into account. For purposes of determining the present value of the cumulative accrued benefit for any employee, or the amount of the account of any employee, such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the Pension Plan during the one (1)-year period (or, in the event such distribution is made for a reason other than severance from employment, death, or disability, during the five (5)-year period) ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated Pension Plan which if it had not been terminated would have been required to be included in the Aggregation Group.

2.54 Top Heavy Plan. "Top Heavy Plan" means a plan included in a Top Heavy Group, except that (a) a simple retirement account as described in section 408(p) of the Code is not a Top Heavy Plan, and (b) a plan that consists solely of a cash or deferred arrangement which meets the requirements of section 401(k)(12) or 401(k)(13) of the Code and matching contributions with respect to which the requirements of section 401(m)(11) or 401(m)(12) are met is not a Top Heavy Plan, except that if such plan described in this paragraph (b) would be treated as a Top Heavy Plan because it is a member of an Aggregation Group that is a Top Heavy Group, contributions under the plan may be taken into account in determining whether any other plan in the Aggregation Group meets the requirements of section 416(c)(2) of the Code.

2.55 Trust Agreement. "Trust Agreement" means the agreement, including all authorized amendments, entered into by the Trustee and the Corporation pursuant to which the Fund is established and maintained.

2.56 Trustee. "Trustee" means the individual or entity designated as Trustee under the terms of the Trust Agreement, or any successor Trustee which is a party to the Trust Agreement.

2.57 Valuation Date. "Valuation Date" means any date that the New York Stock Exchange is open for trading.

2.58 Vested Benefit. "Vested Benefit" means the portion of a Participant's Employee Account that is non-forfeitable.

2.59 Year of Participation. "Year of Participation" means a twelve (12)-month period beginning on the date an employee first becomes a Participant in the Plan. If a Participant has a Severance from Service Date and does not receive a distribution of his Plan benefit, he shall continue to be credited with Years of Participation as long as his Plan benefit remains in the Plan. In the event a Participant has a Severance from Service Date, receives a distribution of his Plan benefit, and subsequently has a Reemployment Commencement Date, his Years of Participation upon his reemployment shall be calculated from his Reemployment Commencement Date and shall not include Years of Participation credited before his Reemployment Commencement Date.

2.60 Year of Vesting Service. "Year of Vesting Service" means a twelve (12) month Period of Service, aggregating all Periods of Service, and crediting each completed and partial month as a full month of service. Years of Vesting Service shall also include any years of vesting service from a prior employer recognized by the Plan in effect prior to January 1, 2010.

If an employee has a Period of Severance that exceeds twelve (12) months, his prior Years of Vesting Service shall be used to determine his vesting percentage as of his Reemployment Commencement Date only if (a) he was vested in any portion of his Employee Account derived from Employer contributions, as of his Severance from Service Date, or (b) his latest Period of Severance as of his Reemployment Commencement Date is either (i) less than five (5) years, or (ii) a shorter period of time than his Period of Service, immediately before the date such Period of Severance began.

With respect to employees re-employed on or after September 1, 2000, an employee's prior Years of Vesting Service shall be used to determine his Years of Vesting Service as of his date of re-employment; provided that such prior Years of Vesting Service shall not include any Years of Vesting Service previously disregarded by reason of a prior Period of Severance.

Wherever used in this instrument, a masculine pronoun shall be deemed to include the masculine and feminine gender, a singular word shall be deemed to include the singular and plural and a plural word shall be deemed to include the singular and plural in all cases where the context requires.

ARTICLE 3
ELIGIBILITY & PARTICIPATION

3.01 Eligibility.

(a) Employee Contributions. An Employee shall be eligible to elect to have Employee Contributions made on his behalf beginning on any date coincident with or next following the date the Employee is credited with a one (1) month Period of Service with an Employer; provided that such Employee is an Employee on such date and satisfies the requirements of Section 3.02.

(b) Employer Matching Contributions. A Participant shall be eligible to receive Employer Matching Contributions beginning with the first pay period coincident with or next following the date the Participant completes a twelve (12) month Period of Service with an Employer, provided that the Participant is an Employee on such date.

(c) Employer Core Contributions. An Employee shall be eligible to receive Employer Core Contributions equal to 1% of the Participant's Compensation on a pay period basis once the Employee has completed a one (1) month Period of Service.

(d) Service Contract Act Contributions. Effective September 1, 2009, any Employee (1) who is eligible to elect to have Employee Contributions made on his behalf in accordance with Section 3.01(a), and (2) who is designated by the Corporation to be a government contract employee, shall be eligible to receive Service Contract Act Contributions in an amount necessary to meet the requirements of the Federal Service Contract Act.

3.02 Participation.

(a) General. To become a Participant, an Employee must enroll in the Plan pursuant to procedures promulgated by the Retirement Committee, including making a salary reduction election whereby the Employee elects to reduce his Compensation by an amount permitted under Section 4.01(a) and the Employer agrees to contribute such amount to the Plan on behalf of the Employee.

An Employee who is eligible to become a Participant in the Plan, in accordance with Section 3.01, will become a Participant as soon as administratively feasible after the date he completes the enrollment procedures described above.

(b) Employer Discretionary Profit-Sharing Contributions and Employer Core Contributions. An Employee who is eligible to become a Participant in the Plan, in accordance with Section 3.01, will become a Participant without completing the enrollment procedures described above upon receiving an allocation of Employer Discretionary Profit-Sharing Contributions in accordance with Section 4.01(c) hereof or an Employer Core Contribution in accordance with Section 4.01(d) hereof.

(c) Service Contract Act Contributions. An Employee who is eligible to become a Participant in the Plan, in accordance with Section 3.01, will become a Participant without completing the enrollment procedures described above upon receiving an allocation of Service Contract Act Contributions in accordance with Section 4.01(g) hereof.

3.03 Re-employment of Terminated Participant or Former Employee and Change in Employment Status.

(a) Change in Employment Status: Eligibility for Employee Contributions. Effective January 1, 2010, if an employee or a former employee who has completed a one (1)-month Period of Service, but who was not an Employee on the date coinciding with or next following the date on which the employee completed such service requirement, becomes or again becomes an Employee on or after January 1, 2010, then such Employee shall be eligible to become a Participant and have Employee Contributions made on his behalf as of the first day he becomes or again becomes an Employee; provided that he completes the enrollment process to become a Participant in the Plan, in the manner described in Section 3.02. In the case of such a Participant, his Employer will commence making Employee Contributions on his behalf as soon as administratively feasible following receipt of the Participant's salary reduction authorization.

(b) Change in Employment Status: Eligibility for Matching Contributions. Effective January 1, 2010, if an employee or a former employee who has completed a twelve (12)-month Period of Service, but who was not an Employee on the date coinciding with or next following the date on which the employee completed such service requirement, becomes or again becomes an Employee on or after January 1, 2010, then such Employee shall be eligible to receive Employer Matching Contributions as of the first day he becomes or again becomes an Employee; provided that he completes the enrollment process to become a Participant in the Plan, in the manner described in Section 3.02.

(c) Re-employment of Terminated Participant: Eligibility for Employee Contributions. Effective January 1, 2010, if a Terminated Participant again becomes an

Employee on or after January 1, 2010, then such Employee shall be eligible to become a Participant and have Employee Contributions made on his behalf as of the first day he again becomes an Employee; provided that he completes the enrollment process to become a Participant in Plan, in the manner described in Section 3.02. In the case of such a Participant, the Employer will commence making Employee Contributions on his behalf as soon as administratively feasible following receipt of the Participant's salary reduction authorization.

(d) Re-employment of Terminated Participant: Eligibility for Matching Contributions. Effective January 1, 2010, if a Terminated Participant who had completed a twelve (12)-month Period of Service again becomes an Employee on or after January 1, 2010, then such Employee shall be eligible to receive Employer Matching Contributions as of the first day he again becomes an Employee; provided that he completes the enrollment process to become a Participant in the Plan, in the manner described in Section 3.02.

(e) Effective January 1, 2010, with respect to Employees re-employed on or after January 1, 2010, an Employee's prior Period of Service shall be used to determine his Period of Service as of his date of re-employment; provided that such Period of Service shall not include any Period of Service previously disregarded by reason of a prior Period of Severance.

(f) A Terminated Participant or former Employee who has a Period of Severance, and whose prior Period of Service is not reinstated as described above, must meet the eligibility requirements of Section 3.01 before becoming a Participant in the Plan.

Notwithstanding the foregoing provisions of this Section 3.03, the terms of the Plan in effect prior to January 1, 2010 shall determine an individual's eligibility for benefits under the Plan prior to January 1, 2010.

3.04 Transfer of Participant to Another Employer. A Participant who transfers from one Employer to another Employer will continue to be a Participant in the Plan.

3.05 Transfer of Participant to an Affiliated Employer. A Participant who transfers from an Employer to Upromise, Inc. or Asset Performance Group, LLC on or after July 1, 2007 shall remain a Participant in the Plan upon such transfer, and shall continue to be a Participant in the Plan until such Participant terminates employment or is reclassified to an ineligible classification set forth in Sections 2.15(a)-(e).

3.06 Transfer of Participant from Affiliated Employer. A Participant who transfers to an Employer from an Affiliated Employer shall receive credit under the Plan for service with such Affiliated Employer as if the Participant's service was for the Employer.

ARTICLE 4
CONTRIBUTIONS

4.01 Employer Contributions.

(a) Employee Contributions. For each Plan Year, the Employer shall contribute to the Plan on behalf of each Participant an amount equal to a whole percentage up to seventy-five percent (75%) of a Participant's Compensation, pursuant to the salary reduction authorization of the Participant; provided, however, that the aggregate amount of Employee Contributions contributed to the Plan and to all other plans, contracts and arrangements maintained by the Employer on behalf of any Participant for any calendar year shall not exceed the dollar limit contained in section 402(g)(5) and 415(d) of the Code in effect for such calendar year, except to the extent permitted under section 414(v) of the Code. The Employer will begin contributing Employee Contributions to the Plan commencing as soon as administratively feasible following receipt of the Participant's salary reduction authorization. All Employee Contributions will be credited to the Participant's Employee Contribution sub-account. The Participant will at all times be fully vested in his Employee Contribution sub-account.

(b) Employer Matching Contributions. The Employer will contribute to the Plan for each Participant eligible to receive Employer Matching Contributions (on a pay period basis) an amount equal to one hundred percent (100%) of the Participant's Employee Contributions that do not exceed 3% of Compensation, plus fifty percent (50%) of the Participant's Employee Contributions that exceed 3% of Compensation but that do not exceed 5% of Compensation. Employer Matching Contributions are intended to satisfy the safe harbor nondiscrimination requirements of section 401(k)(12) of the Code and shall be 100% vested

when made. In compliance therewith, the Employer shall provide each eligible Employee with notice of the Employee's rights and obligations under the Plan (which notice may be provided through electronic media), within a reasonable period of time before the beginning of each Plan Year (or, in the Plan Year an Employee first becomes eligible, within a reasonable period before becoming eligible), in accordance with the requirements of section 401(k)(12) of the Code (and the regulations and other guidance issued thereunder). Notwithstanding anything in the Plan to the contrary, effective January 1, 2009, no true-up Employer Matching Contributions may be made to a Participant who is eligible to receive Employer Matching Contributions in accordance with this Section 4.01(b).

(c) Employer Discretionary Profit-Sharing Contributions. From time to time, the Employer may make an Employer Discretionary Profit-Sharing Contribution to the Fund. All allocations of Employer Discretionary Profit-Sharing Contributions determined above shall be credited to the Employee's Employer Discretionary Profit-Sharing Contribution sub-account, which sub-account shall at all times be fully vested.

(d) Employer Core Contributions. The Employer shall make Employer Core Contributions in accordance with and on behalf of each eligible Employee described in Section 3.01(c) hereof, which Employer Core Contributions shall become 100% vested upon a Participant's completion of one (1) Year of Vesting Service.

(e) Other Employer Contributions. The Employer may also make additional contributions to the Plan to correct any errors; provided that such additional contributions are in the best interest of the Participants.

(f) Employee Catch-Up Contributions. Effective January 1, 2002, all Participants who are eligible to make Employee Contributions under this Plan and who have attained age 50 before the close of the calendar year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the Plan implementing the required limitations of sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions. Employer Matching Contributions shall be made with respect to amounts contributed as catch-up contributions.

(g) Service Contract Act Contributions. Effective September 1, 2009, the Employer may make a Service Contract Act Contribution to the Plan on behalf of each eligible Employee described in Section 3.01(d). All allocations of Service Contract Act Contributions shall be credited to an Employee's Service Contract Act Contribution sub-account, which sub-account shall at all times be fully vested.

4.02 Rollover Contributions. An Employee may file an application with the Plan's third party administrator to have the Trustee accept his Rollover Contribution, even if he has not satisfied the eligibility requirements to become a Participant. Any such request shall state the amount of the Rollover Contribution and include a statement that such contribution qualifies as a Rollover Contribution. In addition, the Retirement Committee may require the Employee to submit such other evidence and documentation as the Retirement Committee and the Trustee determine is necessary to insure that the contribution qualifies as a Rollover Contribution.

If the Retirement Committee and the Trustee accept the Rollover Contribution, the Employee's Rollover Contribution shall be credited to the Employee's Rollover Contribution sub-account. The Employee shall elect to direct the investment of his Rollover Contribution among the investment alternatives as are then currently available. The Employee shall at all times be fully vested in his Rollover Contribution sub-account.

In addition to distributions from a qualified plan described in section 401(a) or 403(a) of the Code that are otherwise includible in gross income or a "conduit IRA" containing those assets, the Plan will accept Rollover Contributions (including direct Rollover Contributions in accordance with section 401(a)(31) of the Code), subject to the Retirement Committee's determination that such amounts meet the requirements for Rollover Contributions, of (1) distributions from an annuity contract described in section 403(b) of the Code that are otherwise includible in gross income, (2) distributions from an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, that are otherwise includible in gross income and (3) distributions from an individual retirement account or annuity described in section 408(a) or (b) of the Code that are otherwise includible in gross income. The Plan will not accept as Rollover Contributions amounts consisting of after-tax employee contributions.

4.03 Distribution of Employee Contributions that Exceed the Statutory Limitation. If any amount constituting "excess deferrals", within the meaning of section 402(g) of the Code, is required to be included in the gross income of a Participant under section 402(g)(1) of the Code for any taxable year of the Participant, the Participant shall notify the Retirement Committee of such excess deferrals by March 1 following the close of the taxable

year with respect to which the excess deferrals were made, and the Retirement Committee shall direct the Trustee to distribute, in accordance with section 402(g)(2) and the regulations thereunder, to the Participant, not later than the next following April 15, the amount of excess deferrals allocated to the Plan for such taxable year, including any income allocable thereto for the taxable year. No Employer Matching Contributions shall be made with respect to such excess deferrals; or if Employer Matching Contributions have been made with respect to such excess deferrals, they shall be forfeited. In all events, the income attributable to excess deferrals will be determined in accordance with section 402(g) of the Code and the regulations issued thereunder.

4.04 Change of Contribution Rate and Suspension of Contributions. A Participant may elect to change the percentage rate of salary reduction specified in his salary reduction authorization or to suspend his Employee Contributions in the manner prescribed by the Retirement Committee. Any such change will become effective as soon as administratively feasible.

A Participant may elect to suspend all of his Employee Contributions, which results in the cancellation of the salary reduction authorization between the Participant and the Employer, in accordance with procedures promulgated by the Retirement Committee. Any such suspension will become effective as soon as administratively feasible. A Participant whose Employee Contributions have been suspended as provided in this paragraph may reinstate such contributions in accordance with procedures promulgated by the Retirement Committee, which shall be effective as soon as administratively feasible.

See Section 6.04 for a discussion of the mandatory suspension of contributions following a hardship withdrawal.

4.05 Payment to the Trustee. Employee Contributions shall be transmitted to the Trustee as soon as administratively feasible, but in no event later than the fifteenth (15th) business day of the month following the month in which the Employee Contributions would otherwise have been payable to the Participant in cash. Employer Matching Contributions shall be transmitted to the Trustee no later than the date prescribed by law for the filing of the Corporation's Federal tax return for the year for which the contribution is made, including extensions of such time granted by the Internal Revenue Service. Employer Discretionary Profit-Sharing Contributions and Service Contract Act Contributions, if made for a particular year, shall be transmitted to the Trustee no later than December 31 of the year after the year for which the contribution is made. Notwithstanding the foregoing, in no event shall Employee Contributions or Employer Matching Contributions be contributed to the Trust (i) before the Participant has made a salary reduction election pursuant to Sections 3.02 and 4.01(a), or (ii) before the earlier of (A) the Participant's performance of services that relate to the Compensation that, but for the Participant's salary reduction election, would have been paid to the Participant or (B) the date the Compensation is made currently available to the Participant.

4.06 Safe Harbor Requirements. The Plan is intended to satisfy the safe harbor requirements in accordance with section 401(k)(12) of the Code, and as such is not subject to the nondiscrimination testing under section 401(k)(3) of the Code.

4.07 Maximum Benefit and Contribution Limitations.

(a) In accordance with the requirements of section 415 of the Code and the final regulations issued on April 5, 2007 thereunder (which are hereby incorporated by reference), in no event shall the contributions made to a Participant's Employee Account for any Plan Year exceed the amount permitted under section 415 of the Code. As of January 1 of each calendar year, the dollar limitation under section 415(c)(1)(A) of the Code, as adjusted pursuant to section 415(d) of the Code, shall become effective under the Plan.

(b) For the purposes of section 415 of the Code and this Section 4.07, compensation means wages as reported in Box 1 on Form W-2, or in such other box or on such other form as may be designated for purposes of withholding tax by the Federal government. Compensation shall also include elective deferrals, as defined in section 402(g) of the Code, and amounts that are excluded from compensation under section 125 or 457 of the Code. Effective January 1, 2008, the definition of compensation for purposes of applying the limitations under section 415 of the Code shall comply with Treasury Regulations § 1.415(c)-2(d)(4) and shall be subject to the following:

(i) Compensation for a limitation year shall also include the following amounts if paid by the later of 2 1/2 months after the Participant's severance from employment or the end of the limitation year that includes the date of the Participant's severance from employment: payments of regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift deferential), commissions, bonuses, or other similar payments; provided that, absent a severance from employment, the payments would have been made to the Participant while the Participant continued employment with the Corporation or an Affiliated Employer.

(ii) Any payment not described in Section 4.07(b)(i) above will not be included in compensation if paid after the Participant's severance from employment, even if paid by the later of 2 1/2 months after the date of severance from employment or the end of the limitation year that includes the date of the severance from employment; provided, however, that compensation shall include amounts paid by the Corporation or an Affiliated Employer to an individual who does not currently perform services for the Corporation or an Affiliated Employer by reason of qualified military service (within the meaning of section 414(u)(5) of the Code) to the extent such amounts do not exceed the amounts the individual would have received if the individual had continued to perform services for the Corporation or Affiliated Employer rather than entering qualified military service.

(iii) Compensation shall not include amounts in excess of the applicable dollar limit under section 401(a)(17) of the Code, as adjusted by the Internal Revenue Service for increases in the cost of living determined in accordance with section 401(a)(17)(B) of the Code and the regulations and other guidance issued thereunder.

(c) The limitation year, as defined in section 415 of the Code, for the Plan shall be the Plan Year. If for any Plan Year the limitation of this Section 4.07 shall be exceeded, then the Plan shall correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2008-50 or any superceding guidance.

(d) If a Participant also participates in another tax-qualified defined contribution plan maintained by the Corporation or an Affiliated Employer (as modified by application of section 415(h) of the Code), the various plans shall be considered a single defined contribution plan and the otherwise applicable limitation on the contributions made to a Participant's Employee Account for any Plan Year under this Plan shall be adjusted as follows:

(i) If the Participant previously participated in another tax-qualified defined contribution plan maintained by the Corporation or an Affiliated Employer (as modified by the application of section 415(h) of the Code) within the same limitation year prior to becoming a Participant in the Plan, the otherwise applicable limitation on the contributions made to a Participant's Employee Account for any Plan Year under this Plan for that limitation year shall be reduced by the amount of annual additions (within the meaning of section 415(c)(2) of the Code) allocated under any such other defined contribution plan for that limitation year; and

(ii) If, at any point during a limitation year, a Participant ceases being a Participant in the Plan and becomes a participant in another tax-qualified defined contribution plan maintained by the Corporation or an Affiliated Employer (as modified by the application of section 415(h) of the Code) within the same limitation year, the otherwise applicable limitation on annual additions (within the meaning of section 415(c)(2) of the Code) under any such other defined contribution plan for that limitation year shall be reduced by the amount of the contributions made to a Participant's Employee Account for any Plan Year allocated under the Plan for that limitation year.

ARTICLE 5
INVESTMENT ELECTIONS AND ACCOUNTS OF PARTICIPANTS

5.01 Participant Investment Elections. At such time and in such manner as designated by the Retirement Committee, a Participant may elect to direct the investment of his Employee Account balance among the investment alternatives provided for in accordance with Section 5.02. In the event no investment election is received, a Participant's Employee Account shall be invested in an investment fund as available from time to time, which has been designated as a default investment fund by the Retirement Committee, and may constitute a qualified default investment alternative within the meaning of section 404(c)(5) of ERISA.

5.02 Investment Alternatives. The Retirement Committee will direct the Trustee as to the specific investment alternatives which may be available from time to time. Notwithstanding the foregoing, Corporation stock shall be one of the investment alternatives. Each Participant shall inform the Trustee of his investment election and the Trustee shall allocate his Employee Account accordingly.

5.03 Allocation to Accounts. As of each Valuation Date, the Trustee shall determine the fair market value of the Fund, as well as the fair market value of the Employee Account of each Participant. The value of the Employee Account of each Participant as of a Valuation Date, shall be equal to the value of such Account as of the last Valuation Date, plus or minus all applicable adjustments, including the following:

(a) Allocation of Investment Earnings and Expenses. The Participant's Employee Account shall be credited with the amount of investment income, any realized or unrealized capital gains or losses and any expenses since the last Valuation Date, in accordance with a policy promulgated by the Retirement Committee.

(b) Allocation of Employer Contributions. The Employee Contribution sub-account, Employer Matching Contribution sub-account, Employer Discretionary Profit-Sharing Contribution sub-account, Employer Core Contribution sub-account, and Service Contract Act Contribution sub-account, if any, of each Participant shall be credited with any Employee Contributions, Employer Matching Contributions, Employer Discretionary Profit-Sharing Contributions, Employer Core Contributions, and Service Contract Act Contributions respectively, which have been contributed thereto in accordance with Section 4.01 and allocated to the Participant's Employee Account. Employee Contributions, any Employer Matching Contributions which are based on the Employee Contributions, Employer Discretionary Profit-Sharing Contributions, Employer Core Contributions, and any Service Contract Act Contributions shall be allocated to the Employee Account as of the Trustee's receipt of such contributions. The Qualified Non-Elective Contribution sub-account contains any Qualified Non-Elective Contributions that were previously contributed and allocated to the Participant's Employee Account.

(c) Allocation of Loan Repayments. The appropriate sub-accounts of the Employee Account of each Participant shall be credited with all loan repayments, such repayments being credited towards both principal and interest.

(d) Allocation of Withdrawals and Distributions. The appropriate sub-accounts of the Employee Account of each Participant shall be charged with any withdrawals or loans made pursuant to Article 6 and with any distributions made pursuant to Article 8 since the last Valuation Date.

5.04 Determination of Account Balances Binding. In determining the value of the Fund and Employee Accounts, the Trustee and the Retirement Committee shall exercise their best judgment, and all such determinations of value in the absence of bad faith shall be binding upon all Participants and their Beneficiaries.

5.05 Participation of Additional Employers. Subject to Section 14.12, in the event that affiliated or subsidiary organizations become signatory hereto, the Trustee may invest all funds without segregating assets between or among signatory Employers.

5.06 Voting Rights of Corporation Stock. Each Participant and Terminated Participant or, in the event of his death, his Beneficiary shall have the right to direct the Trustee as to the manner in which whole shares of common stock of the Corporation allocated to his Employee Account as of the record date are to be voted on each matter brought before an annual or special shareholders' meeting. Before each such meeting of shareholders, the Trustee shall cause to be furnished to each Participant, Terminated Participant and Beneficiary a copy of the proxy solicitation material, together with a form requesting directions on how such shares of Corporation stock allocated to such Participant's account shall be voted on each such matter. Upon timely receipt of such directions, the Trustee shall on each such matter vote, as directed, the number of shares of Corporation stock allocated to such Participant's Employee Account, and the Trustee shall have no discretion in such matter. The Trustee shall establish procedures as are necessary to maintain the confidentiality from the Employer of the directions of individuals. The Trustee shall vote allocated shares for which it has not received direction and unallocated shares of Corporation stock in the same proportion as directed shares are voted, and shall have no discretion in such matter.

ARTICLE 6
IN-SERVICE WITHDRAWALS AND LOANS

6.01 Withdrawals from Voluntary Contribution and Participant Contribution Sub-Accounts. A Participant is entitled to make up to two withdrawals each Plan Year, on any business date, from his voluntary contribution sub-account and up to two withdrawals each Plan Year, on any business date, from his participant contribution sub-account; provided, however, that after the withdrawal, his Vested Benefit equals or exceeds the amount of the security for his loans, if any, under Section 6.05. The amount credited to his voluntary contribution sub-account and participant contribution sub-account shall be determined on the date of the withdrawal. Any amount withdrawn by a Participant under this Section 6.01 shall be deemed to have been first withdrawn from his voluntary contributions, then from his participant contributions, then from the investment earnings on his voluntary contributions, and finally from the investment earnings on his participant contributions. Withdrawals from the voluntary contribution sub-account and the participant contribution sub-account may be in cash or in Corporation stock. Withdrawals shall be made from the investment funds in which the sub-account is invested in accordance with a policy promulgated by the Retirement Committee, except that a Participant may not receive a distribution from the Corporation stock fund, if he is restricted from trading in the Corporation stock fund at the time of the distribution. The Retirement Committee may establish a minimum amount that may be withdrawn under this Section 6.01, or under this Section 6.01 and any other Section of Article 6, in the aggregate.

6.02 Withdrawals from Rollover Contribution Sub-Accounts. A Participant is entitled to make up to two withdrawals each Plan Year, on any business day, from his Rollover

Contribution sub-account; provided, however, that after the withdrawal his Vested Benefit equals or exceeds the amount of the security for his loans, if any, under Section 6.05. The number of withdrawals permitted under this Section 6.02 shall be decreased by the number of any withdrawal from a Participant's voluntary contribution or participant contribution sub-accounts pursuant to Section 6.01, unless the withdrawal pursuant to this Section 6.02 is made on the same date as the withdrawal pursuant to Section 6.01. The amount credited to his Rollover Contribution sub-account shall be determined on the date of the withdrawal. Withdrawals from the Rollover Contribution sub-account may be made only in cash. The Participant may make a withdrawal from his Rollover Contribution sub-account provided that the Participant elects to withdraw, or has already withdrawn, one hundred percent (100%) of the amounts credited to his voluntary contribution and participant contribution sub-accounts. Withdrawals shall be made from each investment fund in accordance with a policy promulgated by the Retirement Committee, except that a Participant may not receive a distribution from the Corporation stock fund if he is restricted from trading in Corporation stock on the date of the distribution. The Retirement Committee may establish a minimum amount that may be withdrawn under this Section 6.02, or under this Section 6.02 and any other Section of Article 6 in the aggregate.

6.03 Withdrawals from Employer Matching Contribution Sub-Accounts, Employer Discretionary Profit-Sharing Contribution Sub-Accounts, Employer Core Contribution Sub-Accounts, and Service Contract Act Contribution Sub-Accounts. A Participant who has completed five (5) Years of Participation in the Plan as of the date of a withdrawal and who has elected to withdraw, or has already withdrawn, one hundred percent (100%) of the amounts credited to his voluntary contribution, participant contribution, and

Rollover Contribution sub-accounts is entitled to make up to two withdrawals (per sub-account type) each Plan Year, on any business day, of any part or all of the amount credited to each of the following sub-accounts: his Employer Matching Contribution sub-account (with respect to Employer Matching Contributions made prior to January 1, 2003 only) (referred to as "Pre-2003 Employer Matching Contributions"), his Employer Discretionary Profit-Sharing Contribution sub-account, his Employer Core Contribution sub-account and his Service Contract Act Contribution sub-account, if applicable; provided, however, that after the withdrawal his Vested Benefit equals or exceeds the amount of the security for his loans, if any, under Section 6.05. The amount credited to his Pre-2003 Employer Matching Contribution sub-account, his Employer Discretionary Profit-Sharing Contribution sub-account, his Employer Core Contribution sub-account, and his Service Contract Act Contribution sub-account shall be determined on the date of withdrawal. Withdrawals from the Pre-2003 Employer Matching Contribution sub-account, the Employer Discretionary Profit-Sharing Contribution sub-account, the Employer Core Contribution sub-account and the Service Contract Act Contribution sub-account may be made only in cash. Withdrawals shall be made from the investment funds in accordance with a policy promulgated by the Retirement Committee, except that a Participant may not receive a distribution from the Corporation stock fund, if he is restricted from trading in Corporation stock on the date of distribution.

6.04 Hardship Withdrawals from Employee Contribution Sub-Accounts. In the event of financial hardship, a Participant may apply to the Plan's third party administrator for the distribution of part or all of the value of the vested portion of his Employee Account (excluding amounts credited to his Employer Matching Contribution sub-account and earnings thereon as

well as earnings attributable to amounts credited to his Employee Contribution sub-account on or after January 1, 1989) determined as of the date of his hardship withdrawal; provided, however, that the Participant elects to withdraw, or has already withdrawn, one hundred percent (100%) of the amount he is able to withdraw from his voluntary contribution, participant contribution, Rollover Contribution, Pre-2003 Employer Matching Contribution, Employer Discretionary Profit-Sharing Contribution, Employer Core Contribution, and Service Contract Act Contribution sub-accounts, and provided that after the withdrawal his Vested Benefit equals or exceeds the amount of the security for his loans, if any, under Section 6.05. In addition, a hardship withdrawal will only be permitted if the Participant has applied for or received the maximum amount of loans available pursuant to the terms of the Plan. In accordance with procedures established by the Plan's third party administrator, a Participant's hardship withdrawal date is the business day coincident with or immediately following the date the Plan's third party administrator approves his application for the hardship withdrawal. Hardship withdrawals may be made only in cash. Hardship withdrawals shall be made from the investment funds in accordance with a policy promulgated by the Retirement Committee, except that no hardship distribution may be made from the Corporation stock fund if the Participant is restricted from trading in Corporation stock at the time he requests the distribution.

A distribution will be on account of financial hardship if the distribution is made both on account of an immediate and heavy financial need of the Participant and is necessary to satisfy such financial need. A distribution from the Plan under this Section 6.04 may be made only for the following types of financial hardships:

(a) expenses for (or necessary to obtain) medical care described in section 213(d) of the Code previously incurred by the Participant, his spouse or his dependents (as defined in section 152 of the Code and, for taxable years beginning on or after January 1, 2005, without regard to sections 152(b)(1), 152(b)(2), and 152(d)(1)(B) of the Code), which expenses are not covered by insurance;

(b) costs directly related to the purchase of a principal residence for the Participant, excluding mortgage payments;

(c) payment of tuition, related educational fees, and room and board expenses for up to the next twelve months of post-secondary education for the Participant, his spouse, children, or dependents (as defined in section 152 of the Code and, for taxable years beginning on or after January 1, 2005, without regard to sections 152(b)(1), 152(b)(2), and 152(d)(1)(B) of the Code);

(d) payments necessary to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage on that residence; or

(e) funeral or burial expenses for the Participant's deceased parent, spouse, children or dependents (as defined in section 152 of the Code and, for taxable years beginning on or after January 1, 2005, without regard to section 152(d)(1)(B) of the Code);

(f) expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income); or

(g) other events that qualify as a financial hardship distribution as provided for in revenue rulings, notices or other documents of general applicability published by the Internal Revenue Service under section 401(k) of the Code.

A distribution from the Plan for a financial hardship will not exceed the amount required to relieve the financial hardship, taking into account the extent such hardship may be satisfied from other resources that are reasonably available to the Participant. The amount of an immediate and heavy financial need may include any amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution. Unless the Plan's third party administrator has actual knowledge to the contrary, a distribution will be treated as necessary to satisfy a financial need if the Participant represents in writing or such other form as may be required by the Plan's third party administrator that his financial hardship cannot reasonably be relieved:

(i) through reimbursement or compensation by insurance or otherwise;

(ii) by liquidation of the Participant's assets;

(iii) by cessation of Employee Contributions;

(iv) by other distributions or nontaxable loans from plans maintained by his Employer or by any other employer, or by borrowing from commercial sources on reasonable commercial terms in an amount sufficient to satisfy the need; or

(v) by cash dividends, if any, paid on the shares of Corporation stock in the Participant's Employee Account and available for distribution.

A need cannot reasonably be relieved by one of the actions listed immediately above if the effect would be to increase the amount of the need.

The Employee Contributions of a Participant who makes a hardship withdrawal will be suspended for the six (6) calendar-month period immediately following the date of his hardship withdrawal. Upon the termination of the six (6) calendar-month period of suspension, a Participant shall be eligible to re-elect to have Employee Contributions made on his behalf in accordance with Section 3.01(a).

6.05 Loans. The Retirement Committee will make loans available to all Participants who are parties in interest, as defined in section 3(14) of ERISA, on a reasonably equivalent basis. Such loans will be adequately secured, bear a reasonable rate of interest and be made in accordance with the rules in the Plan Loan Program Procedures, which is incorporated herein by reference.

ARTICLE 7
VESTING

7.01 Vesting. The amounts, if any, credited to a Participant's voluntary contribution, participant contribution, Employee Contribution, Employer Matching Contribution, Employer Discretionary Profit-Sharing Contribution, Service Contract Act Contribution, Qualified Non-Elective Contribution, and Rollover Contribution sub-accounts are nonforfeitable. Notwithstanding the foregoing, matching contributions made to the Sallie Mae Retirement Savings Plan on behalf of a Participant prior to July 1, 2004 and transferred to the Participant's Employee Account under this Plan on or as soon as practicable after January 1, 2010 shall become vested in accordance with the following schedule:

Years of Vesting Service	Percent Vested
Less than one	0%
1 year	0%
2 years	50%
3 years	100%

and matching contributions made to the Pioneer Credit Recovery 401(k) Savings Plan that were transferred to the Sallie Mae Retirement Savings Plan on January 1, 2005 and again transferred to the Participant's Employee Account under this Plan on or as soon as practicable after January 1, 2010 shall become vested in accordance with the following schedule:

Years of Vesting Service	Percent Vested
Less than one	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

A Participant shall become one hundred percent (100%) vested in any amounts credited to his Employer Core Contribution sub-account upon the Participant's completion of one (1) Year of Vesting Service.

Notwithstanding the foregoing, a Participant shall become 100% vested in all amounts in the Participant's Employee Account upon the earlier of the Participant reaching Normal Retirement Age or upon the Participant's Severance from Service Date, when such severance is due to the Participant's death or Disability.

7.02 Re-employment of Former Participants. If a Terminated Participant choose not to receive a distribution of his Vested Benefit following his Severance from Service Date and who was not one hundred percent (100%) vested in his Employer Matching Contribution sub-account is reemployed by an Employer and again becomes an Employee, any amount forfeited at the date of prior termination shall be contributed to his Employer Matching Contribution sub-account, effective as of the date of reemployment.

ARTICLE 8
DISTRIBUTIONS

8.01 Earliest Time for and Method of Distribution of Benefits.

(a) Except in the case of distributions under Article 6, a Participant's Vested Benefit may be distributed from the Plan no earlier than the Participant's termination of employment, death, Disability, or upon his attainment of age 59 1/2.

(b) A Participant's entire Plan vested account balance shall be distributable on account of the Participant's severance from employment, regardless of when the severance from employment occurred. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than any provisions that required a separation from service before such amounts may be distributed.

Distributions shall be made in a lump sum, reduced by the outstanding balance of any loan. The Participant or his Beneficiary may elect to have the Participant's Vested Benefit paid (a) all in cash, (b) all in Corporation stock or (c) in a combination of cash and Corporation stock. If the Participant or Beneficiary elects to receive Corporation stock, fractional shares of Corporation stock will be paid in cash to the Participant or his Beneficiary.

8.02 Time of Payment. Upon a Participant's termination of employment, Disability, or death, the Participant (or his Beneficiary in the case of death) may request a distribution of benefits and such distribution shall be made as soon as administratively feasible after the Trustee receives such request for distribution; except as provided in Section 8.03, a distribution shall not be made to the Terminated Participant, without his consent, before he attains his Normal Retirement Age, unless the distribution is made after the Plan terminates and the Employer

and/or Affiliated Employer do not maintain another defined contribution plan, as defined in section 414(i) of the Code, other than an employee stock ownership plan, as defined in section 4975(e)(7) of the Code. The amount of the distribution will be the Participant's Vested Benefit as of the date of distribution.

If a Participant does not request to receive his Vested Benefit at his Severance from Service Date, then the Participant's Employee Account will continue to be subject to adjustments in accordance with Section 5.03.

8.03 Distribution of Small Benefits. Notwithstanding anything in Section 8.02 to the contrary, and effective only with respect to distributions made on or after March 28, 2005, if the Participant's vested Employee Account balance does not exceed $1,000, his Employee Account balance shall be distributed to him after his Severance from Service Date without his request. If the Participant's vested Employee Account balance exceeds $1,000, then any mandatory distribution of his Employee Account balance before his Normal Retirement Age, to the extent such mandatory distribution is an Eligible Rollover Distribution subject to section 401(a)(31) of the Code, shall be automatically rolled over to an individual retirement account.

Effective for distributions made after December 31, 2001 (except for purposes of an automatic rollover to an individual retirement account, as described in the preceding paragraph), the net value of the vested portion of a Participant's account balance shall be determined without regard to that portion of the account that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Code.

8.04 Latest Time for Distribution. In no event may a distribution under this Article to a Participant begin later than the sixtieth (60th) day after the latest of the close of the Plan Year in which:

(a) occurs the date on which the Participant attains his Normal Retirement Age;

(b) occurs the fifth (5th) anniversary of the date on which the Participant commenced participation in the Plan; or

(c) the Participant terminates his service with an Employer or Affiliated Employer and is not then reemployed by another Employer or Affiliated Employer.

Notwithstanding the foregoing or any other provision in the Plan, in accordance with section 401(a)(9) of the Code and regulations thereunder, including the minimum distribution incidental benefit requirement of section 401(a)(9)(G) of the Code and Treasury Regulations §§ 1.401(a)(9)-1 through 1.401(a)(9)-9, benefit payments shall be made or commenced not later than April 1 of the calendar year following the later of (i) the calendar year in which a Participant attains age seventy and one-half (70 1/2), or (ii) the calendar year in which the Participant retires; provided, however, that benefit payments to a Five Percent Owner shall be made or commence to be made no later than April 1 of the calendar year following the calendar year in which the Participant attains age seventy and one-half (70 1/2). Plan benefits made in accordance with this provision shall be distributed over the life expectancy of the Participant. The Participant's life expectancy will be recalculated annually in accordance with section 401(a)(9)(D) of the Code. If minimum distributions have begun to a Participant pursuant to this paragraph, upon his subsequent termination of employment, his Vested Benefit will be paid to

him under the rules in Sections 8.01 and 8.02, but not less rapidly than is required by section 401(a)(9) of the Code. In the case of a Participant's death, the Participant's entire Vested Benefit will be paid to his Beneficiary within five (5) years of the Participant's date of death.

Notwithstanding the preceding paragraph, if the amount of the payment required to commence on the date determined under the above paragraph cannot be ascertained by such date, a payment retroactive to such date shall be made no later than sixty (60) days after the earliest date on which the amount of such payment can be ascertained.

With respect to minimum required distributions under the Plan made on or after January 1, 2003 for calendar years beginning on or after January 1, 2003, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Code in accordance with Appendix B to the Plan and the requirements of section 401(a)(9) of the Code and Treasury Regulations §§ 1.401(a)(9)-1 through 1.401(a)(9)-9.

8.05 Missing Participant or Beneficiary. Unclaimed benefits shall be canceled and applied to reduce Employer contributions if the Retirement Committee has not been able to locate the payee after making reasonable efforts to do so, in accordance with a procedure adopted by the Retirement Committee. Upon the cancellation of unclaimed benefits, the Plan shall have no further liability to pay the benefit. However, if the payee later submits a claim for his benefit, the canceled benefit shall be reinstated, without any adjustment for interest or earnings, and the Employer shall make an additional contribution to the Plan to fund the reinstated benefit. Notwithstanding anything in this Section to the contrary, in the event any portion of such an Employee Account has been paid to the State pursuant to the State's escheat laws, to the extent permitted under Federal law, the Employee Account will not be reinstated upon the payee's filing of a claim, and the payee must look to the State for payment.

8.06 **Election of Direct Rollover of a Vested Benefit**. Notwithstanding any provision of the Plan to the contrary, a Participant or Qualified Beneficiary may elect, at the time and in the manner prescribed by the Retirement Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Participant or Qualified Beneficiary in a Direct Rollover.

ARTICLE 9
PLAN ADMINISTRATION

9.01 Retirement Committee. The Plan will be administered by the Retirement Committee appointed by, and serving at the pleasure of, the Board.

9.02 Powers and Duties of the Retirement Committee. The Retirement Committee shall have the discretion to determine all matters relating to eligibility and benefits under the Plan and shall have the discretion to determine all matters relating to the interpretation and operation of the Plan. Decisions of the Retirement Committee shall be binding unless arbitrary or capricious. In addition, the Retirement Committee shall have the responsibilities and duties described in the Charter of the Retirement Committee, as amended from time to time.

9.03 Investment Advisory Committee. The Investment Advisory Committee is a subcommittee of the Retirement Committee described in the Charter of the Retirement Committee, as amended from time to time. The Retirement Committee has delegated certain responsibilities to the Investment Advisory Committee, including the responsibility to (i) recommend funding and investment policies and objectives; (ii) recommend a fund structure for Plan assets; (iii) recommend investment managers and investment consultants; (iv) review investments and recommend changes to the Retirement Committee; (v) assist in providing investment education to Participants; and (vi) monitor and report on the Trustee's performance.

ARTICLE 10
CONTROL AND MANAGEMENT OF ASSETS

10.01 In General.

(a) Trustee. All assets of the Plan shall be held by the Trustee pursuant to the terms of the Trust Agreement not inconsistent herewith. The Trustee shall follow the policies and guidelines of the Retirement Committee with respect to the choice of investment alternatives. Each Participant or Beneficiary shall have the right to direct the Trustee with respect to the investment of his Employee Account and the Trustee shall follow the investment directions of the Participant or Beneficiary in accordance with ERISA section 404(c). In the event the Participant or Beneficiary fails to provide an investment direction, the Trustee shall invest the Employee Account in the default investment fund selected by the Retirement Committee, which may constitute a qualified default investment alternative fund within the meaning of section 404(c)(5) of ERISA.

(b) Named Fiduciary for Investment. The Retirement Committee shall develop the overall policies and guidelines for the investment of Plan assets, including the selection of the investment alternatives which are to be made available to Participants.

ARTICLE 11
FIDUCIARY LIABILITY INSURANCE AND INDEMNIFICATION

11.01 Fiduciary Liability Insurance. The Plan may purchase insurance for its fiduciaries or for itself to cover liability or losses occurring by reason of the act or omission of a fiduciary, if such insurance permits recourse by the insurer against such a fiduciary who has committed a breach of fiduciary duties. A fiduciary may purchase insurance to cover his own liability for any act or omission. Each Employer may purchase insurance to cover potential liability of one or more persons who serve in a fiduciary capacity with respect to the Plan. Nothing in this Section shall be construed as requiring the purchase of any insurance.

11.02 Indemnity. The Employers may, consistent with applicable law, indemnify the members of the Board, the members of the Retirement Committee, and the members of the Investment Advisory Committee from any liability, loss or other financial consequence with respect to any act or omission relating to the Plan by means other than the provision of fiduciary liability insurance; except that to the extent any such liability, loss or consequence results from a person's gross negligence or willful misconduct, such person shall not be so indemnified. The provisions of Section 11.01 shall apply, to the extent applicable, prior to the provisions of this Section 11.02.

ARTICLE 12
AMENDMENTS TO OR TERMINATION OF THE PLAN

12.01 Right of Corporation to Amend or Terminate the Plan. While it is the intention of the Corporation to continue the Plan indefinitely, the Corporation reserves the right to terminate its contributions or terminate the Plan in whole or in part at any time by an instrument in writing pursuant to authority of a vote of the Board of Directors. The Corporation reserves the right to amend the Plan pursuant to authority granted to the Corporation. The Corporation has delegated the authority to amend the Plan to, collectively and individually, the Chief Executive Officer, any Executive Vice President, the Chief Financial Officer, the General Counsel of the Corporation and their designees; provided, however, that any amendment that substantially changes the benefits or costs of the Plan must be reported to the Compensation and Personal Committee of the Board prior to adoption. However, the Plan shall not be amended in such manner as would cause or permit any part of the Fund to be diverted to purposes other than for the exclusive benefit of Participants of the Plan and their Beneficiaries, nor in such manner as would cause or permit any portion of such corpus to revert to, or become the property of, any Employer prior to the satisfaction of all liabilities under the Plan with respect to such Participants or to increase the duties or liabilities of the Trustee without its written consent. Unless otherwise required or permitted by law, no amendment to the Plan shall decrease a Participant's account balance or eliminate an optional form of distribution notwithstanding the preceding sentence. Furthermore, no amendment to the Plan shall have the effect of decreasing a Participant's vested interest determined without regard to such amendment as of the later of the date such amendment is adopted, or the date it becomes effective. Notwithstanding any provision of the Plan to the

contrary, effective on or after August 9, 2006, no amendment shall decrease a Participant's or Terminated Participant's accrued benefit under the Plan as of the applicable amendment date, or otherwise place greater restrictions or conditions on a Participant's or Terminated Participant's right to protected benefits under section 411(d)(6) of the Code, even if the amendment merely adds a restriction or condition that is otherwise permitted under the vesting rules in sections 411(a)(3) through (11) of the Code.

12.02 Termination of Plan. In the event that the Plan is terminated or partially terminated or in the event of a complete discontinuance of contributions, the right of all Participants, or those Participants so affected in the case of a partial termination, to benefits accrued under the Plan as of the date of such termination, partial termination or discontinuance of contributions, shall be non-forfeitable; and after providing for the expenses of the Plan, the remaining assets of the Plan shall be allocated by the Retirement Committee. Upon complete termination of the Plan, the Retirement Committee shall liquidate the entire Fund as soon as administratively practical if the Employers and Affiliated Employers do not maintain another defined contribution plan, as defined in section 414(i) of the Code, other than an employee stock ownership plan, as defined in section 4975(e)(7) of the Code.

12.03 Withdrawal of an Employer. Each Employer which adopts the Plan shall have the right at any time to terminate the Plan as to its employees or to withdraw its share of assets from the Fund while the Plan continues in effect for the employees of each other Employer. In the event of such withdrawal or termination, such Employer shall deliver to the Corporation and the Retirement Committee, at least thirty (30) days prior to the effective date of such termination or withdrawal, a certified copy of the vote of its governing body authorizing such termination or

withdrawal. The Retirement Committee will advise the Trustee to segregate a portion of the Fund representing the interest of the Employees of such Employer in the Fund. The Trustee, as directed by the Retirement Committee, shall transfer such assets to a fund exempt under section 501 of the Code for purposes of providing benefits for such Employees under another plan, or if no such fund exists, distribute such assets currently to the Employees of the withdrawing Employer.

12.04 Plan-to-Plan Transfer. Upon the sale of substantially all of the assets and liabilities of an Employer, the Retirement Committee may, upon the written request of the purchaser of such assets and liabilities, instruct the Trustee to segregate a portion of the Fund representing the interest in the Fund of Employees who continue employment with such purchaser and to transfer such portion of the Fund to the plan of such purchaser; provided, however, that such purchaser represents to the Retirement Committee that the plan is qualified under section 401(a) of the Code and that the benefit of each Employee immediately after the transfer shall be at least equal to the benefit the Employee was entitled to immediately before the transfer.

ARTICLE 13
TOP HEAVY PROVISIONS

13.01 Top Heavy Plan Requirements. Notwithstanding any other provision of the Plan, if for any Plan Year the Plan is determined to be a Top Heavy Plan, then the top heavy minimum benefit requirement of section 416(c) of the Code, as set forth in Section 13.02, shall apply.

13.02 Top Heavy Minimum Contribution Requirement. For any Plan Year with respect to which the Plan is determined to be a Top Heavy Plan, with respect to each Employee who is a Non-Key Employee for such Plan Year, the Top Heavy requirements shall be met by providing, under the defined benefit plan sponsored by the Corporation and qualified under section 401(a) of the Code , the minimum accrued benefit derived from employer contributions necessary to satisfy the benefit requirement of section 416(c) of the Code.

13.03 Top-Heavy Provisions.

(a) This Section 13.03 shall apply for purposes of determining whether the plan is a Top-Heavy Plan under section 416(g) of the Code and whether the Plan satisfies the minimum benefits requirements of section 416(c) of the Code.

(b) Minimum Benefits/Matching Contributions. Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of section 416(c)(2) of the Code, and the Plan. The preceding sentence shall apply with respect to matching contributions under the Plan or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer matching contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of section 401(m) of the Code.

ARTICLE 14
MISCELLANEOUS

14.01 Rights of Employees. Nothing herein contained shall be deemed to give any employee the right to be retained in the employ of the Employer or to interfere with the right of the Employer to discharge such employee at any time, nor shall it be deemed to give the Employer the right to require the employee to remain in its employ, nor shall it interfere with the employee's right to terminate his employment at any time.

14.02 Notice of Address. Each person entitled to benefits under the Plan must inform the Retirement Committee, in accordance with a procedure adopted by the Retirement Committee, of his post office address and each change of post office address. Any communication, statement or notice addressed to such person at such address shall be deemed sufficient for all purposes of the Plan, and there shall be no obligation on the part of the Employer, the Retirement Committee or Trustee to search for or to ascertain the location of such person.

14.03 Data. Each person entitled to benefits under the Plan must furnish to the Retirement Committee such documents, evidence, or other information as the Retirement Committee considers necessary or desirable for the purposes of administering the Plan or to protect the Plan. The Retirement Committee shall be entitled to rely on representations made by employees, Participants and Beneficiaries with respect to age, marital status and other personal facts, unless it knows said representations are false.

14.04 Merger. This Plan shall not be merged into, or consolidated with, nor shall any assets or liabilities be transferred to, any plan under circumstances resulting in a transfer of assets

or liabilities from this Plan to another plan, unless immediately after any such merger, consolidation or transfer, each Participant would, if the Plan had then terminated, receive a benefit immediately after the merger, consolidation or transfer which would be equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer, if the Plan had then terminated.

14.05 Fund to be for the Exclusive Benefit of Participants. The contributions of the Employers to the Fund shall be for the exclusive purpose of providing benefits to the Participants and their Beneficiaries and no part of the Fund shall revert to the Employers, except as follows:

(a) if a contribution is made to the Fund by an Employer under mistake of fact, such contribution shall be returned within one (1) year after its payment; or

(b) if any part or all of a contribution is disallowed as a deduction under section 404 of the Code with respect to an Employer, then to the extent of such disallowance it may be returned to the Employer within one (1) year after the disallowance. Employer contributions made to the Plan are conditioned on deductibility under section 404 of the Code. Notwithstanding the prior sentence, at the election of the Employer, contributions that are not deductible under section 404 of the Code solely because of section 404(a)(7) of the Code may be maintained in the Plan, provided such contributions do not exceed the greater of (i) the amount of contributions not in excess of six percent (6%) of compensation (within the meaning of section 404(a) of the Code) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the Plan, or (ii) the sum of Employer Matching Contributions plus the amount of contributions described in section 402(g)(3)(A) of the Code.

14.06 Facility of Payment. If it shall be found that (a) a person entitled to receive any payment under the Plan is physically or mentally incompetent to receive such payment and to give a valid release thereof, and (b) another person or an institution is then maintaining or has custody of such person, and no guardian, committee or other representative of the estate of such person has been duly appointed by a court of competent jurisdiction, the payment may be made to such other person or institution referred to in (b) above, and the release of such other person or institution shall be a valid and complete discharge for the payment.

14.07 Restrictions on Alienation. Except with respect to the (1) creation, assignment, or recognition of a right to a benefit payable with respect to a Participant pursuant to a qualified domestic relations order (as defined in section 414(p) of the Code) and, (2) the creation, assignment, or recognition of a right to a benefit payable to the Plan pursuant to section 401(a)(13)(C) of the Code, no benefit payable under the Plan to any person shall be subject to any manner of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any person nor shall it be subject to attachment or legal process for, or against, any person, and the same shall not be recognized under the Plan. Distributions may be made to an alternate payee pursuant to a qualified domestic relations order (as defined in section 414(p) of the Code) before the Participant attains the earliest retirement date, as defined in section 414(p)(4)(B) of the Code, under the Plan.

14.08 Headings. The headings of the Plan are inserted for convenience and reference only and shall have no effect upon the meaning of the provisions hereof.

14.09 Construction. The Plan shall be construed, regulated and administered under the laws of the Commonwealth of Virginia, except that if any such laws are superseded by any applicable Federal law or statute, such Federal law or statute shall apply.

14.10 Exclusion and Severability. Each provision hereof shall be independent of each other provision hereof and if any provision of the Plan proves to be, or is held by any court, or tribunal, board or authority of competent jurisdiction to be void or invalid as to any Participant or group of Participants, such provision shall be disregarded and shall be deemed to be null and void and not part of the Plan. However, such invalidation of any provision shall not otherwise impair or affect the Plan or any of the other provisions or terms hereof.

14.11 Special Rule Relating to Rights Under USERRA. Notwithstanding any provision in this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code.

14.12 Application of Forfeitures. Forfeitures arising under the Plan with respect to an Employer's Participants shall be applied, at the discretion of that Employer, either to reduce that Employer's contributions in such proportions as that Employer may direct or to pay administrative expenses of the Plan. Non-vested amounts shall be forfeited from a Participant's Employee Account upon the earlier of (a) the date the entire vested portion of the Participant's Employee Account is distributed and (b) the date the Participant incurs a five (5)-year Period of Severance; provided that in the event such forfeiture occurs as of the date the entire vested portion of the Participant's Employee Account is distributed, such previously forfeited amount (without any adjustment for earnings) shall be reinstated on behalf of the Participant only if such

Participant becomes re-employed before he incurs a five (5)-year Period of Severance, and the Participant repays back to the Plan the entire amount of the previous distribution before the earlier of (1) five years after the first date on which the Participant is subsequently reemployed by the Employer, or (2) the close of the first five (5)-year Period of Severance commencing after the date of distribution.

ARTICLE 15
SPECIAL PROVISIONS APPLICABLE TO CORPORATE TRANSACTIONS

15.01 Special Vesting Provisions. The following provisions shall apply in determining a Participant's Vested Benefit.

(a) Former Employees of EFCI, Inc. Any Employee who becomes an employee of Education First Marketing L.L.C., effective January 1, 1997, shall be one hundred percent (100%) vested in his Employee Account at all times, provided his immediately preceding employer was EFCI, Inc. Notwithstanding the foregoing, amounts in any such Employee's Employer Core Contribution sub-account shall become one hundred percent (100%) vested upon the Employee's completion of one (1) Year of Vesting Service.

(b) Employees of Kaludis Consulting Group, Inc. Any Employee of Kaludis Consulting Group, Inc. whose Employment Commencement Date is prior to January 1, 1998, shall be one hundred percent (100%) vested in his Employee Account at all times. However, if an Employee described in the prior sentence incurs a Severance from Service Date and is subsequently reemployed by the Employer, any benefit accrued on or after the Reemployment Commencement Date shall not be subject to this special vesting provisions, but shall be subject to the general vesting provisions described in Article 7. Notwithstanding the foregoing, amounts in any such Employee's Employer Core Contribution sub-account shall become one hundred percent (100%) vested upon the Employee's completion of one (1) Year of Vesting Service.

(c) Former Employees of USA Group. Individuals who were employed by USA Group on July 31, 2000, and who became eligible to be Participants in the Plan on August 1, 2000 shall be one hundred percent (100%) vested in any Employer Matching Contributions at all times.

15.02 Spousal Consent for In-Service Withdrawal. With respect to any Employee employed by HEMAR Insurance Corporation of America, any in-service withdrawal or loan pursuant to Article 6, and any distribution pursuant to Article 8, requires spousal consent.

15.03 USA Group Special Provisions.

(a) EIP Account Provisions. The following provisions shall apply to individuals who were employed by USA Group on July 31, 2000, who were eligible to and became Participants in the Plan on August 1, 2000, and who had "EIP Accounts" under the USA Group Plan (as described in Supplement C to the USA Group Plan ("Supplement C"))(hereinafter referred to as USA Group/EIP Participants.

(i) Vesting. USA Group/EIP Participants shall be 100% vested in their EIP Accounts as of August 1, 2000.

(ii) In-Service Withdrawals. USA Group/EIP Participants shall be permitted to take in-service withdrawals of the amounts credited to their EIP Accounts at any time in the form of a single lump sum representing all or a portion of the amount credited to the EIP Account in accordance with procedures established by the Retirement Committee. This provision shall become effective the earlier of January 1, 2003, or the date that is 90 days after the USA Group/EIP Participants have received a summary of material modifications describing these amendments that satisfies the requirements of 29 CFR 2520.104b-3. Until that date, USA Group/EIP Participants shall be permitted to take in-service withdrawals and/or distributions of amounts credited to their EIP Accounts in accordance with the terms of Section C-6 (a) of Supplement C and procedures established by the Retirement Committee.

(iii) Distributions. USA Group/EIP Participants shall be permitted to take distributions of amounts credited to their EIP Accounts only in the form of a single lump sum representing the entire amount credited to the EIP Account following their termination of employment and in accordance with procedures established by the Retirement Committee. This provision shall become effective the earlier of January 1, 2003, or the date that is 90 days after the USA Group/EIP Participants have received a summary of material modifications describing these amendments that satisfies the requirements of 29 CFR 2520.104b-3. Until that date, USA Group/EIP Participants shall be permitted to take distributions of amounts credited to their EIP Accounts in accordance with the terms of Sections C-7 and C-8 of Supplement C and procedures established by the Retirement Committee.

15.04 Southwest Student Services Corporation Special Provisions. With respect to any individual who is employed by Southwest Student Services Corporation on March 31, 2005, and who becomes a Participant in the Plan on April 1, 2005, such individual shall be 100% vested in his Southwest plan account transferred to the Plan.

ARTICLE 16
SIGNATURE

The Plan as herein amended and restated has hereby been approved and adopted to be effective as of the dates set forth herein this 9th day of December, 2010.

/s/ Jon Kroehler

APPENDIX A
SALLIE MAE 401(K) SAVINGS PLAN
PARTICIPATING EMPLOYERS

As of the date of this Plan restatement the following Employers participate in the Sallie Mae 401(k) Savings Plan:

1. Sallie Mae, Inc. (excluding Employees of the portfolio management division)
2. Student Assistance Corporation
3. SLM Education Credit Management Corporation
4. SLM Financial Corporation
5. HEMAR Insurance Corporation of America (Prior to July 7, 2006)
6. Education Debt Services, Inc. (Prior to January 1, 2004)
7. Noel-Levitz, Inc. (Prior to August 1, 2007)
8. Education One Group, Inc. (Prior to August 6, 2004)
9. First Trust Financial, Inc. (Effective as of January 1, 2003 and Prior to May 12, 2003)
10. GRP Financial Services (Prior to January 1, 2010)
11. Academic Management Services Corporation (Effective as of November 18, 2003)
12. Sallie Mae Home Loans (formerly known as Pioneer Mortgage, Inc.) (Effective as of January 1, 2004)
13. Student Loan Finance Association (Effective as of December 13, 2004)
14. Northwest Education Loan Association (Effective as of December 13, 2004)
15. Southwest Student Services Corporation (Effective as of April 1, 2005)

APPENDIX B
ADDITIONAL PROVISIONS RELATED TO REQUIRED MINIMUM DISTRIBUTIONS

Effective for calendar years on and after January 1, 2003, the minimum required distributions made to Participants pursuant to Section 8.04 of the Plan shall be made in accordance with the following provisions:

B.1 The Vested Benefit of each Participant who is a five percent (5%) owner (as defined in section 416(i) of the Code, but without regard to the top-heavy status of the Plan) shall be distributed or shall commence to be distributed, in accordance with section 401(a)(9) of the Code and the regulations issued thereunder, no later than the April 1 following the close of the calendar year in which the Participant attains age 70 1/2, regardless of whether his employment is terminated as of such date. The Vested Benefit of each Participant who is not a five percent (5%) owner shall be distributed or shall commence to be distributed, in accordance with section 401(a)(9) of the Code and the regulations issued thereunder, no later than the April 1 following the later of: (i) the calendar year in which the Participant attains age 70 1/2, or (ii) the calendar year in which the Participant terminates employment. All distributions under this Plan shall comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Code and the regulations (including Treasury Regulation §1.401(a)(9)-2) and other guidance issued thereunder.

B.2 The provisions of this Section B.2 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year. The requirements of this Section B.2 will take precedence over any inconsistent provisions of the Plan. All distributions required under this Section will be determined and made in accordance with the Treasury Regulations under section 401(a)(9) of the Code.

(a) Time and Manner of Distribution. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(1) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then distribution of the Participant's Vested Benefit shall be made to the surviving spouse pursuant to Section 8.04 of the Plan.

(2) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then distribution of the Participant's Vested Benefit shall be made to the Designated Beneficiary pursuant to Section 8.04 of the Plan.

(3) If there is no Designated Beneficiary as of the date of the Participant's death, the Participant's Vested Benefit will be distributed pursuant to Sections 2.04, 8.04 and 8.05 of the Plan.

(4) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section B.2(a), other than Section B.2(a)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Section B.2(a) and Section B.2(d), unless Section B.2(a)(4) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section B.2(a)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section B.2(a)(1).

(b) Forms of Distribution. Unless the Participant's interest is distributed in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections B.2(c) and B.2(d).

(c) Required Minimum Distributions During Participant's Lifetime. During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(1) the quotient obtained by dividing the Participant's 401(a)(9) Account Balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

(2) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's 401(a)(9) Account Balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.

Required minimum distributions will be determined under this Section B.2(c) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

(d) If the Participant dies on or after the date distributions begin, the Participant's entire remaining interest under the Plan will be distributed in accordance with Section B.2(a).

(e) For purposes of this Section B.2, the following terms shall have the meanings as set forth below unless the context requires otherwise:

(1) Designated Beneficiary: the individual who is the Beneficiary and is the Designated Beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.

(2) Distribution Calendar Year. a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section B.2(a). The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

(3) Participant's 401(a)(9) Account Balance. the Vested Benefit balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and

allocated or forfeitures allocated to the Vested Benefit balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Vested Benefit balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

(4) Required Beginning Date. the date specified in Section 8.04 of the Plan, as applicable.

Exhibit 10.26

AMENDMENT
TO THE
SALLIE MAE 401(k) SAVINGS PLAN

This Amendment Number One to the Sallie Mae 401(k) Savings Plan as most recently restated effective as of January 1, 2010 is effective as of the dates set forth below by SLM Corporation (the "Company").

W I T N E S S E T H:

WHEREAS, the Company maintains the Sallie Mae 401(k) Savings Plan, originally effective as of April 1, 1974 (the "Plan");

WHEREAS, the Company reserves the right to amend the Plan, by action of its Board of Directors or its designee, pursuant to Section 12.01 of the Plan;

WHEREAS, the Company has delegated the authority to amend the Plan to the management of the Company; and

WHEREAS, the Company has determined that the Plan must be amended, effective as of various dates provided herein, to make changes required by the Heroes Earnings Assistance and Relief Tax Act of 2008.

NOW, THEREFORE BE IT RESOLVED, that the Plan is amended in the following particulars, effective as of the dates stated below **(additions bolded and double underlined, deletions struck-through)**:

1. Effective January 1, 2007, Section 1.02 of the Plan shall be amended to add the following sentence at the end of the first paragraph:

In addition, the Plan was amended by the First Amendment to the Sallie Mae 401(k) Savings Plan (as most recently restated as of January 1, 2010), effective January 1, 2007 (or such later effective date provided therein), to incorporate certain changes required by the Heroes Earnings Assistance and Relief Tax Act of 2008.

2. Effective January 1, 2009, the following new subsection (i) is added to Section 2.32 of the Plan after the current subsection (h):

(i) any differential wage payment (as defined in section 3401(h)(2) of the Code) made by the Employer.

3. Effective January 1, 2009, Section 4.07(b) of the Plan shall be amended to read as follows:

(b) For the purposes of section 415 of the Code and this Section 4.07, compensation means wages as reported in Box 1 on Form W-2, or in such other box or on such other form as may be designated for purposes of withholding tax by the Federal government. Compensation shall also include elective deferrals, as defined in section 402(g) of the Code, and amounts that are excluded from compensation under section 125 or 457 of the Code. Effective January 1, 2008, the definition of compensation for purposes of applying the limitations under section 415 of the Code shall comply with Treasury Regulations § 1.415(c)-2(d)(4) and shall be subject to the following:

(i) Compensation for a limitation year shall also include the following amounts if paid by the later of 2 1/2 months after the Participant's severance from employment or the end of the limitation year that includes the date of the Participant's severance from employment: payments of regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift deferential), commissions, bonuses, or other similar payments; provided that, absent a severance from employment, the payments would have been made to the Participant while the Participant continued employment with the Corporation or an Affiliated Employer.

(ii) Any payment not described in Section 4.07(b)(i) above will not be included in compensation if paid after the Participant's severance from employment, even if paid by the later of 2 1/2 months after the date of severance from employment or the end of the limitation year that includes the date of the severance from employment; provided, however, that

compensation shall include amounts paid by the Corporation or an Affiliated Employer to an individual who does not currently perform services for the Corporation or an Affiliated Employer by reason of qualified military service (within the meaning of section 414(u)(5) of the Code) to the extent such amounts do not exceed the amounts the individual would have received if the individual had continued to perform services for the Corporation or Affiliated Employer rather than entering qualified military service.

(iii) Compensation shall not include amounts in excess of the applicable dollar limit under section 401(a)(17) of the Code, as adjusted by the Internal Revenue Service for increases in the cost of living determined in accordance with section 401(a)(17)(B) of the Code and the regulations and other guidance issued thereunder.

(iv) Compensation shall include any differential wage payment (as defined in section 3401(h)(2) of the Code) made by the Employer.

4. Effective January 1, 2007, Section 7.01 of the Plan shall be amended to read as follows:

1.02 Vesting. The amounts, if any, credited to a Participant's voluntary contribution, participant contribution, Employee Contribution, Employer Matching Contribution, Employer Discretionary Profit-Sharing Contribution, Service Contract Act Contribution, Qualified Non-Elective Contribution, and Rollover Contribution sub-accounts are nonforfeitable. Notwithstanding the foregoing, matching contributions made to the Sallie Mae Retirement Savings Plan on behalf of a Participant prior to July 1, 2004 and transferred to the Participant's Employee Account under this Plan on or as soon as practicable after January 1, 2010 shall become vested in accordance with the following schedule:

Years of Vesting Service	Percent Vested
Less than one	0%
1 year	0%
2 years	50%
3 years	100%

and matching contributions made to the Pioneer Credit Recovery 401(k) Savings Plan that were transferred to the Sallie Mae Retirement Savings Plan on January 1, 2005 and again transferred to the Participant's Employee Account under this Plan on or as soon as practicable after January 1, 2010 shall become vested in accordance with the following schedule:

Years of Vesting Service	Percent Vested
Less than one	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

A Participant shall become one hundred percent (100%) vested in any amounts credited to his Employer Core Contribution sub-account upon the Participant's completion of one (1) Year of Vesting Service.

Notwithstanding the foregoing, a Participant shall become one hundred percent (100%) vested in all amounts in the Participant's Employee Account upon the earlier of the Participant reaching Normal Retirement Age or upon the Participant's Severance from Service Date, when such severance is due to the Participant's death or Disability. In addition, if a Participant dies on or after January 1, 2007 while performing qualified military service (as defined in section 414(u)(5) of the Code), the Participant shall become one hundred percent (100%) vested in all amounts in the Participant's Employee Account.

5. Effective January 1, 2007, the following new Section 8.07 is added to the Plan:

8.07 Death of a Participant During Qualified Military Service. If a Participant dies while performing qualified military service (as defined in section 414(u)(5) of the Code) on or after January 1, 2007, the Participant's Beneficiaries shall be entitled to any additional benefits (other than benefit accruals) under the Plan as if the Participant had died during service with the Employer.

6. Effective January 1, 2009, Section 14.05 of the Plan shall be amended to read as follows:

14.05 Fund to be for the Exclusive Benefit of Participants. The contributions of the Employers to the Fund shall be for the exclusive purpose of providing benefits to the Participants and their Beneficiaries and no part of the Fund shall revert to the Employers, except as follows:

(a) if a contribution is made to the Fund by an Employer under mistake of fact, such contribution shall be returned within one (1) year after its payment; or

(b) if any part or all of a contribution is disallowed as a deduction under section 404 of the Code with respect to an Employer, then to the extent of such disallowance it may be returned to the Employer within one (1) year after the disallowance. Employer contributions made to the Plan are conditioned on deductibility under section 404 of the Code. Notwithstanding the prior sentence, at the election of the Employer, contributions that are not deductible under section 404 of the Code solely because of section 404(a)(7) of the Code may be maintained in the Plan, provided such contributions do not exceed the greater of (i) the amount of contributions not in excess of six percent (6%) of compensation (within the meaning of section 404(a) of the Code and including any differential wage payment (as defined in section 3401(h)(2) of the Code) made by the Employer) paid or accrued (during the taxable

year for which the contributions were made) to beneficiaries under the Plan, or (ii) the sum of Employer Matching Contributions plus the amount of contributions described in section 402(g)(3)(A) of the Code.

7. Effective January 1, 2007, Section 14.11 of the Plan shall be amended to read as follows:

14.11 Special Rule Relating to Military Service. Notwithstanding any provision in this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code and the mandatory provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008**.**

FURTHER RESOLVED, that the proper officers of the Company are authorized and directed to take all such actions, execute all such documents, and undertake any other actions that are necessary or desirable, in their discretion, to effectuate the foregoing resolutions, including the making of amendments (including amendments required by the Internal Revenue Service) to the above described Plan and the Trust Agreement maintained thereunder, in connection with the implementation of the above described actions, and filing the Plan with the Internal Revenue Service for a determination letter with respect to the qualification of the Plan under Section 401(a) for the Internal Revenue Code.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed on December 31, 2010.

SLM CORPORATION

By: /s/ Jon Kroehler

Exhibit 10.27

AMENDMENT
TO THE
SALLIE MAE 401(k) SAVINGS PLAN

This Amendment Number Two to the Sallie Mae 401(k) Savings Plan as most recently restated effective as of January 1, 2010 is effective as of the dates set forth below by SLM Corporation (the "Company").

W I T N E S S E T H:

WHEREAS, the Company maintains the Sallie Mae 401(k) Savings Plan, originally effective as of April 1, 1974 (the "Plan");

WHEREAS, the Company reserves the right to amend the Plan, by action of its Board of Directors or its designee, pursuant to Section 12.01 of the Plan;

WHEREAS, the Company has delegated the authority to amend the Plan to the management of the Company; and

WHEREAS, the Company has determined that the Plan must be amended, effective as of January 1, 2009, to make changes required by the Worker, Retiree, and Employer Recovery Act of 2008.

NOW, THEREFORE BE IT RESOLVED, that the Plan is amended in the following particulars, effective as of the dates stated below **(additions bolded and double underlined, deletions struck-through)**:

1. Effective January 1, 2009, Section 8.04 of the Plan shall be amended to add the following paragraph after the current last paragraph of the section:

Notwithstanding the foregoing provisions of Section 8.04, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of section 401(a)(9)(H) of the Code ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009, unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions

described in the preceding sentence. In addition, solely for purposes of applying the direct rollover provisions of the Plan, including but not limited to Section 2.14, 2009 RMDs and Extended 2009 RMDs (both as defined above) will be treated as Eligible Rollover Distributions.

FURTHER RESOLVED, that the proper officers of the Company are authorized and directed to take all such actions, execute all such documents, and undertake any other actions that are necessary or desirable, in their discretion, to effectuate the foregoing resolutions, including the making of amendments (including amendments required by the Internal Revenue Service) to the above described Plan, in connection with the implementation of the above described actions, and filing the Plan with the Internal Revenue Service for a determination letter with respect to the qualification of the Plan under Section 401(a) for the Internal Revenue Code.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed on December 21, 2011.

SLM CORPORATION

By: /s/ Jon Kroehler
Jon Kroehler, SVP

Exhibit 10.30

SLM CORPORATION
DEFERRED COMPENSATION PLAN FOR DIRECTORS
(Amended and Restated as of October 1, 2010)

INTRODUCTION

The Student Loan Marketing Association Deferred Compensation Plan for Directors, which was adopted on February 21, 1995, for the benefit of directors of the Student Loan Marketing Association, the predecessor of SLM Corporation (the "Corporation"), is hereby amended and restated as the SLM Corporation Deferred Compensation Plan for Directors (the "Plan"). This October 1, 2010 amendment and restatement shall not affect Grandfathered Accounts (defined below), which shall continue to be subject to, and governed by, the terms of the Plan as in effect on December 31, 2004, as set forth on the attached Appendix A (the Student Loan Marketing Association Deferred Compensation Plan for Directors). "Grandfathered Account" means the separate memorandum account maintained by the Corporation for a Plan participant to which amounts that were deferred and vested prior to January 1, 2005 and any earnings attributable thereto are credited.

This amended and restated Plan document applies to amounts deferred under the Plan that were earned or vested after December 31, 2004 and any earnings attributable thereto. The purpose of this amendment and restatement is to clarify the Corporation's intent that, with respect to deferrals after December 31, 2004, the Plan be interpreted as necessary to comply with section 409A of the Internal Revenue Code of 1986 and Treasury Regulations section 1.409A-1 et seq., as they both may be amended from time to time, and other guidance issued by the Treasury Department and Internal Revenue Service thereunder ("Section 409A"). If an amount credited to a Grandfathered Account becomes subject to Section 409A, such amount shall be deemed governed by the amended and restated Plan and shall be paid in accordance with Section 3(E).

1. DEFERRAL OPPORTUNITY

Each year during the annual enrollment period ("Annual Enrollment Period") any non-employee director ("Director") of the Corporation may, in accordance with rules, procedures and forms specified from time to time by the Corporation, elect to defer receipt of either all or a specified part of his Director's fees for the following calendar year (the "Deferral Election"). Any amount so deferred (the "Deferred Amount"), shall be credited to a memorandum account maintained by the Corporation on behalf of the Director (the "Deferred Account") and paid out as hereinafter provided. In addition, an individual may make an election prior to commencing his initial term as a member of the Board and such election shall be effective as of the date he commences such term or, if permitted by the Corporation, in its sole discretion, such later time as permitted by Section 409A.

A Director who does not file a Deferral Election before the last day of the calendar year (or any earlier date required by the Corporation) to defer earnings for the following calendar year will be treated as having elected not to defer any amounts for the following calendar year. A

Director who does not file a Deferral Election with respect to a calendar year may file a Deferral Election for a subsequent calendar year in accordance with this Section.

2. PARTICIPATION

To participate in this Plan, a Director shall submit to the Corporation a Deferral Election form relating to all or part of the fees he is entitled to receive as a Director.

3. DEFERRAL ELECTION

Upon filing a Deferral Election, a Director shall designate the amount to be deferred; elect the deferral period; elect to have such deferred amounts invested in cash, in shares of the Corporation's common stock or a successor class of stock ("Common Stock"), or some combination of both; elect the time and form of payment; and designate a beneficiary.

Deferral Elections are effective on a calendar year basis and become irrevocable no later than the December 31 before the beginning of the calendar year to which the elections relate.

A. Amount to be Deferred

A Director may elect to defer all or a portion of his annual retainer, meeting fees, or per diem payments.

Any Deferred Amount shall be credited to the Director's Deferred Account and paid out as hereinafter provided.

B. Deferral Period

At the election of the Director, the payment of the Deferred Account shall commence as soon as administratively possible (but no later than 90 days) after:

(i) the first day of the tenth month after the Director ceases to be a Director of the Corporation for any reason, including death,

(ii) the first day of the tenth month after the Director ceases to be a Director and attains an age specified by the Director at the time of the Deferral Election, or

(iii) the expiration of a period of years not shorter than three years. For the avoidance of doubt, payment shall commence on the first day of the calendar year elected by the Director provided, however, that the Director may not elect a calendar year that is earlier than the third calendar year following the date of the Deferral Election.

For purposes of the Plan, a Director shall not be considered to cease to be a Director unless the cessation of the Director's service as a Director constitutes a separation from service within the meaning of Section 409A.

A Director may not designate the taxable year of distribution except to the extent permitted in Section 3(B)(iii).

A Director shall not be allowed to receive the Deferred Account before the expiration of the Deferral Period, unless the Director meets the requirements of a hardship as provided in Section 6, nor shall a Director be allowed to defer his Deferred Account beyond the Deferral Period.

C. Investment Election

(i) **Cash Account.** If the Director elects to have all or a portion of his Deferred Account invested in cash:

The Corporation shall maintain a separate memorandum account ("the Cash Account"), reflecting the Corporation's liability to the Director for the deferred earnings. All deferred earnings that are invested in cash shall be credited to the Cash Account at the time such earnings would have been paid but for the Deferral Election. Amounts credited to the Cash Account shall earn interest, compounded quarterly, on March 31st, June 30th, September 30th, and December 31st, at an effective rate equal to the quarterly average of the monthly five-year Treasury Constant Maturity Rate listed on the Federal Reserve Statistical Release H.15.

(ii) **Stock Account.** If the Director elects to have all or a portion of his Deferred Account invested in Common Stock:

The Corporation shall maintain a separate memorandum account ("the Stock Account"), reflecting the Corporation's liability to the Director for the Deferred Account, measured in accordance with the value of Common Stock. All deferred earnings that are invested in Common Stock shall be converted into a number of shares (or fraction thereof) of Common Stock and such number of shares shall be credited to the Stock Account at the time such earnings would have been paid but for the Deferral Election. The Stock Account will be credited with additional shares determined by reference to any dividends paid on or adjustments to Common Stock through the date of distribution. The conversion of deferred earnings, dividends, or other cash payments into a number of shares of Common Stock shall be based on the fair market value of a share of Common Stock at the close of business on the business day immediately preceding the date on which a Director receives a credit to his Stock Account under this Plan, which shall be the last sale price on the New York Stock Exchange.

Directors shall receive quarterly statements reflecting their Deferred Account balances.

D. Form of Payment

A Director may elect to receive his Deferred Account in a lump sum or annual installments, not exceeding 15 installments. Deferred Accounts shall be distributed in the form that reflects the investment of the Deferred Account at the end of the Deferral Period; the Cash Account shall be paid in cash and the Stock Account shall be paid in Common Stock.

If a Director elects to receive his Deferred Account in annual installments, such installments shall equal:

(i) the value of the Deferred Account on the date that payments begin divided by the number of installments elected by the Director, plus

(ii) interest credited to the Cash Account or dividends credited to the Stock Account since the previous installment; and

each annual installment will be paid during the year in which it is due.

E. Default Time and Form of Payment.

If a Director fails timely to elect a time and form of distribution, the Director's Deferred Account will be distributed as soon as administratively possible (but no later than 90 days) after the first day of the tenth month after the Director ceases to be a Director of the Corporation for any reason in the form of a single lump sum payment.

F. Death Benefit and Beneficiary Designation

In the event of the Director's death, the entire balance in the Director's Deferred Account shall be paid to his beneficiary as soon as administratively possible after his death but in no event later than the end of the year in which the Director's death occurred or, if later, the 15th day of the third calendar month following the Director's death.

A Director may designate a beneficiary or beneficiaries to receive the balance of his Deferred Account upon his death. Any death benefit with respect to a Director who did not designate a beneficiary or who is not survived by a beneficiary shall be paid to the personal representative of the Director.

4. TERMINATION/AMENDMENT OF ELECTION

Once a Deferral Election becomes irrevocable for a calendar year, a Director may not terminate the deferral of his earnings during that calendar year.

A Director may not modify his current or prior year Deferral Elections; however:

A. **Increase or decrease the amount of fees that are deferred.** A Director may increase or decrease the amount of fees that are deferred in a future calendar year by filing a new Deferral Election during the relevant Annual Enrollment Period. Any such election shall be effective only for the calendar year following the year in which the Corporation receives the new Deferral Election.

B. **Change the Investment Election.** A Director may change his investment election with respect to any portion of his Deferred Account that is invested in cash but a Director may not change his investment election with respect to any portion of his Deferred Account that is invested in Common Stock. Any change shall be subject to the Corporation's open trading-window policy governing the purchase and sale of its Common Stock (except for when the Director has ceased to be a Director) and shall be effective on the later of the date that it is received by the Corporation or the date elected by the Director. At the Director's election, the change in investment election may apply to amounts previously deferred and/or amounts to be deferred after the effective date of the modification. An investment election may not be changed after the expiration of the Deferral Period.

C. **Change the Deferral Period.** A Director may change the Deferral Period with respect to deferrals in a future calendar year by filing a new Deferral Election during the relevant Annual Enrollment Period. This change shall be effective only for amounts earned in the calendar year following the calendar year in which the Corporation receives the new Deferral Election.

D. **Change the Form of Payment.** A Director may change the form of payment with respect to deferrals in a future calendar year by filing a new Deferral Election during the relevant Annual Enrollment Period. This change shall be effective only for amounts earned in the calendar year following the calendar year in which the Corporation receives the new Deferral Election.

E. **Change in Beneficiaries.** A Director may change beneficiaries by filing a written change of beneficiary designation form with the Corporation and such new beneficiary designation shall be effective upon receipt by the Corporation.

Upon cessation of service as a Director, the terms of this Plan shall continue to govern a Director's Deferred Account until the Deferred Account is paid in full. Accordingly, a Director's Deferred Account shall continue to be credited with investment earnings, as provided by Section 3.C, and the Deferral Period shall continue in effect.

5. HARDSHIP DISTRIBUTION

In the event of a substantial, unforeseen hardship, a Director may file a notice with the Chairman of the Nominations and Board Affairs Committee of the Board of Directors (the "Committee"), advising the Committee of the circumstances of the hardship, and requesting a hardship distribution. Upon approval by the Committee of a Director's request, the Director's Deferred Account, or that portion of a Director's Deferred Account deemed necessary by the Committee to satisfy the hardship (determined in a manner consistent with Section 409A) plus

amounts necessary to pay taxes reasonably anticipated because of the distribution, will be distributed in a single lump sum as soon as administratively possible (but no later than 90 days) following the date of approval. The Committee, in its sole discretion, shall determine how a Director's Cash and Common Stock accounts shall be debited for the distribution. No member of the Committee may vote on, or otherwise influence a decision of the Committee concerning his request for a hardship distribution. If the Committee approves a Director's hardship distribution request, then effective as of the date the request is approved, the Committee shall cancel the Director's Deferral Election, if any, for the remainder of the calendar year. A Director whose Deferral Election is cancelled in accordance with this Section may file a new Deferral Election for the following calendar year in accordance with Section 1. A hardship distribution by a Director shall have no effect on any amounts remaining in the Plan following the hardship distribution.

For purposes of this paragraph, a substantial, unforeseen hardship is a severe financial hardship resulting from extraordinary and unforeseeable circumstances arising as a result of events beyond the Director's control, such as (i) an illness or accident of the Director or the Director's spouse, the Director's beneficiary, or the Director's dependent (as defined in Internal Revenue Code section 152, without regard to Code sections 152(b)(1), (b)(2), and (d)(1)(B)), (ii) a loss of the Director's property due to casualty, or (iii) other similar extraordinary and unforeseeable circumstances, all as determined in the sole discretion of the Committee. A hardship distribution shall not be made to the extent such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Director's assets, to the extent the liquidation of such assets would not itself cause a severe financial hardship, or (iii) by cessation of deferrals under the Plan. Examples of what are not considered to be unforeseeable hardships include the need to send a Director's child to college, or the desire to purchase a home.

6. ACCELERATION OF PAYMENT

The Plan shall not permit the acceleration of the time or schedule of any payment, except as set forth herein or as otherwise permitted by Section 409A. The Committee may, in a manner that results in Section 409A compliance, determine to accelerate the time of a Director's payment if at any time the Plan, as applicable to such Director, fails to meet the requirements of Section 409A. Such amount may not exceed the amount required to be included in income as a result of the failure to comply with Section 409A. Any such tax liability distribution shall be paid between the date of the Committee's determination and the end of the calendar year during which the determination occurred, or if later, the 15th day of the third calendar month following the date of the Committee's determination.

7. SECTION 409A.

The Plan is intended to comply with Section 409A, and shall be construed and administered accordingly to the extent Section 409A applies to the Plan. To the extent that a provision of the Plan would cause a conflict with the requirements of Section 409A, or would cause the administration of the Plan to fail to satisfy Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. Nothing herein shall be construed as a guarantee of any particular tax treatment to a Director.

8. CREDITOR STATUS

The rights of a Director in his Deferred Account shall be only as a general, unsecured creditor of the Corporation. Any amount of cash or number of shares of Common Stock payable under this Plan shall be paid solely from the general assets of the Corporation and a Director shall have no rights, claim, interest or lien in any property which the Corporation may have, acquire, or otherwise identify to assist the Corporation in fulfilling its obligation to any and all Directors under the Plan.

9. ADMINISTRATION AND TERMINATION

The Secretary of the Corporation shall provide a copy of this Plan to each Director.

The Board may, at any time and in its sole discretion, terminate or amend the Plan in accordance with Section 409A; provided, however, that no such termination or amendment shall reduce or in any manner adversely affect the rights of any Director with respect to benefits that are payable or become payable under the Plan as of the effective date of such amendment or termination. In the event of termination, existing Deferred Accounts shall be paid in accordance with the terms of the Plan except to the extent the Plan is terminated in accordance with the requirements of Section 409A, in which event the existing Deferred Accounts shall be paid in accordance with Section 409A.

IN WITNESS WHEREOF, SLM Corporation has caused this amended and restated Plan to be duly executed in its name and on its behalf as of the 1st day of October, 2010.

By: _____
Name:
Title:

Exhibit 12.1

SLM CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(Dollars in thousands)

	Years Ended				
	2007	2008	2009	2010	2011
Income (loss) from continuing operations before income taxes	$ (553,888)	$ (34,213)	$ 807,878	$1,090,299	$ 927,454
Add: Fixed charges	7,091,177	5,909,338	3,037,524	2,279,139	2,404,340
Total earnings	$6,537,289	$5,875,125	$3,845,402	$3,369,438	$3,331,794
Interest expense	$7,085,772	$5,905,418	$3,035,639	$2,274,771	$2,400,914
Rental expense, net of income	5,405	3,920	1,885	4,368	3,426
Total fixed charges	7,091,177	5,909,338	3,037,524	2,279,139	2,404,340
Preferred stock dividends	36,497	110,556	172,799	130,635	27,411
Total fixed charges and preferred stock dividends	$7,127,674	$6,019,894	$3,210,323	$2,409,774	$2,431,751
Ratio of earnings to fixed charges[1][2]	—	—	**1.27**	**1.48**	**1.39**
Ratio of earnings to fixed charges and preferred stock dividends[1][3]	—	—	**1.20**	**1.40**	**1.37**

(1) For purposes of computing these ratios, earnings represent income (loss) from continuing operations before income tax expense plus fixed charges. Fixed charges represent interest expensed and capitalized plus one-third (the proportion deemed representative of the interest factor) of rents, net of income from subleases.

(2) Due to pre-tax losses from continuing operations of $554 million and $34 million for the years ended December 31, 2007 and 2008, respectively, the ratio coverage was less than 1:1. We would have needed to generate $554 million and $34 million of additional earnings in the years ended December 31, 2007 and 2008, respectively, for the ratio coverage to equal 1:1.

(3) Due to pre-tax losses from continuing operations of $554 million and $34 million for the years ended December 31, 2007 and 2008, respectively, the ratio coverage was less than 1:1. We would have needed to generate $590 million and $145 million of additional earnings in the years ended December 31, 2007 and 2008, respectively, for the ratio coverage to equal 1:1.

Exhibit 21.1

SUBSIDIARIES OF
SLM CORPORATION

Name	Jurisdiction of Incorporation
HICA Holding, Inc.	South Dakota
Sallie Mae Bank	Utah
Sallie Mae, Inc.	Delaware
SLM Education Credit Finance Corporation	Delaware
SLM Education Credit Funding LLC	Delaware
Bull Run I LLC	Delaware
SLM Investment Corporation	Delaware
Southwest Student Services Corporation	Delaware

* Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of SLM Corporation are omitted because, considered in the aggregate, they would not constitute a significant subsidiary as of the end of the year covered by this report.

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-148229, 333-155492 and 333-178087) and Form S-8 (No. 333-140285, 333-125317, 333-33575, 333-33577, 333-44425, 333-53631, 333-68634, 333-80921, 333-92132, 333-109315, 333-109319, 333-33575, 333-92132, 333-159447 and 333-116136) of SLM Corporation of our report dated February 27, 2012 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
McLean, VA
February 27, 2012

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Albert L. Lord, certify that:

1. I have reviewed this annual report on Form 10-K of SLM Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Albert L. Lord

Albert L. Lord
Vice Chairman and Chief Executive Officer
(Principal Executive Officer)
February 27, 2012

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jonathan C. Clark, certify that:

1. I have reviewed this annual report on Form 10-K of SLM Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jonathan C. Clark

Jonathan C. Clark
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)
February 27, 2012

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SLM Corporation (the "Company") on Form 10-K for the year ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Albert L. Lord, Vice Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Albert L. Lord
Albert L. Lord
Vice Chairman and Chief Executive Officer
(Principal Executive Officer)
February 27, 2012

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SLM Corporation (the "Company") on Form 10-K for the year ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan C. Clark, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Jonathan C. Clark
Jonathan C. Clark
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)
February 27, 2012