



**Debt Investor Presentation
Six Months ended June 30, 2006**

Forward Looking Statements

Forward Looking Statements - This report contains forward-looking statements and information that are based on management's current expectations as of the date of this document. When used in this report, the words "anticipate," "believe," "estimate," "intend" and "expect" and similar expressions are intended to identify forward looking statements. These forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause the actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others, changes in the terms of student loans and the educational credit marketplace arising from the implementation of applicable laws and regulations and from changes in these laws and regulations, which may reduce the volume, average term and yield on student loans under the Federal Family Education Loan Program ("FFELP") or result in loans being originated or refinanced under non-FFELP programs or may affect the terms upon which banks and others agree to sell FFELP loans to SLM Corporation, more commonly known as Sallie Mae, and its subsidiaries (collectively, "the Company"). In addition, a larger than expected increase in third party consolidations of our FFELP loans could materially adversely affect our results of operations. The Company could also be affected by changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; incorrect estimates or assumptions by management in connection with the preparation of our consolidated financial statements; changes in the composition of our Managed FFELP and Private Education Loan portfolios; a significant decrease in our common stock price, which may result in counterparties terminating equity forward positions with us, which, in turn, could have a materially dilutive effect on our common stock; changes in the general interest rate environment and in the securitization markets for education loans, which may increase the costs or limit the availability of financings necessary to initiate, purchase or carry education loans; losses from loan defaults; changes in prepayment rates and credit spreads; and changes in the demand for debt management services and new laws or changes in existing laws that govern debt management services.

"Core Earnings" Performance Measures - The following presentation includes "Core Earnings" performance measures. A presentation of the most comparable GAAP financial measures and a reconciliation of the "Core Earnings" performance measures to the most directly comparable GAAP financial measures are included in the our most recent quarterly earnings release, quarterly earnings report on Form 10-Q and annual report on Form 10-K, which are available on our website at (<http://www2.salliemae.com/investors/stockholderinfo/earningsinfo>) and (<http://www2.salliemae.com/investors/stockholderinfo/secfilings>) and on the SEC's website (<http://www.sec.gov>).

U.S. Government Guaranteed Student Loans - The following presentation contains references to U.S. Government guaranteed student loans. All such references are to loans made in compliance with the Federal Family Education Loan Program ("FFELP"), under Title IV of the Higher Education Act, to finance educational costs. As more fully described in our most recent quarterly earnings release, quarterly earnings report on Form 10-Q and annual report on Form 10-K, available on our website at (<http://www2.salliemae.com/investors/stockholderinfo/earningsinfo>) and (<http://www2.salliemae.com/investors/stockholderinfo/secfilings>) and on the SEC's website (<http://www.sec.gov>), the federal guarantee of FFELP loans is conditioned on loans being originated, disbursed and serviced in accordance with U.S. Department of Education regulations. In addition, unless a loan default results from the borrower's death, disability or bankruptcy, the federal government guarantees only 95 percent of the principal balance (97 percent on loans disbursed after July 1, 2006) plus accrued interest and the holder of the loan generally must absorb the two percent (three percent after July 1, 2006) not guaranteed as a loss on the loan ("Risk Sharing"). FFELP loans serviced by a servicer that has an Exceptional Performer designation from the U.S. Department of Education are not subject to Risk Sharing and receive 100% reimbursement on default claims (99 percent reimbursement on default claims filed after July 1, 2006).

Additional information - The following presentation contains certain information about the Company that management believes is important to investors, but should be read in conjunction with other material information about the Company, including, but not limited to, the operational, market and interest rate, political and regulatory, liquidity, credit, and consolidation loan refinancing risks that the Company faces. For a discussion of the risks described above as well as additional information about the Company you should refer to our most recent quarterly earnings release, quarterly report on Form 10-Q and annual report on Form 10-K, available on our website at (<http://www2.salliemae.com/investors/stockholderinfo/earningsinfo>) and (<http://www2.salliemae.com/investors/stockholderinfo/secfilings>) and on the SEC's website (<http://www.sec.gov>). For a discussion of the specific characteristics of any specific security, you should refer to the pricing supplement, prospectus supplement and/or prospectus applicable to that security.

SLM Corporation Overview



- #1 originator, servicer and collector of student loans in the vital and growing U.S. education lending market
- Fully independent private sector company, traded on the NYSE with a market capitalization of \$22 billion⁽¹⁾
- \$130 billion managed student loan portfolio, 85% of which is U.S. government guaranteed⁽¹⁾
- Consistently profitable since its founding in 1972, through various interest rate and economic cycles
- Issued \$5 billion of 'A2/A/A+' corporate debt and \$18 billion of predominantly 'Aaa/AAA/AAA' asset-backed securities during 1H 2006⁽¹⁾
- Scored a perfect '10' out of 10 for corporate governance in a recent evaluation by *Governance Metrics International*

⁽¹⁾ As of June 30, 2006.

SLM Corporation Update

Six Months ended June 30, 2006 -

- Managed student loan outstandings increased to \$130B, up 12% vs. the prior year
- "Core Earnings" net income increased to \$607 million, up 13% vs. the prior year
- On July 1, 2006, borrower rates on federal student loans increased, creating a \$7B pipeline of loan consolidation volume to be processed by SLM in the third quarter
- In June 2006, Congress repealed the single-holder rule, allowing SLM and others to solicit consolidation loans from other lenders' Stafford and PLUS borrowers
- Also in June, the company agreed to acquire UPromise, a provider of college savings plans for parents
- New student loan legislation passed in February 2006 and effective July 1, 2006 is not expected to have a material impact on SLM's growth or earnings

A Brief Corporate History

SLM Corporate Debt Rating ¹			
	Moody's	S&P	Fitch
Long-Term	A2	A	A+
Short-Term	P-1	A-1	F1+
Outlook	Stable	Stable	Stable

Managed Loan Portfolio <small>(as of June 30, 2006)</small>		
Loan Type	\$B	%
FFELP Loans	\$111.1	85%
Private Education	19.0	15%
Total Portfolio	\$130.1	100%



⁽¹⁾ Currently known as the Federal Family Education Loan Program (FFELP).

Pre- and Post-GSE Wind-Down

	Pre- Wind-Down Full Year 1999	Post- Wind-Down Full Year 2005
Moody's/S&P/Fitch Senior Debt Rating	A3/A+/A	A2/A/A+
Market Share of Federal Student Loan Originations ⁽¹⁾	15%	27%
% of Loans Funded by the GSE	63%	0%
Wtd. Average Life to Call of Managed Liabilities	2.0 yrs	5.6 yrs
Wtd. Average US\$ LIBOR Debt Issuance Costs ⁽²⁾	L + 20 bp	L + 18 bp
"Core Earnings" Net Income	\$405 mil	\$1.1B ⁽³⁾
"Core Earnings" Student Loan Spread	1.78%	1.76% ⁽³⁾
"Core Earnings" Fee & Other Income as a % of Revenue	9%	30% ⁽³⁾
Total Managed Assets	\$64B	\$139B
Shareholders' Equity	\$0.8B	\$3.8B
Tangible Equity/Total Managed Assets	1.2%	1.9%

⁽¹⁾ SLM Preferred Client market share based on Federal fiscal year 1999 and 2005 total FFELP and FDLP net commitment figures. Source: U.S. Department of Education.

⁽²⁾ Weighted average cost of US\$ LIBOR issuance for the period, including amortized issuance costs. 1999 figure includes 30 b.p. federal origination fee on GSE loans.

⁽³⁾ Adjusted for items disclosed separately, as described in the Company's first quarter 2005 earnings release.

What Makes SLM Corporation Unique

Limited Credit Risk

- ▶ 85% of student loans carried a U.S. government guarantee as of June 30, 2006
- ▶ Total student loan losses were only 0.10% of managed student loans YTD June 30, 2006

Limited Exposure to Interest Rate and Economic Cycles

- ▶ Interest rate sensitivities of floating rate assets closely matched with floating rate liabilities
- ▶ Growth and earnings not historically tied to interest rate or economic cycles

Conservative Risk-Adjusted Capitalization

- ▶ Tangible equity covered loan losses by 22x at June 30, 2006 vs. a median of 12x for 'Aa' U.S. banks
- ▶ Pre-tax income covered loan losses by 15x YTD June 30, 2006 vs. a median of 5x for 'Aa' U.S. banks

Frequent Issuer with Stable Spreads

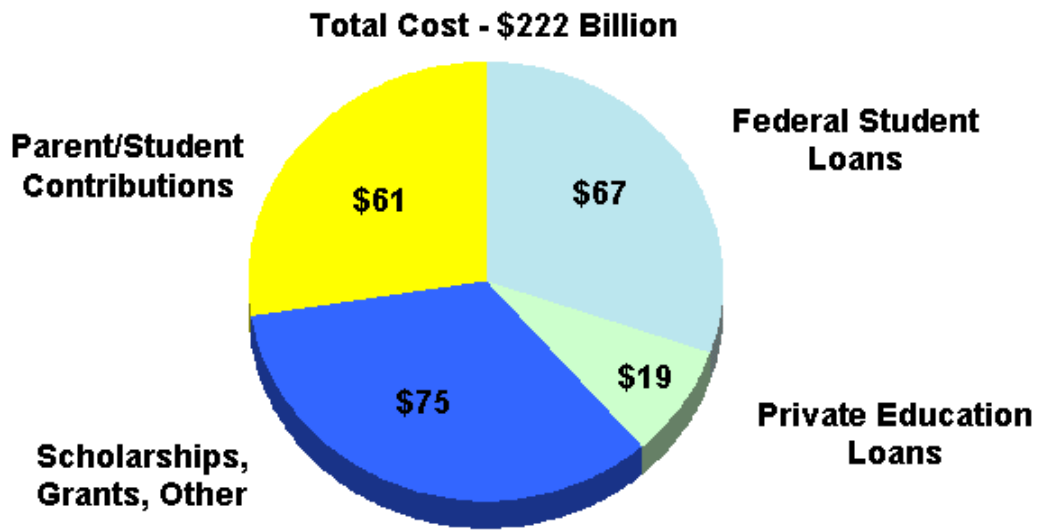
- ▶ Frequent issuer, with active secondary markets made in both its corporate bonds and ABS
- ▶ 'AAA' ABS and 'A' corporate debt, 1-30 years, floating or fixed, US\$, Euro and other currencies
- ▶ Highly stable spreads

Note: 'Aa' bank comparisons based on full year 2005 median ratios for Citigroup, Bank of America, JPMorgan Chase, Wachovia and Wells Fargo. Source: SNL Securities database and SEC filings.

The U.S. Student Loan Market

Sources of Funding for Higher Education in the U.S.

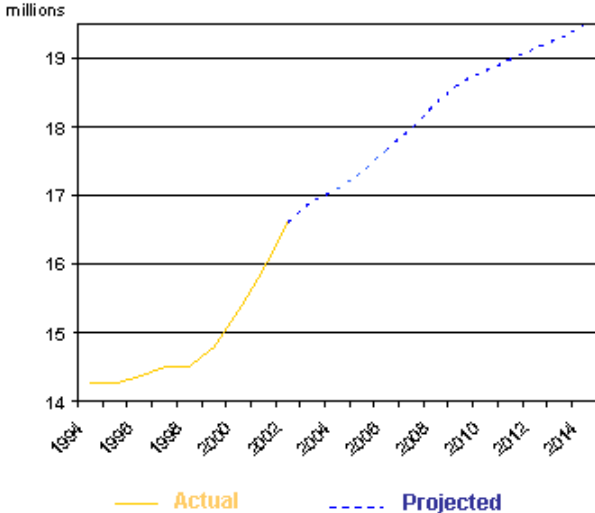
Sources of Funding for College Attendance
Academic Year 2005-2006 (\$billions)



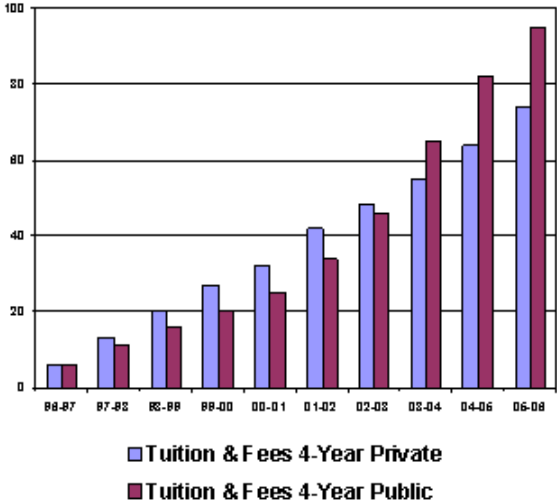
Source: Based on estimates by Octamerica Associates, "Don't Miss Out," 29th Edition; College Board, "2005 Trends in Student Aid"; and Sallie Mae. Includes tuition, room, board, transportation and miscellaneous costs for two and four year college degree granting programs.

Trends in U.S. Higher Education Spending

Student Enrollment Projections
Degree Granting Institutions



Average Cost of College Attendance
Cumulative % Increase

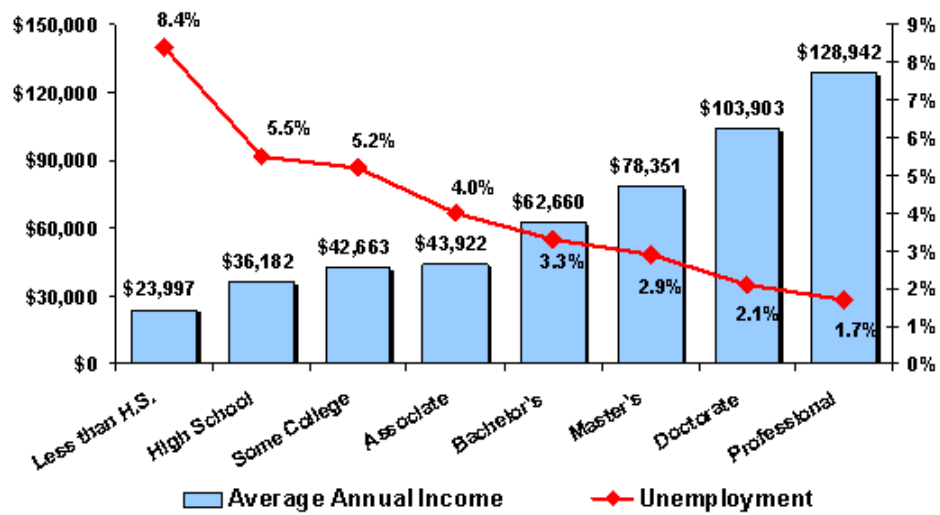


Source: National Center for Education Statistics, U.S. Census Bureau and The College Board. Average per student cost of attendance in current dollars, including tuition, fees and on-campus room and board.

Higher Education's Return on Investment

- Income and employment are strongly correlated to educational attainment

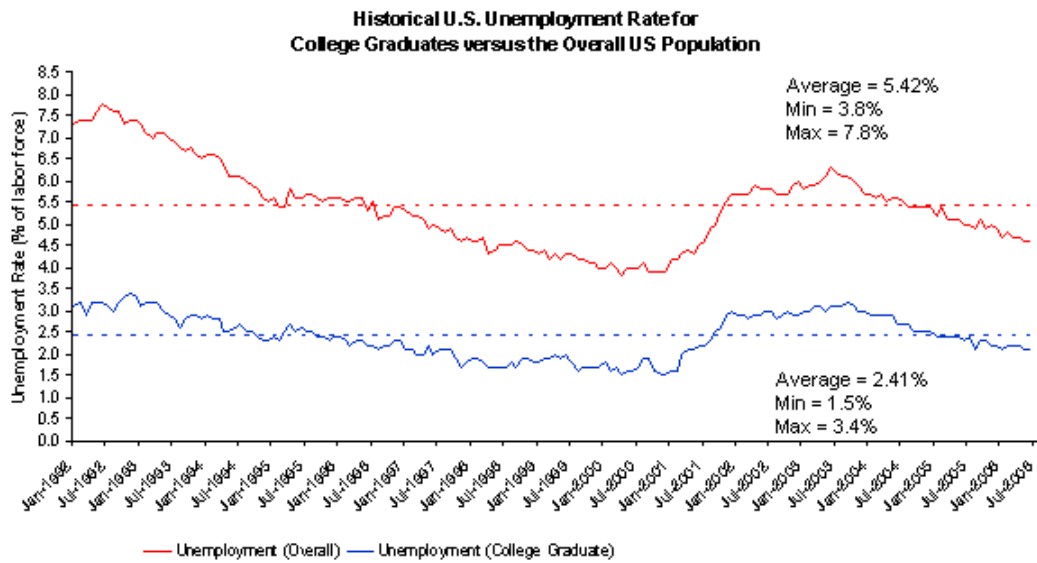
Relationship between Higher Education, Income and Employment



Source: Postsecondary Education Opportunity, U.S. Census Bureau, Unemployment data as of 2003. Average annual income figures for 2004. Represents average earnings for a full-time, year-round worker over age 25.

Education and Unemployment Over Time

- The relationship between education and unemployment has been relatively constant over time



Source: Bureau of Labor Statistics.

The Federal Family Education Loan Program or “FFELP”

The Federal Family Education Loan Program (“FFELP”) –

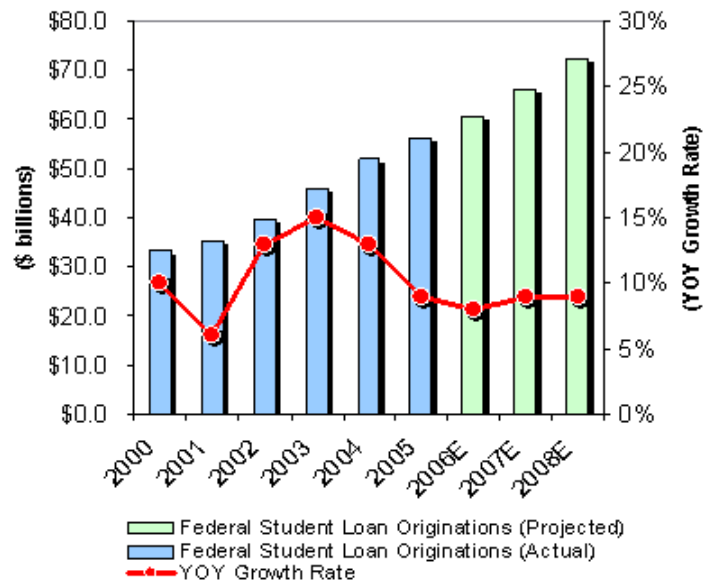
- Provides banks and others an explicit U.S. government guarantee and a guaranteed yield on student loans made pursuant to the FFELP program
- Loan pricing, terms and maximum borrowing limits set by Congress
- Available to undergraduate students, graduate students and their parents
- Floating or fixed rate loans, with 10 to 30+ year maturities and payments typically deferred until after graduation
- Borrower outstandings typically range from \$5,000 to \$25,000, although balances sometimes exceed \$100,000 for graduate students

Growth in Federally Supported Student Loan Originations

Stable, Long-Term Growth –

- In 2005, more borrowers took out more FFELP loans with higher loan balances than ever before
- Total federal student loan originations, including both FFELP and FDLP loans⁽¹⁾, increased by 9% in 2005, following a 13% increase in 2004
- The U.S. Department of Education is projecting 8% average annual growth in federal student loan volume through 2012, without consideration for pending increases in FFELP loan limits

Growth in Federal Education Loan Originations FY 1999 - 2007E



⁽¹⁾ Source: U.S. Department of Education. Based on set commitments, fiscal year ended September 30. Includes both FFELP and FDLP loans.

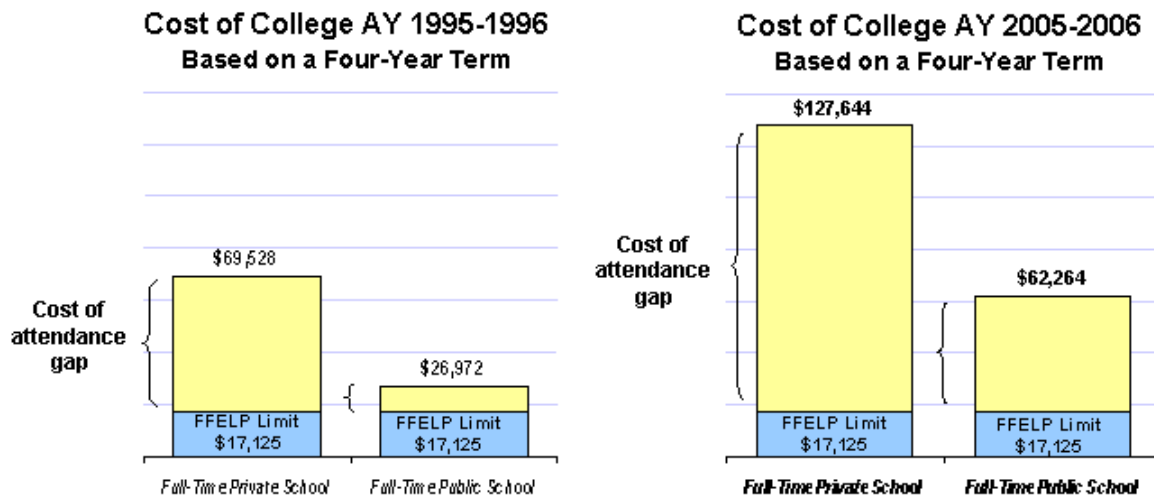
The Private Education Loan Market

Private Education Loans –

- Consumer loans made to students and parents specifically to fund the cost of undergraduate, graduate and other forms of post-secondary education
- Typically used to bridge the funding gap between grants, aid and FFELP loans, and the increasing cost of higher education
- Supplement U.S. Government guaranteed student loans, but not guaranteed by the U.S. Government
- Typically offered with floating interest rates, with loan margins set based on the credit quality of the borrower
- Generally 5 to 15 years in maturity, with terms similar to those offered under the guaranteed student loan program
- Typically non-dischargeable in bankruptcy

Private Education Loan Market Demand

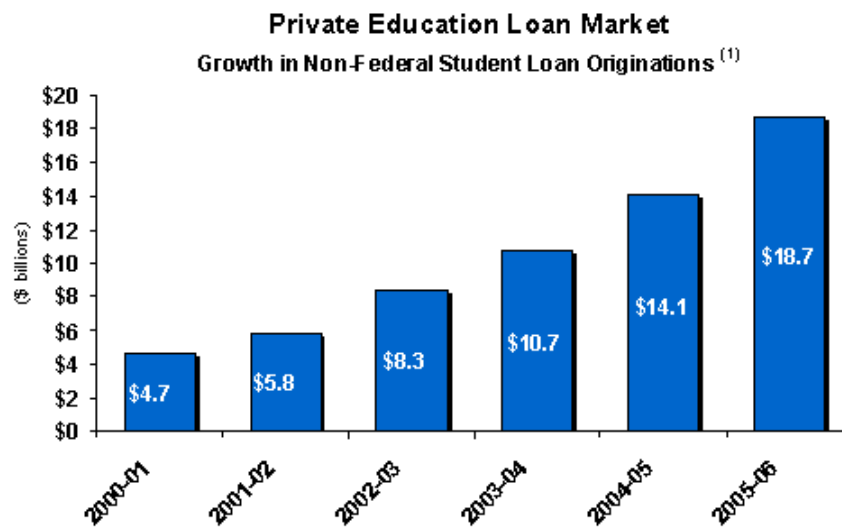
- Private education loans help bridge the gap between funding available through government-sponsored programs and the rapidly increasing cost of education



Source: College Board. Cost of college includes tuition, fees, room and board, transportation and other expenses for degree-granting institutions. FFELP loan limits as of year ended December 31, 2005. FFELP loan limits increase to \$19,000 on July 1, 2007.

Private Education Loan Market Growth

- As a result of strong demand for alternative sources of funding for higher education, private education loan originations have experienced consistent growth



⁽¹⁾ Source: Estimates by The College Board, "Trends in Student Aid", and Sallie Mae. Figures for academic years ended June 30.

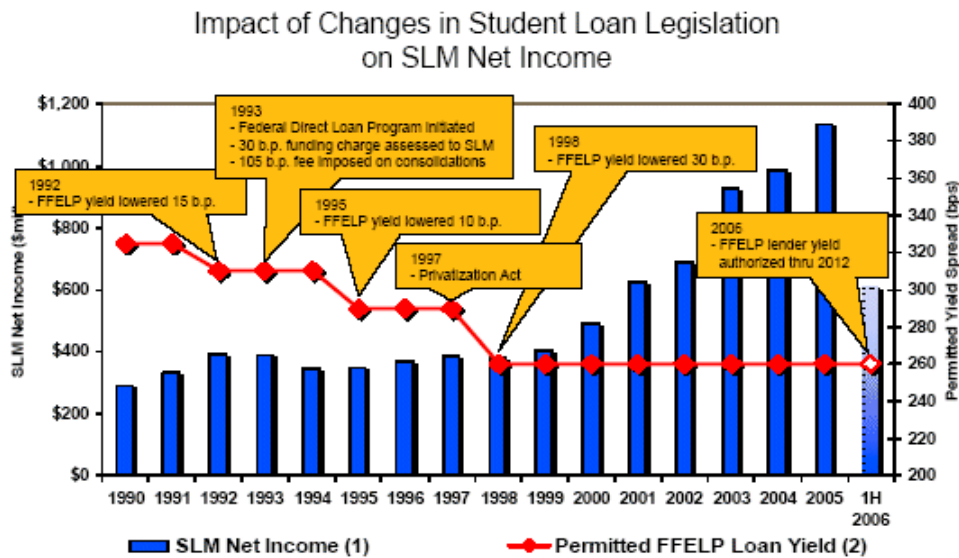
Federal Student Loan Legislation

Federal Student Loan Legislation

- New student loan legislation passed in February 2006 and effective July 1, 2006 is not expected to have a material impact on SLM's growth or earnings
- Changes include...
 - Modest increase in FFELP loan borrowing limits effective July 1, 2007
 - Eligibility of graduate students for PLUS Loans
 - Borrower rates fixed at 6.8% for Stafford and 8.5% for PLUS loans, but no change in loans' effective floating rate yield to lenders
 - Lender reinsurance reduced from 100% to 99% for servicers designated as Exceptional Performers and 98% to 97% for all others
 - Lenders required to rebate floor income on new loans, recycling of 9.5% loans ended, in-school and "Super 2-Step" consolidation loans eliminated
- In June 2006, Congress repealed the single-holder rule, allowing SLM and others to solicit consolidation loans from other lenders' Stafford and PLUS borrowers

Political Change and SLM Earnings Growth

- Past legislation, no matter how radical, has not had a long-term impact on SLM's earnings



(1) Based on SLM Corporation "Core Earnings" net income 1996-2006, "core" net income 1993-1995 and GAAP net income for earlier periods. 2004 figure adjusted for costs associated with the wind-down of the GSE and other items disclosed separately.

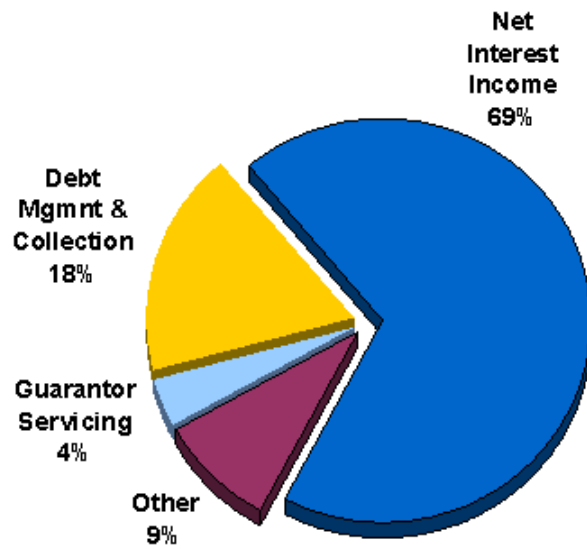
(2) Permitted FFELP loan yield spread subsequent to 1995 represents an estimated weighted average of in-school and repayment yields on FFELP loans.

SLM Business Fundamentals

SLM “Core Earnings” Revenue Mix

1H 2006 Revenue Breakdown -

- Net interest income from student loans made up 69% of net revenue in 1H 2006
- The remaining 31% of net revenue was derived primarily from fee generating businesses
 - Debt Management & Collections Operations, primarily related to student loans
 - Guarantor Servicing for student loans
 - Other sources, including late fees on student loans

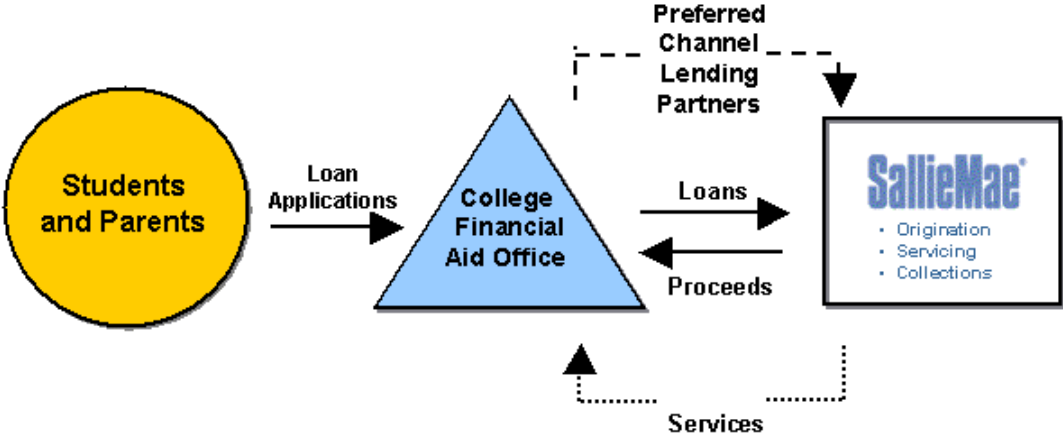


Note: Figures as of six months ended June 30, 2006, before provisions for losses. Adjusted for items separately disclosed in the Company's quarterly earnings releases.

SLM's Loan Origination Model

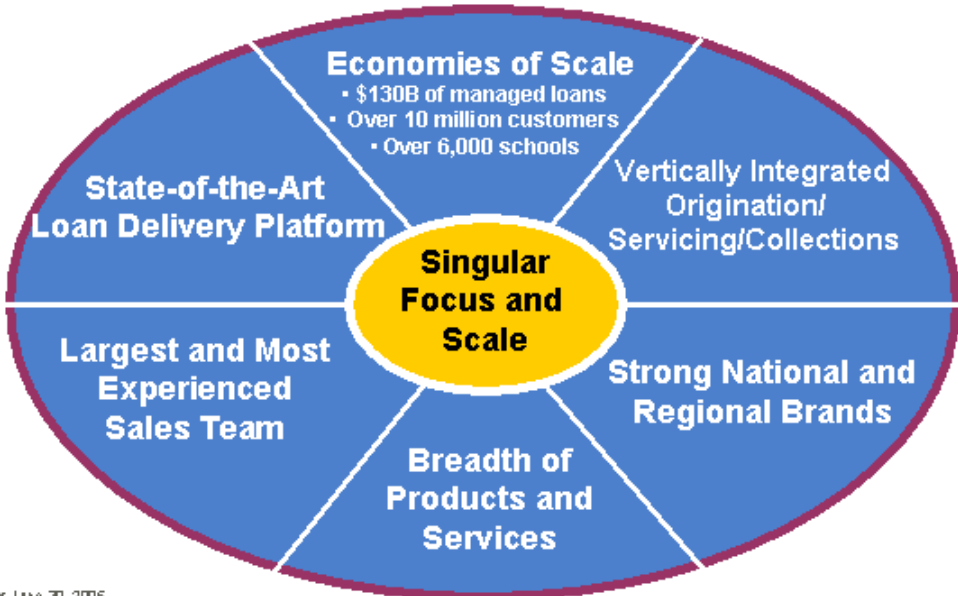
- Sallie Mae originates student loans primarily through schools' financial aid offices, and services and collects those loans throughout their life cycle

Sallie Mae's Primary Loan Origination Model



SLM's Competitive Advantage

- SLM has a distinct competitive advantage in all facets of the education loan market



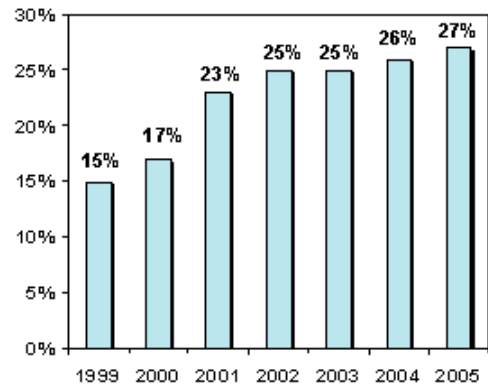
Note: Figures as of June 30, 2006.

Federal Student Loan Market Share

Federal Student Loan Originations (FFY 2004-2005)

Rank	Lender	2005 Market Share	1999 Market Share
1	Sallie Mae	27%	15%
2	Federal Govt	22%	32%
3	Citibank	5%	6%
4	Bank of America	4%	5%
5	Wells Fargo	4%	--

SLM Historical Market Share of Federal Student Loan Originations



(*) SLM Preferred Client market share based on federal fiscal year 1999 and 2005 total FFELP and FDLP net commitment figures. All figures for federal fiscal year ended September 30. Source: U.S. Department of Education and SLSA Servicing Volume Study.

SLM's Private Education Loan Portfolio

Private Education Loan Portfolio Characteristics⁽¹⁾ –

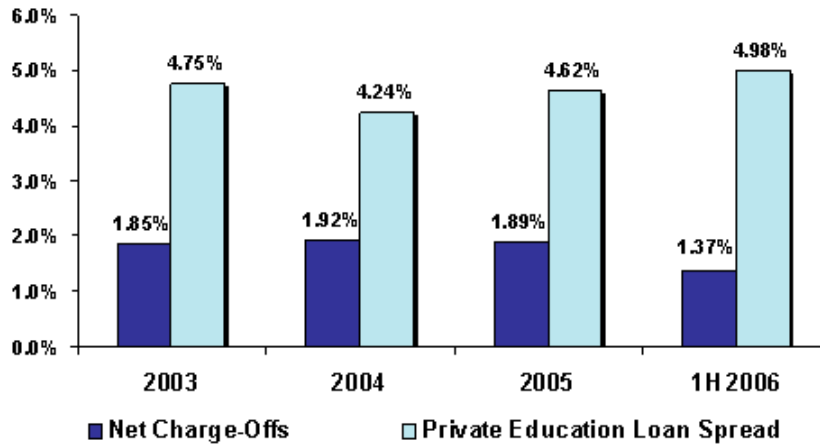
- \$19.0B outstanding at June 30, 2006
- 15% of SLM's managed student loan portfolio
- High average FICO scores
- Risk-based pricing
- Approximately 50% of loans with co-borrowers, typically parents
- Higher education loans typically non-dischargeable in bankruptcy
- Graduate students represented 29% of higher education loans
- Integrated underwriting, servicing and collections

(1) All figures for the six months ended June 30, 2006.

Private Education Loan Portfolio Trends

- Private Education Loan portfolio performance trends are very stable, in part as a result of sound underwriting, pricing, servicing and default management practices

"Core Earnings" Private Education Loan Spread vs. Net Charge-Offs⁽¹⁾



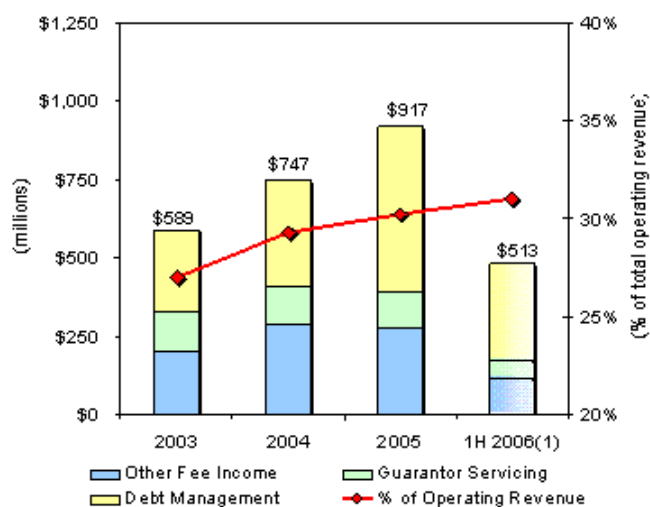
⁽¹⁾ "Core Earnings" Private Education Loan spread, before provision. Annualized net charge-offs as a percentage of average Managed Private Education Loans in repayment.

Debt Management, Guarantor Servicing and Other Income

Fee & Other Income –

- Debt Management & Collections Operations –
 - 18% of operating revenue ⁽¹⁾
 - Variable cost, low overhead business
 - Consistent, recurring earnings stream
- Guarantor Servicing –
 - 4% of operating revenue ⁽¹⁾
 - 29% share of the FFELP guarantor servicing market ⁽³⁾
 - Consistent, recurring earnings stream
- Other Fee Income –
 - 9% of operating revenue ⁽¹⁾
 - Late fees, third-party servicing fees, etc.
- In total, two thirds of SLM's fee and other income was derived from education-related sources

**Fee & Other Income Growth
2001 - 2006⁽²⁾**



⁽¹⁾ Six months ended June 30, 2006, adjusted for items disclosed separately in the Company's quarterly earnings release. Operating revenue as a percentage of net interest income before provision plus other operating revenue.

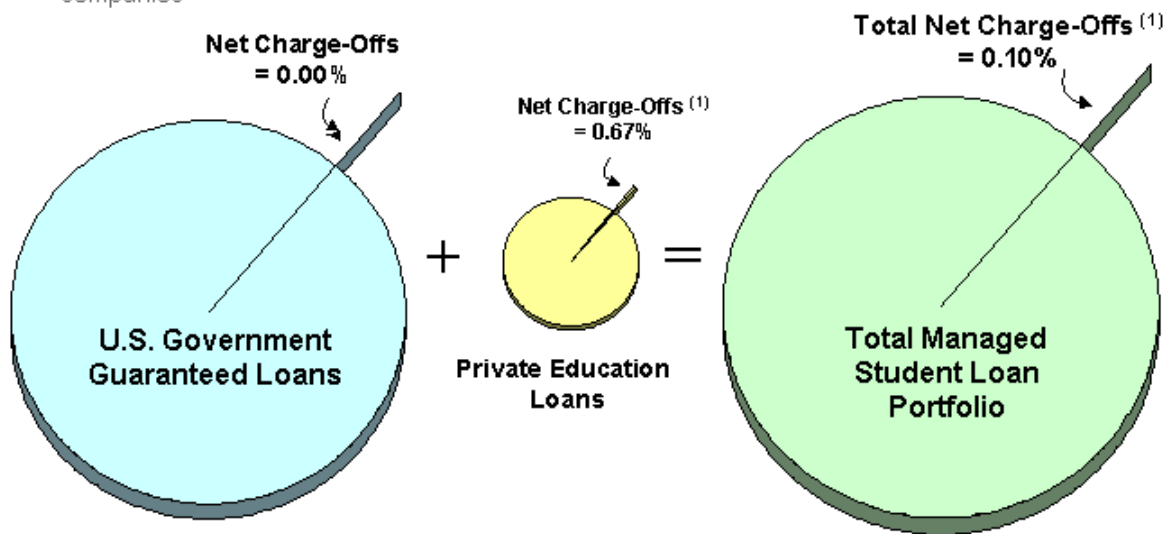
⁽²⁾ Years 2002 - 2005 operating revenue and fee and other income adjusted for items disclosed separately in the Company's quarterly earnings releases.

⁽³⁾ Guarantor servicer market share data as of March 31, 2005. Source: NSLDS.

What Makes SLM a Unique Credit

Extremely Low Loan Losses

- SLM's net charge-offs represented 0.10% of managed student loans for the six months ended June 30, 2006, compared to the 2005 median of 0.83% for 'Aa' banks and 4.20% for highly rated finance companies⁽¹⁾⁽²⁾



⁽¹⁾ Managed FFELP and Private Education Loan net charge-offs as a percentage of average managed FFELP and Private Education Loan assets. Managed Private Education Loan net charge-offs as a percentage of average managed Private Education Loans in repayment was 1.31% for the six months ended June 30, 2006.

⁽²⁾ U.S. 'Aa' banks include Citicorp, JP Morgan Chase, Bank of America, Wells Fargo and Washington. Non-bank financials include American Express, CIT, Countrywide, MBNA and Capital One. MBNA data as of September 30, 2005, all others as of December 31, 2005. Source: SNL Securities database and SEC filings.

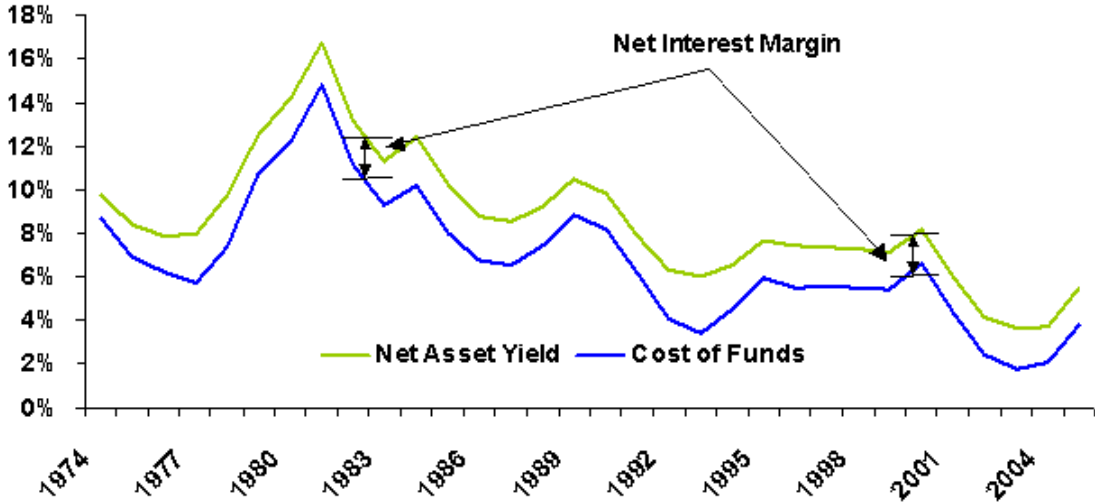
Limited Interest Rate Risk

SLM's Interest Rate and Currency Hedging Philosophy –

- Fund floating rate assets with floating rate liabilities of comparable duration
- Convert newly issued debt to US\$ floating rates at the time of issue with interest rate swaps, currency swaps and interest rate caps
- Manage a limited amount of basis risk only, primarily between CP and LIBOR
- Monetize floor income using floor contracts

Stable Net Interest Margin

- Extremely low loan losses and match funding of interest rate sensitivities of floating rate assets and floating rate liabilities make SLM's net interest margin highly stable



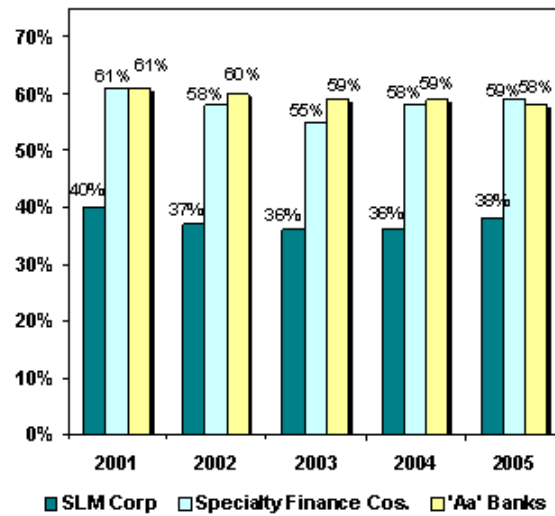
Note: Based on SLM Corporation's "Core Earnings" results 1998-2005 and GAAP results for earlier periods.

Low Operating Expenses

Unmatched Operating Efficiency -

- SLM's operating expenses stood at only 38% of operating revenue in 2005⁽¹⁾, following three years of steady improvement
- SLM's operating efficiency ratio far outdistanced that of its peers from 2001 through 2005 ⁽¹⁾⁽²⁾

**SLM vs. 'Aa' Banks and Specialty Finance Companies
Operating Efficiency Ratio ⁽¹⁾⁽²⁾**



⁽¹⁾ SLM figures based on operating expense as a percentage of net interest income after provision plus fee and other income, adjusted for items disclosed separately in the Company's quarterly earnings releases.

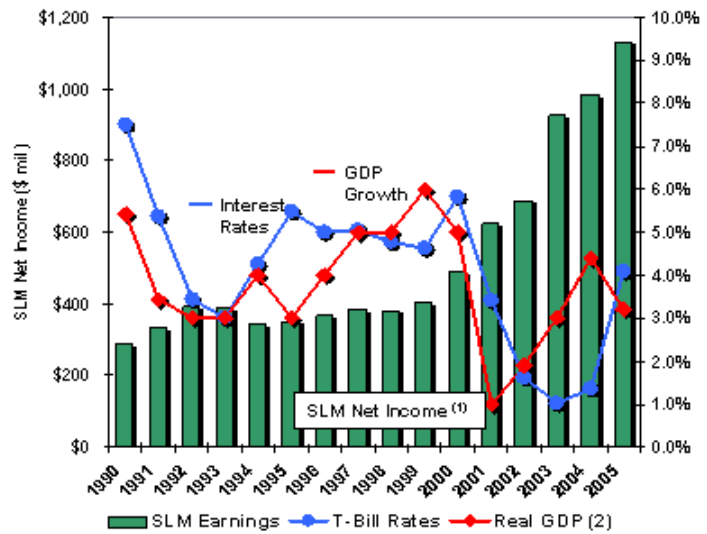
⁽²⁾ Based on ratio of operating expenses as a percentage of operating revenue for Citibank, Bank of America, Wells Fargo, Wachovia and JP Morgan and for specialty finance companies American Express, CIT, Countrywide, MBNA and Capital One. MBNA data as of September 30, 2005, all other as of December 30, 2005. Source: SNL Securities database and SEC filings.

Highly Stable and Predictable Earnings

Highly Predictable Earnings -

- SLM has generated highly consistent earnings and cash flow since its inception in 1973
- Steady growth in the student loan market, the guaranteed nature of SLM's assets and strict asset and liability management policy protect SLM from economic and interest rate cycles

SLM Net Income⁽¹⁾ through Interest Rate and Economic Cycles 1990 - 2005

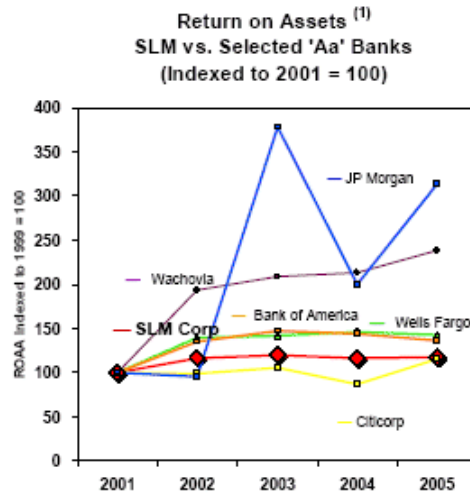
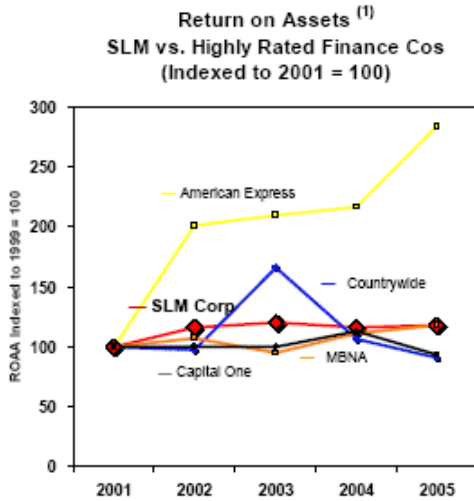


(1) "Core Earnings" net income 1996-2005, "core" net income 1993-1995 and GAAP net income for earlier years. 2004 "Core Earnings" net income adjusted for costs associated with the wind-down of the GSE and other items disclosed separately in the Company's quarterly earnings releases.

Highly Stable Earnings

Highly Stable “Core Earnings” -

- Between 2001 and 2005, SLM's “Core Earnings” ROA displayed less than 1/3 the average volatility of leading ‘Aa’ banks and 1/5 the average of highly rated finance companies⁽¹⁾
- SLM's earnings have not in the past been subject to the significant operating risks – trading losses, loan write-offs, restructuring charges or litigation expenses – experienced by others



(1) SLM ROA based on “Core Earnings” net income and average managed assets. Comparative ROA based on GAAP net income and total assets. Volatility calculation based on standard deviation of ROA. MBNA data as of September 30, 2005, all others as of December 31, 2005. Source: Bloomberg and SLM.

Strong Risk-Adjusted Capitalization

Strong Risk-Adjusted Capitalization

- SLM's leverage compares extremely favorably to 'Aa' banks and other non-bank financials when measured relative to actual loss experience

	SLM Corp			2005 Medians for 'Aa' U.S. Banks / Investment Grade Finance Cos. ⁽⁴⁾
	2004	2005	YTD 1H 2006	
Tangible Equity/Managed Assets ⁽¹⁾	1.6%	1.9%	2.2%	4.9% / 7.3%
Tangible Equity/Net Charge-Offs⁽²⁾	15x	16x	22x	12x / 6x
Pre-Tax Income/Net Charge-Offs⁽³⁾	12x	12x	15x	5x / 2x

Not a risk adjusted capital ratio

Risk adjusted ratios

(1) GAAP tangible stockholders' equity as a percentage of total managed assets.

(2) Average GAAP tangible equity (including preferred stock) to net charge-offs. SLM net charge-offs based on total managed loans.

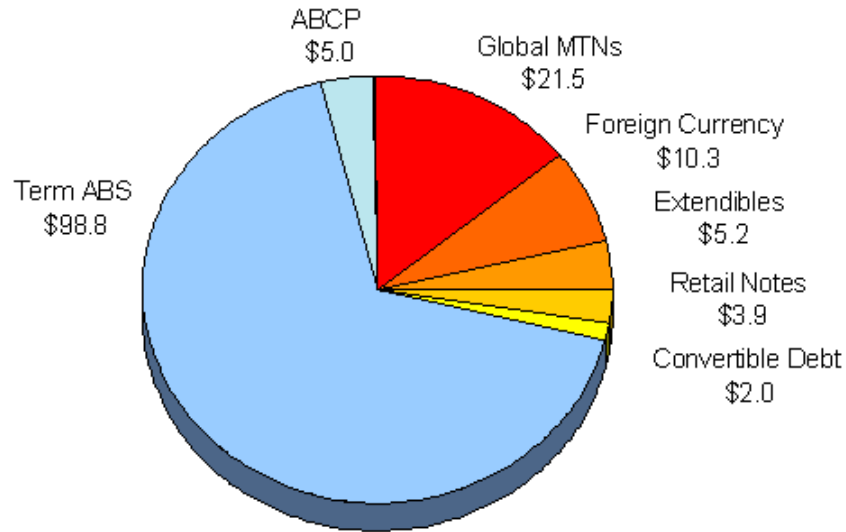
(3) SLM ratios based on "Core Earnings" pre-tax income, adjusted for items disclosed separately in the Company's quarterly earnings releases.

(4) 2005 medians for major 'Aa' rated banks: Citicorp, Wells Fargo, Bank of America, Wachovia and J.P. Morgan, and investment grade specialty finance companies: American Express, CIT, Countrywide, MBNA and Capital One. MBNA data as of September 30, 2005, all others as of December 31, 2005. Managed assets and managed net charge-offs used where available. Source: SNL Securities database and SEC filings.

Funding Diversity and Liquidity

Funding Sources

- At June 30, 2006, ABS represented 71% and unsecured corporate debt 29% of SLM's \$147 billion of total managed debt outstanding



Note: Totals may not add due to rounding.

SLM Corporate Debt and ABS Issuance

- SLM has issued \$ billion of long-term, non-GSE corporate debt and asset-backed securities over the past three years, across a broad range of maturities –

New Issuance Volume	2003	2004	2005	6 mo. 2006
Corporate Debt Issuance ⁽¹⁾	\$15B	\$15B	\$10B	\$5B
Term Asset-Backed Securities Issuance ⁽¹⁾	\$31B	\$30B	\$27B	\$18B
Total Term Debt Issuance	\$46B	\$45B	\$37B	\$23B
Range of Maturities in Years	1 - 40	1 - 30	1 - 30	1 - 30
Average Life to Call in Years	5.6	5.8	6.5	7.0
Average Cost of Funds vs. US\$ LIBOR ⁽²⁾	+31 bp	+25 bp	+18 bp	+19 bp

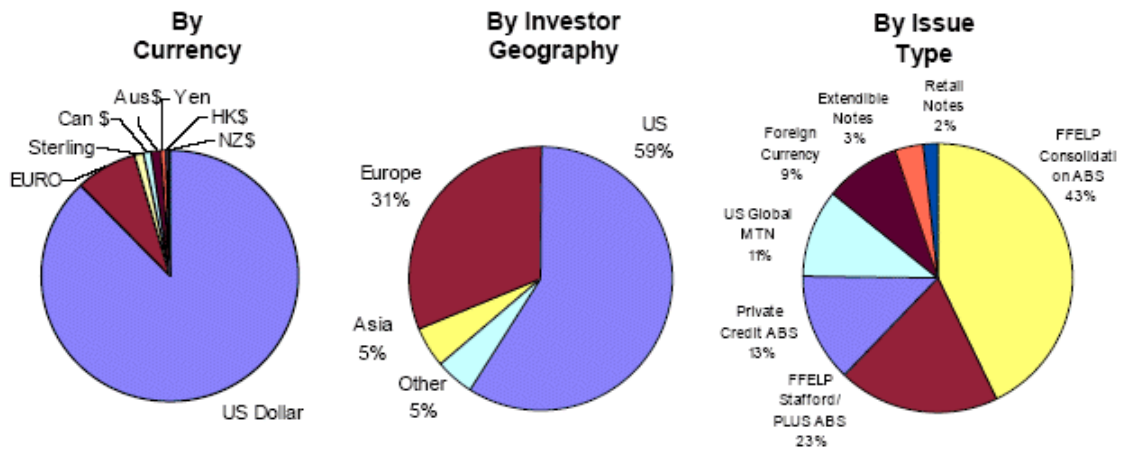
⁽¹⁾ Excludes issuance under SLM's \$5.5 billion corporate and \$5 billion asset-backed commercial paper programs.

⁽²⁾ Swapped equivalent spread, including amortized issuance costs. Includes SLM corporate debt and term asset-backed securities.

Funding Diversity

- Since January 1, 2005, SLM has issued 61 term ABS and corporate debt securities in eight different currencies to more than 550 institutional investors around the globe⁽¹⁾

January 1, 2005 - June 30, 2006 Managed Debt Issuance
by Currency, Investor Geography and Issue Type



(1) Period beginning January 1, 2005 and ending June 30, 2006.

Excess Liquidity

- At June 30, 2006, SLM maintained significant excess liquidity...
 - Enough liquidity in unrestricted cash, investments and unused committed credit lines to repay 20 months' debt maturities
 - Enough additional liquidity in its readily saleable, unencumbered FFELP loan portfolio to meet 7 years' debt maturities
 - At June 30, 2006, short term debt represented only 3% of total managed debt

Sources of Liquidity (\$billions) -	Available <u>June 30, 2006</u>
<u>Sources of Primary Liquidity:</u>	
Unrestricted Cash & Investments	\$5.4
\$5.5B CP and Bank Lines	5.5
\$5.0B Asset-Backed CP Program	<u>0.0</u>
Total Sources of Primary Liquidity	\$10.9
<u>Stand-by Liquidity:</u>	
Unencumbered FFELP Loans	<u>24.7</u>
Total Primary and Stand-by Liquidity	\$35.6

Dealers in SLM Corporate Debt and ABS

- SLM utilizes a broad base of dealers globally, promoting liquidity in its corporate bonds and ABS



SLM Corporate Debt Program

SLM Corporate Debt Issuance Volume

SLM Corporate Term Debt Issuance Volume (\$ billions) ⁽¹⁾ –

Issuance Type	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>6 mo. 2006</u>
US\$ Global and Medium Term Notes	\$ 9.1	\$ 6.4	\$ 4.5	\$ 1.9
Foreign Currency Denominated ⁽²⁾	0.6	4.2	4.0	1.5
Extendible Notes	1.7	2.5	1.0	1.0
Retail Note Program	1.1	1.8	0.8	0.3
Convertible Debentures	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Corporate Debt Issuance	\$ 14.5	\$ 14.8	\$ 10.3	\$ 4.7

(1) Excludes average of borrowings under SLM's commercial paper program, representing \$165 million for the six months ended June 30, 2006 and \$345 million for the full year 2005.

(2) US\$ equivalent at the time of issuance.

Representative SLM Corporate Benchmark Debt Issues

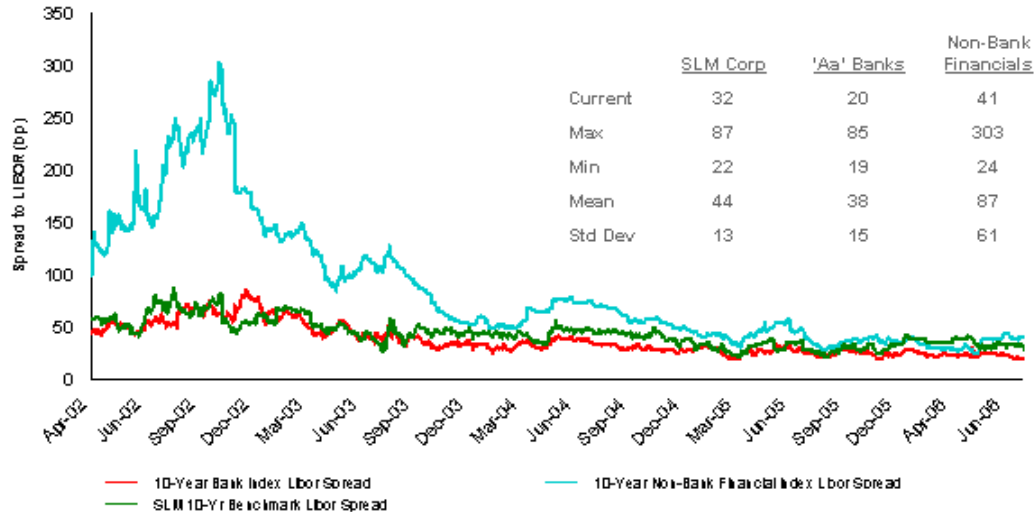
Representative US\$ & Euro Benchmark Corporate Debt Issues

<u>Issue</u>	<u>Issue Date</u>	<u>Issue Size (mil)</u>	<u>Rating</u>	<u>Coupon</u>	<u>Maturity</u>
USD -					
SLM Corp	Feb '03	\$800	A2/A/A+	3.625%	Mar '08
SLM Corp	Nov '03	\$1,000	A2/A/A+	4.000%	Jan '09
SLM Corp	Jul '05	\$2,000	A2/A/A+	L+14	Jul '09
SLM Corp	Jul '05	\$1,250	A2/A/A+	4.500%	Jul '10
SLM Corp	Jul '06	\$2,000	A2/A/A+	L+16	Jul '10
SLM Corp	Mar '06	\$1,000	A2/A/A+	L+20	Mar '11
SLM Corp	Apr '06	\$750	A2/A/A+	5.450%	Apr '11
SLM Corp	Apr '04	\$1,000	A2/A/A+	5.375%	May '14
SLM Corp	Jul '03	\$750	A2/A/A+	5.625%	Aug '33
Euro -					
SLM Corp	Jul '03	€500	A2/A/A+	3.250%	Jul '08
SLM Corp	Jun '05	€300	A2/A/A+	Euribor+15	Jun '09
SLM Corp	Oct '05	€500	A2/A/A+	Euribor+25	Dec '10
SLM Corp	Apr '04	€750	A2/A/A+	Euribor+35	Apr '11
SLM Corp	Sep '05	€750	A2/A/A+	3.125%	Sep '12
SLM Corp	Jun '06	€700	A2/A/A+	Euribor+33	Jun '13
SLM Corp	Mar '04	€1,250	A2/A/A+	4.750%	Mar '14

Consistent Credit Spread Performance

- SLM trades at spreads comparable to those of the leading 'Aa' U.S. banks

SLM Corp 10 Year Bond Spreads vs. Leading 'Aa' Banks and Finance Companies



Source: Various dealers. As of July 26, 2006, SLM Corp 10 yr spread for 4/02 thru 8/02 estimated based on 5 yr issue spreads. Initial SLM 10 yr benchmark issued 8/02. 'Aa' bank index includes Citigroup, Wells Fargo, Bank of America, Wachovia and JPMorgan Chase. Non-bank index includes American Express, CIT, Capital One and Connywyde.

SLM Corporation ABS Program

SLM ABS Issuance Volume

SLM ABS Term Issuance Volume (\$ billions) ⁽¹⁾ –

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>6 mo. 2006</u>
Non-Consolidation FFELP ABS	\$ 5.8	\$10.1	\$ 6.6	\$ 5.1
Consolidation FFELP ABS	21.0	17.4	17.1	8.8
Private Credit ABS	<u>3.8</u>	<u>2.8</u>	<u>3.4</u>	<u>4.5</u>
Total ABS Issuance	\$ 30.6	\$ 30.3	\$ 27.0	\$ 18.4

⁽¹⁾ Excludes other issuances under SLM's asset-backed commercial paper program.

SLM ABS Structures

- Recent SLM new issue ABS Structures –

	Non-Consolidation FFELP				Consolidation FFELP				Private Education Loans						
Issue	\$2.6B SLM Trust 2006-3				\$3.1B SLM Trust 2006-5				\$2.3B SLM Trust 2006-B						
Pricing Date	March 2, 2006				June 9, 2006				June 1, 2006						
Collateral	US Govt. Guaranteed FFELP Stafford and Plus Loans				US Govt. Guaranteed FFELP Consolidation Loans				Non-Guaranteed Private Education Loans						
Initial Pricing CPR ⁽¹⁾	12%				CLR Ramp (0%-8% over 10 yrs)				4%						
Tranching	<u>Moody's</u>	<u>Amt</u>	<u>AL⁽¹⁾</u>	<u>Pricing</u>	<u>Moody's</u>	<u>Amt</u>	<u>AL⁽¹⁾</u>	<u>Pricing</u>	<u>Moody's</u>	<u>Amt</u>	<u>AL⁽¹⁾</u>	<u>Pricing</u>			
	A-1	Aaa	\$687	1.0	L-2	A-1	Aaa	\$317	1.0	L-3	A-1	Aaa	\$468	3.0	L+1
	A-2	Aaa	\$825	3.0	L+0	A-2	Aaa	\$482	3.0	L-1	A-2	Aaa	\$195	5.0	L+5
	A-3	Aaa	\$335	5.0	L+4	A-3	Aaa	\$326	5.0	L+3	A-3	Aaa	\$359	7.0	L+14
	A-4	Aaa	\$483	7.0	L+8	A-4	Aaa	\$507	7.0	L+8	A-4	Aaa	\$332	9.8	L+18
	A-5	Aaa	\$162	8.4	L+10	A-5	Aaa	\$591	10.0	L+11	A-5	Aaa	\$720	14.0	L+27
	B	Aa1	\$77	8.4	L+20	A-6A	Aaa	\$383	15.3	L+16	B	Aa1	\$73	11.6	L+29
					A-6B*	Aaa	\$200	11.6	L+12	C	A2	\$101	10.5	L+40	
					A-6C*	Aaa	\$200	11.8	L+12						
					B	Aa1	\$93	11.7	L+21						

*Resettable notes

(1) Estimated based on a variety of assumptions concerning loan repayment behavior, as more fully described in the related prospectus, which may be obtained at <http://www2.salliemae.com/investors/06bt/assets/06sfrsfrs/>. Actual average life may vary significantly from estimates.

1H 2006 ABS Issuer Rankings

1H 2006 US\$ ABS Issuance by Issuer			
(in equivalent US\$ billions)			
RANK	ISSUER	PROCEEDS	MARKET SHARE
1	Countrywide	\$28.9	7%
2	Morgan Stanley	\$27.0	6%
3	Citigroup	\$22.6	5%
4	General Motors	\$22.1	5%
5	Lehman	\$21.2	5%
6	Sallie Mae	\$18.4	4%
7	Washington Mutual	\$18.1	4%
8	JP Morgan	\$14.4	3%
9	Ameriquest	\$13.7	3%
10	Credit Suisse	\$11.3	3%
Total		\$436.1	100.0%

1H 2006 Student Loan ABS by Issuer			
(in equivalent US\$ billions)			
RANK	ISSUER	PROCEEDS	MARKET SHARE
1	Sallie Mae	\$18.4	38%
2	Nelnet, Inc.	\$4.1	9%
3	Student Loan Corp	\$2.3	5%
4	CLF	\$2.0	4%
5	First Marblehead	\$1.9	3%
6	Wachovia	\$1.6	3%
7	College Loan Corp	\$1.5	3%
8	Brazos	\$1.2	2%
9	GCO	\$1.1	2%
10	US Education Corp	\$1.1	2%
Total		\$47.4	100.0%

SLM U.S. Government Guaranteed Student Loan ABS

SLM FFELP ABS Issue Characteristics

Typical SLM FFELP ABS Transaction Features –

- U.S. Government guaranteed collateral
- Issue size \$1.5B to \$3.0(+B)
- Tranches denominated in US\$ or Euros
- 'Aaa/AAA/AAA' rated senior tranches make up 97% of issue structure
- 20% risk based capital weighting, in most countries
- Floating rate tied to 3 mo. LIBOR, with occasional fixed rate issuance
- Amortizing tranches, with 1 to 15(+) year average lives
- Reset Rate Notes offer 'soft bullet' maturities for selected issues
- Serviced by SLM Corporation, designated an "Exceptional Performer" by the U.S. Department of Education

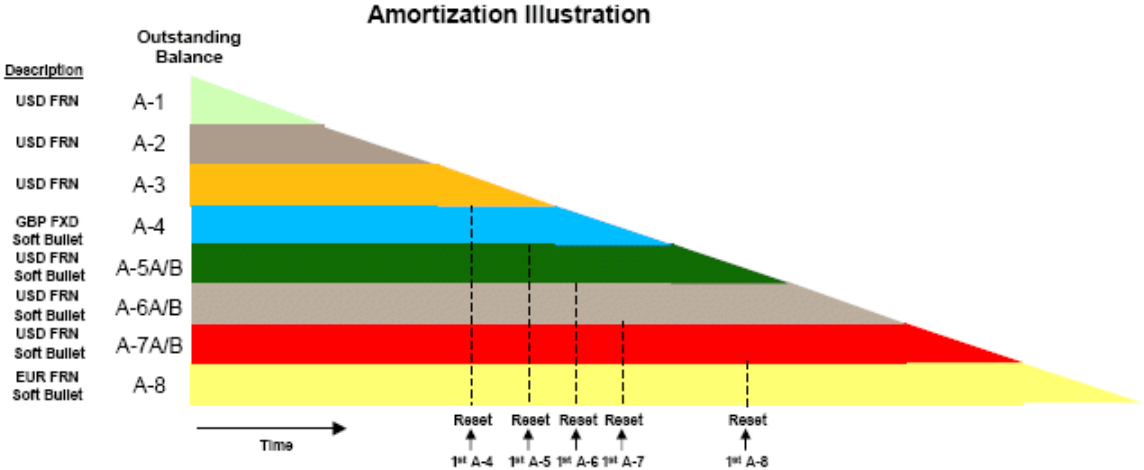
SLM FFELP ABS Reset Rate Notes

SLM FFELP ABS 'Soft Bullet' Fixed Rate, Euro and Sterling Structures -

- Shorter term "soft bullet" US\$ fixed rate, Euro and Sterling tranches, backed by long-dated collateral
- Remarketed at a date certain prior to the expected maturity date, typically 3, 5, 7 or 10 years from issuance
- Successful remarketing or call provides for full repayment of outstanding reset rate notes on remarketing date
- \$13.9 billion of reset rate notes issued to date

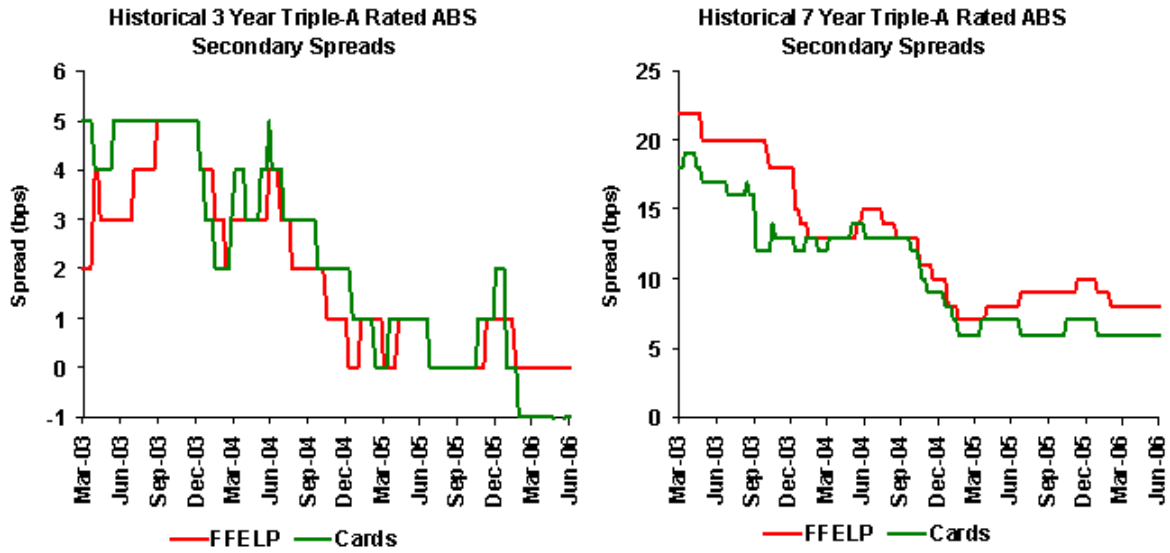
SLM Trust 2004-10 Reset Rate Note Structure

- Class A Notes pay sequentially
- A-4, A-5, A-6 and A-7 Reset Rate Note remarketing dates occur well in advance of expected amortization of underlying collateral



SLM FFELP ABS Relative Value

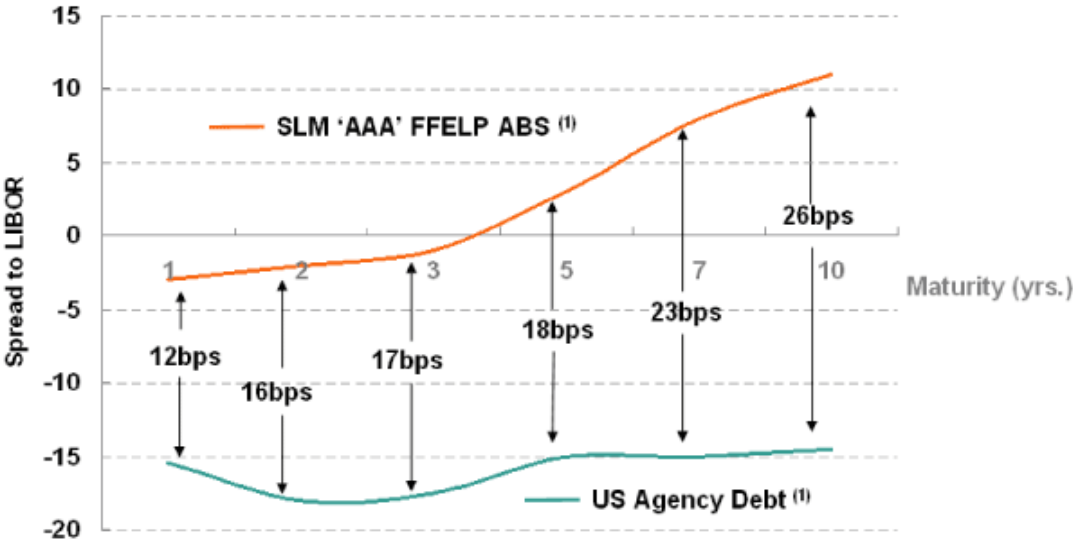
- SLM FFELP 'AAA' ABS spreads track 'AAA' prime credit card ABS, yet SLM FFELP ABS collateral is backed by an explicit U.S. government guarantee



Source: Merrill Lynch Research.

SLM 'AAA' FFELP vs. US Agencies

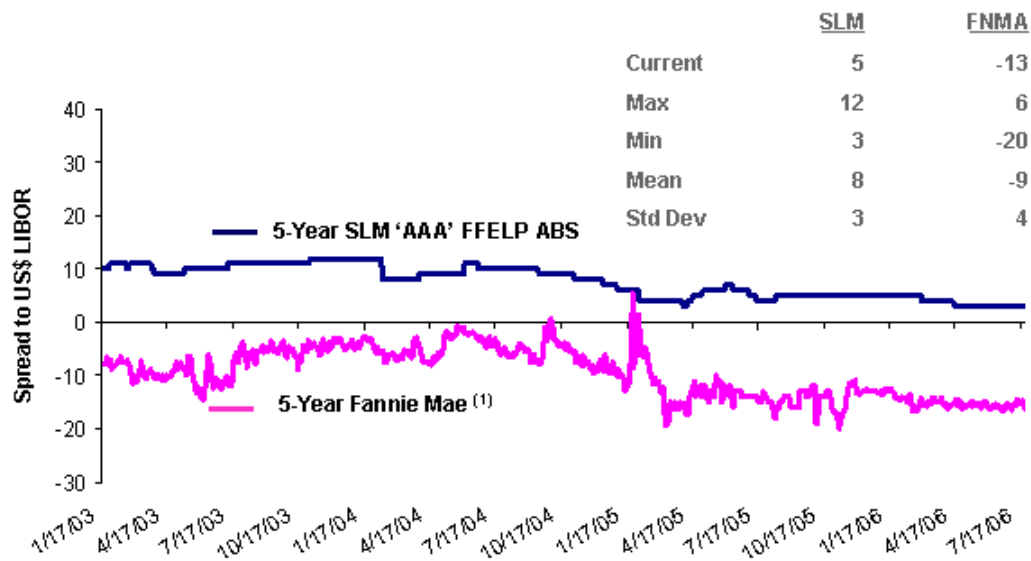
- Sallie Mae 'AAA' FFELP ABS offers wider new issue spreads than U.S. agency debentures across all maturities



(1) Spreads as of July 25, 2006. US Agency spreads average of Fannie Mae and Freddie Mac LIBOR equivalent spreads. Source: Various dealers.

SLM 'AAA' FFELP ABS Spread Performance vs. Agencies

Spread to LIBOR on SLM 'AAA' FFELP ABS vs. U.S. Agencies
Dec 2002 - July 2006



(1) 5-year insured Fannie Mae, rolling weekly average LIBOR equivalent pricing. Source: Various dealers.

SLM Private Credit Student Loan ABS Program

SLM Private Credit ABS Issue Characteristics

Typical SLM Private Credit ABS Transaction Features –

- Issue size \$1.0B to \$2.0B
- US\$ denominated
- Student loan collateral not guaranteed by the U.S. Government
- 'Aaa/AAA/AAA' rated class A senior tranches, 'Aa3/A/AA' rated Class B and 'A3/BBB/A' rated class C subordinate tranches
- Floating rate tied to 3 mo. LIBOR, with occasional fixed rate issuance
- Typically amortizing tranches, with 1 to 15 year average lives
- Serviced by SLM Corporation

SLM Private Credit Loan Programs

SLM Private Credit Loan Program Characteristics –

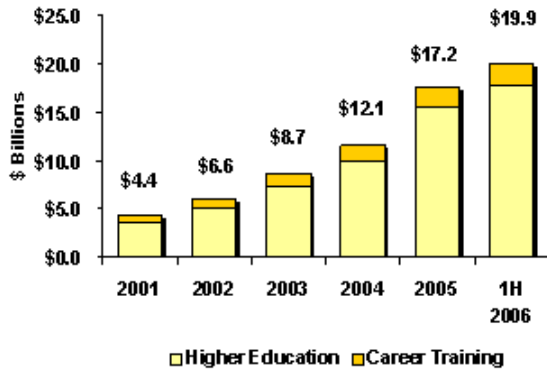
Loan Program	Description	Current Minimum FICO Score ⁽¹⁾	Underwriting Standards
Signature Student Loans[®]	Undergraduate students	640	FICO Basis (May 1998 – Present)
Signature Student Loans[®]	Graduate students	640	
LAWLOANS[®]	Law school and graduates studying for the bar	640	
MBA Loans[®]	Graduate business school	640	
MEDLOANS[®]	Medical students and graduates in residency	N/A	Judgmental

⁽¹⁾ Minimum FICO score for standard programs. Prior to July 1, 2001 the minimum FICO score was 630. Minimum FICO score subject to exceptions, representing a limited percentage of the portfolio. Custom loan origination programs have been negotiated with certain schools where the FICO cut-off may be lower. In certain cases, Sallie Mae has recourse to the school for these custom program loans.

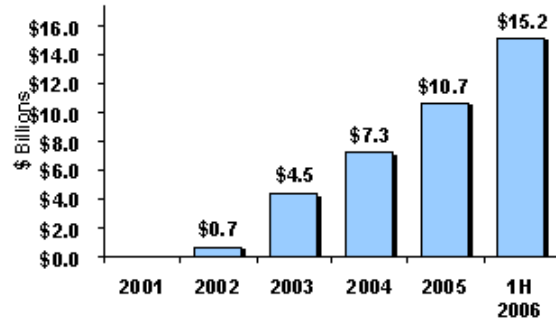
SLM Private Credit ABS Issuance

- In addition to the \$10.7B of private credit loan ABS issued by SLM thru year end 2005, SLM issued another \$4.5B of private credit loan ABS in the first six months of 2006

SLM Managed Private Education Loans Outstanding⁽¹⁾



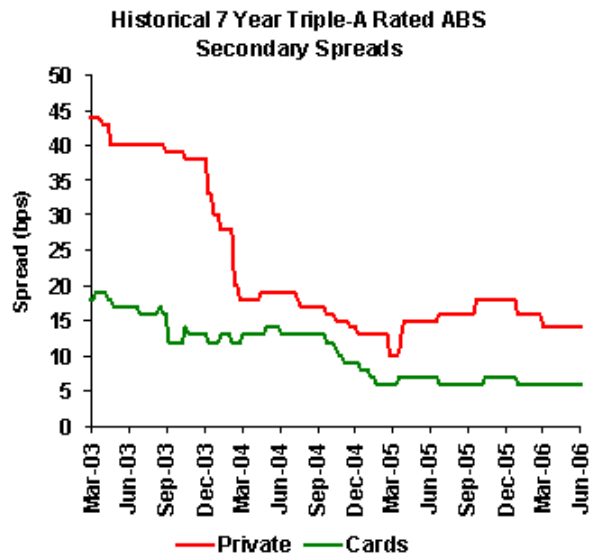
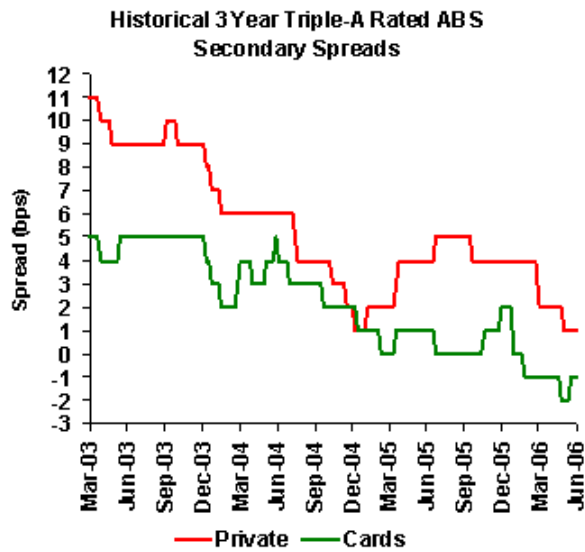
SLM Private Credit Cumulative ABS Issuance



⁽¹⁾ Gross or total dollars for total managed portfolio, before deducting loan loss allowance and non-amortized discount.

SLM Private Credit ABS Relative Value

- Spreads on SLM Private Credit ABS tightened over the past two years, until widening recently relative to credit card ABS



Source: Merrill Lynch Research.

SLM 2006-B Private Credit Student Loan ABS

SLM Private Credit Student Loan Trust 2006-B Transaction Structure

The structure of SLM 2006-B is similar to prior Sallie Mae Private Credit ABS issues⁽¹⁾ -

Class	Principal Balance (\$)	Principal Balance (%)	Expected Ratings (M/S/F)	Index	WA Life to Call (4% CPR) ⁽²⁾	Expected Maturity	Principal Window	Legal Final Maturity
A-1	\$465,000,000	20.8%	Aaa/AAA/AAA	3ml	3.00	12/15/2010	09/06 - 12/10	9/15/2020
A-2	\$198,000,000	8.8%	Aaa/AAA/AAA	3ml	5.00	3/15/2012	12/10 - 03/12	6/15/2021
A-3	\$348,000,000	15.5%	Aaa/AAA/AAA	3ml	7.00	12/15/2014	03/12 - 12/14	12/15/2022
A-4	\$332,000,000	14.8%	Aaa/AAA/AAA	3ml	9.80	9/15/2017	12/14 - 09/17	3/15/2024
A-5	\$720,818,000	32.2%	Aaa/AAA/AAA	3ml	14.00	3/15/2022	09/17 - 03/22	12/15/2039
B	\$73,104,000	3.3%	Aa2/AA-AA	3ml	11.55	6/15/2021	03/13 - 06/21	12/15/2039
C	<u>\$101,220,000</u>	<u>4.5%</u>	A2/A/A	3ml	<u>10.49</u>	6/15/2020	06/13 - 06/20	12/15/2039
Total	\$2,238,142,000	100.0%			8.97			

Subordination	Initial ⁽³⁾	Target ⁽⁴⁾	Components
Class A	8.50%	15.00%	Class B, Class C, O/C
Class B	5.25%	10.125%	Class C, O/C
Class C	0.75%	3.00%	O/C
Overcollateralization (O/C)	Builds from 0.50% to 2.00% of Initial Asset Balance		
Reserve Account	0.25% of Initial Pool Balance (non-declining)		
Excess Spread	3.88% per annum (see page 10 for details)		
Other Enhancement	Four Prime/LIBOR Swaps (15-year)		
	11.11% Cash Capitalization Account for liquidity (steps down over time) ⁽³⁾		

(1) Preliminary, subject to change.

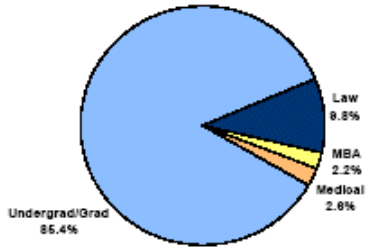
(2) Estimated based on a variety of assumptions concerning loan repayment behavior. Actual average life and repayment characteristics may vary significantly from estimates.

(3) Percent of Initial Asset Balance.

(4) Percent of Current Asset Balance.

SLM 2006-B Summary Pool Characteristics

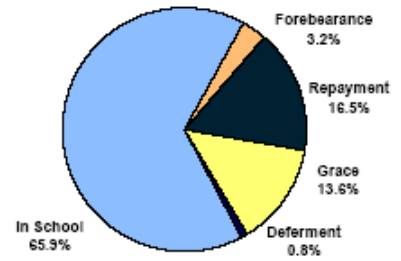
Loan Programs



% Co-Borrower as Obligor

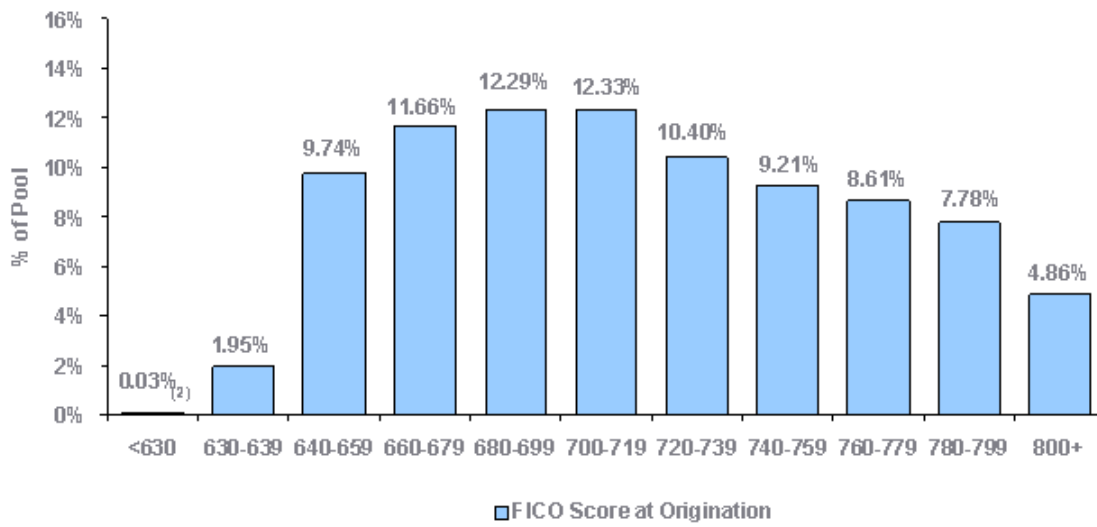


Borrower Payment Status



- Pool Weighted Original Average FICO Score 718
- Pool Weighted Current Average FICO Score 708
- Average Borrower Indebtedness \$12,016
- Weighted Average Remaining Term 201 months

SLM 2006-B FICO Distribution at Loan Origination⁽¹⁾

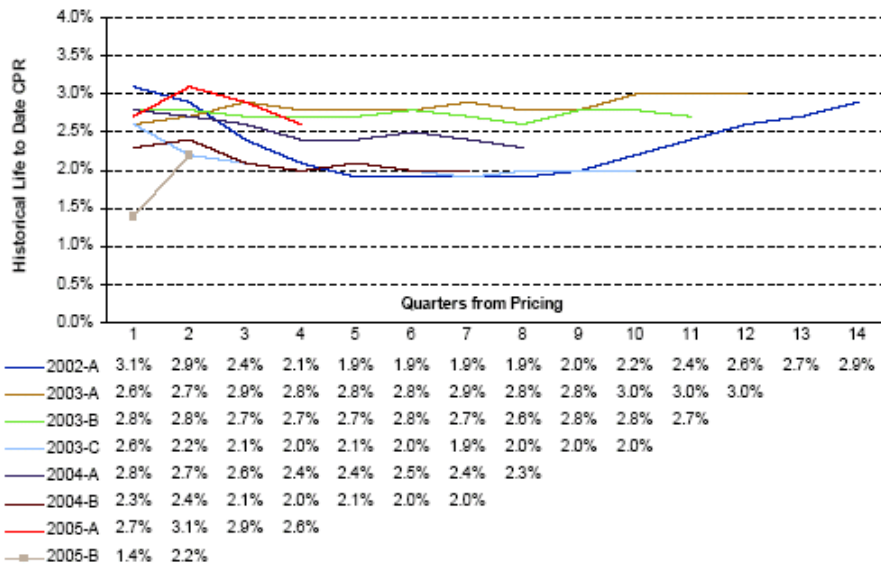


⁽¹⁾ If there is a co-borrower, the co-borrower's FICO was used.

⁽²⁾ Loans with FICO scores greater than zero and less than 630 is less than 0.03% of the portfolio. Approximately 11.1% of the trust consists of subdivisions where no FICO scores were currently available or which were underwritten without relying upon FICO scores.

SLM Private Credit ABS Prepayment Analysis

Historical SLM Private Credit ABS CPRs



Additional Information

“Core Earnings” Presentation

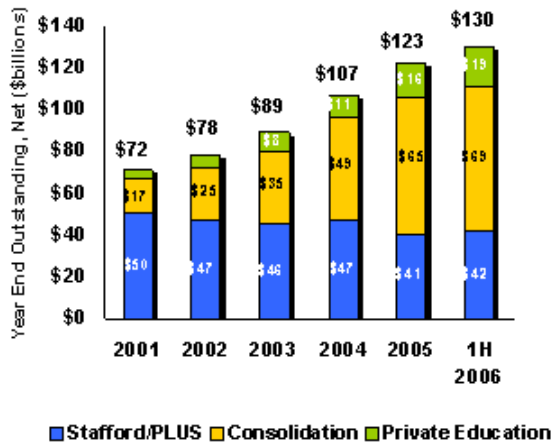
“Core Earnings” Performance Measures –

- Used by SLM’s management in developing financial plans, tracking results, establishing corporate performance targets and determining incentive compensation
- Used by equity investors, credit rating agencies and debt capital providers to measure the company’s business performance
- Treat securitizations as long-term financings, and exclude from “Core Earnings” (i) gains on sales from securitizations, (ii) derivatives mark-to-market adjustments, (iii) floor income, and (iv) amortization of acquired intangibles
- Reflect only current period adjustments to GAAP earnings and are not a substitute for reported results under GAAP
- May not be comparable to similarly titled measures reported by other companies

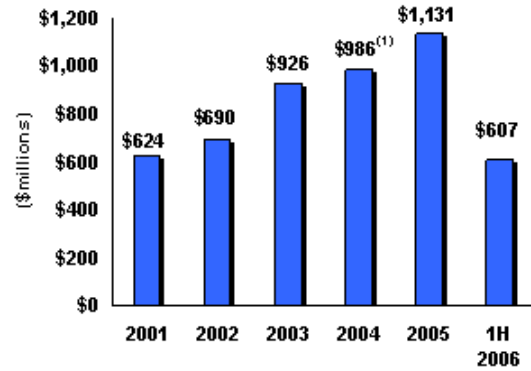
Note: Both a description of SLM’s “Core Earnings” treatment and a full reconciliation to the GAAP income statement is contained in the supplemental earnings disclosure to the company’s quarterly earnings releases and most recent Form 10-K.

SLM Summary Financial Performance

Managed Student Loans Outstanding



"Core Earnings" Net Income



⁽¹⁾ 2004 "Core Earnings" net income adjusted for costs associated with the wind-down of the GSE and other items disclosed separately in the Company's quarterly earnings releases.

The screenshot shows a Microsoft Internet Explorer browser window displaying the SallieMae Investors page. The browser's address bar shows the URL <http://www2.salliemae.com/investors>. The page features a blue header with the SallieMae logo and navigation links for About Us, Investors, News, workinfo@salliemae.com, and Contact Us. A search bar is located in the top right of the header. Below the header, a navigation menu on the left lists various investor services: Stockholder information, Debt/Asset-backed securities, Plan for college, Apply for a loan, Manage your loans, Find a job, More financial services, and Just for parents. The main content area is titled "Investors" and is divided into three sections: "Stockholder information" (with links for SEC Filings, Annual reports, Earnings information, Stock quotes, Fundamentals, Analyst coverage, and Email alerts), "Debt/Asset backed securities" (with links for SLM Corp., SLM Student Loan Trusts, and SMC Student Loan Trusts), and "Webcasts and presentations" (with links for Upcoming investor webcasts, Archived and historical webcasts, and Archived and historical presentations). On the right side, there are two highlighted boxes: "1ST QUARTER EARNINGS" announcing SLM Corp.'s First Quarter 2006 Earnings Conference Call on April 28, 2006, and "LATEST FILINGS" with a link to view the latest SEC filing.

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