

SLM CORPORATION

3Q 2009 Investor Presentation



FORWARD-LOOKING STATEMENTS

This Presentation 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 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 occurrence of any event, change or other circumstances that could affect our ability to cost-effectively refinance asset-backed financing facilities due April 2010, (collectively, the "2008 Asset-Backed Financing Facilities"), including any potential foreclosure on the student loans under those facilities following their termination; increased financing costs; limited liquidity; any adverse outcomes in any significant litigation to which we are a party; our derivative counterparties terminating their positions with the Company if permitted by their contracts and the Company substantially incurring additional costs to replace any terminated positions; changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws, such as any laws enacted to implement the Administration's 2010 budget proposals as they relate to the Federal Family Education Loan Program ("FFELP") and from the implementation of applicable laws and regulations) which, among other things, may change the volume, average term and yields on student loans under the FFELP, may result in loans being originated or refinanced under non-FFELP programs, or may affect the terms upon which banks and others agree to sell FFELP loans to the Company. The Company could be affected by: various liquidity programs being implemented by the federal government; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in the composition of our Managed FFELP and Private Education Loan portfolios; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments, and in the securitization markets for education loans, which may increase the costs or limit the availability of financings necessary to initiate, purchase or carry education loans; changes in projections of losses from loan defaults; changes in general economic conditions; changes in prepayment rates and credit spreads; and changes in the demand for debt management services and new laws or changes in existing laws that govern debt management services. 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 quarterly report are qualified by these cautionary statements and are made only as of the date of this document. The Company does not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in the Company's expectations.

SLM CORPORATION OVERVIEW



SLM CORPORATION



- ▶ #1 originator of student loans in the U.S. education lending market
- ▶ #1 servicer and collector of student loans in the U.S. currently servicing \$190 billion in assets including \$9 billion for third parties
- ▶ Fully independent private sector company with scale and a broad franchise, traded on the NYSE
- ▶ \$192.2 billion managed student loan portfolio, 82% of which is U.S. government guaranteed
- ▶ At quarter end, 95% of managed student loans were funded with term liabilities,
 - 86% funded for the life of the loan
 - 9% funded with fixed spread liabilities with an average life of 4.4 years

As of September 30, 2009

LIFE STAGE CUSTOMER STRATEGY

- ▶ Sallie Mae offers an unmatched, integrated suite of Saving, Planning, and Paying for College SM products and services



SLM CORPORATION UPDATE

- ▶ Managed student loans outstanding increased to \$192 billion in Q3
 - Originated \$6.9 billion in federal student loans, a 25% increase over prior year period
 - Launched new private education loan product in Q2 and originated \$893 million private education loans in Q3
- ▶ “Core Earnings” net income was \$164 million prior to preferred dividends, included gains on debt repurchases, and a accounting adjustment to reflect slower loan repayments, and were reduced by the early conversion of a portion of the company’s Series C Preferred Stock into common stock
- ▶ Student loan legislation, ECASLA, passed by Congress in May 2008
 - Department of Education (ED) Loan Purchase Commitment Program
 - At 9/30/09, \$22.9 billion of loans funded under this program
 - ED Conduit – Straight A Funding launched May 11, 2009
 - Funding \$14.2 billion at 9/30/09
- ▶ Completed \$5.1 billion FFELP ABS and \$6.8 billion Private Credit ABS YTD*
- ▶ Operating expenses declined 2% to \$309 million in Q3 from prior year
- ▶ Upromise manages \$21 billion in 529 college savings plans with 11 million members enrolled in the member rewards programs

*Activity through September 30, 2009.

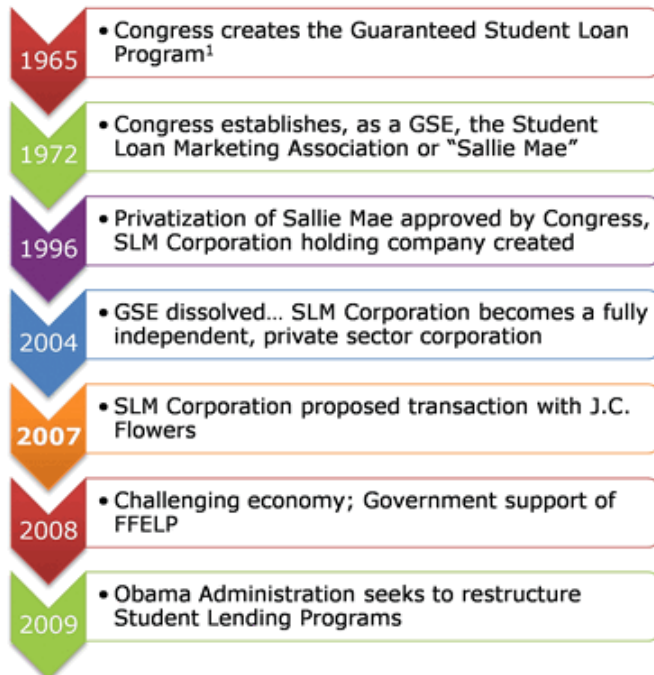
A BRIEF CORPORATE HISTORY

SLM Corporate Debt Ratings			
	Moody's	S & P	Fitch
Long-Term	Ba1	BBB-	BBB-
Short-Term	Not-Prime	A-3	F3
Outlook	Watch	Watch	Neg.

Date as 09/30/09

Managed Loan Portfolio		
Loan Type	\$B	%
FFELP Loans	\$157.3	82%
Private Education	34.9	18%
Total Portfolio	\$ 192.2	100%

Date as 9/30/09



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

WHAT MAKES SLM CORPORATION UNIQUE

Credit Risk

- ▶ 82% of managed student loans carry an explicit U.S. government guarantee of at least 97%
- ▶ Managed student loan losses were 0.76% for the nine months ending Q3 2009

Interest Rate and Economic Cycles

- ▶ Interest rate sensitivities of floating rate assets closely matched with floating rate liabilities
- ▶ Pending Legislation contains CP-LIBOR fix
- ▶ FFELP and Private Credit student loans are non-dischargeable in bankruptcy

Risk-Adjusted Capitalization

- ▶ Tangible equity covered loan losses by 2.6x for Q3 YTD
- ▶ Average allowance was 1.4x Private Credit charge-offs for Q3 YTD

2009 Funding Activity *

- ▶ Issued \$5.1 billion in term FFELP ABS
- ▶ Issued \$4.1 billion in term Private Credit ABS
- ▶ Funded \$22.9 billion in ED Participation Program
- ▶ Brokered deposits decreased at Sallie Mae Bank to \$6.1 billion as excess cash was used to fund Private Credit lending

* Through 9/30/09

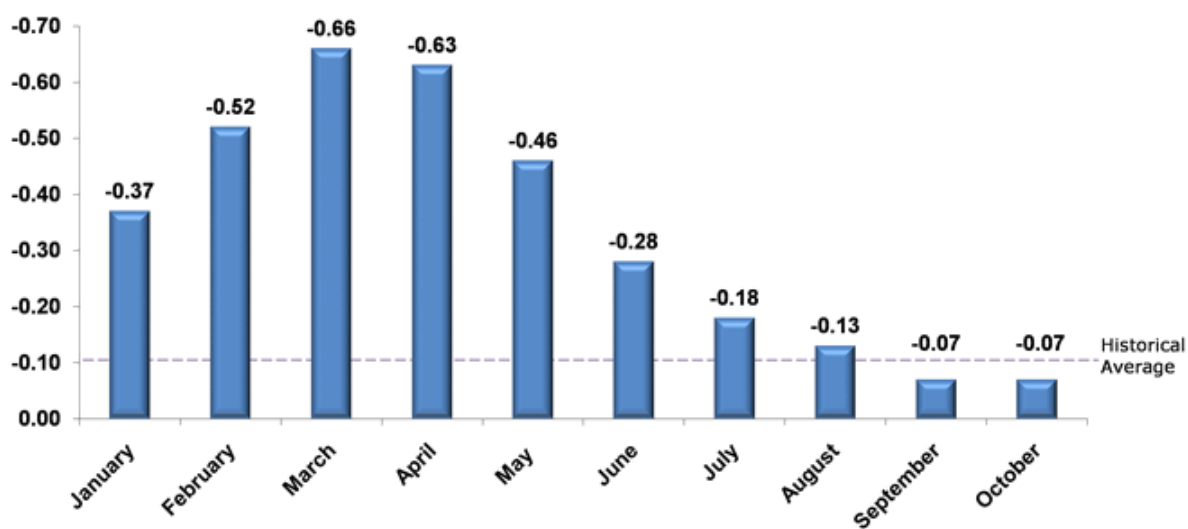
Q309 “CORE EARNINGS” SUMMARY

(\$ millions), except per share amounts	Q309	Q209	Q308
EPS (Reported)	\$0.26	\$0.31	\$0.19
Economic Floor Income EPS not reported in “Core Earnings”	\$0.05	\$0.17	-
Net Income	\$164	\$170	\$117
Net Interest Income	\$690	\$457	\$712
Net Interest Margin	1.32%	0.91%	1.52%
Loan Loss Provision	\$448	\$402	\$263
Fee and Other Income - Excluding Debt Repurchase Gains	\$257	\$201	\$48
Debt Repurchase Gains	\$74	\$325	\$16
Operating Expenses	\$309	\$305	\$316
Tangible Capital Ratio	1.7%	1.7%	2.0%
Average Managed Student Loans	\$191,459	\$188,490	\$175,470

Q309 “CORE EARNINGS” SUMMARY

EPS Breakdown	Q309	Q209	Q308
Reported "Core Earnings"	\$0.26	\$0.31	\$0.19
Non-Recurring:			
Gains on Debt Repurchases	\$0.10	\$0.44	\$0.02
Induced Conversion of Series C Preferred Stock	(\$0.04)	-	-
Cumulative accounting change of premium amortization expense on loans	\$0.07	-	\$0.16
Also impacted by:			
Restructuring Charges	(\$0.01)	(\$0.01)	(\$0.02)
Purchased Paper Business	(\$0.03)	(\$0.03)	(\$0.31)
CP-LIBOR Impact	(\$0.01)	(\$0.13)	-
Participation Program Interest Rate Lag	(\$0.01)	(\$0.02)	-
Economic Floor Income not included in "Core Earnings"	(\$0.05)	(\$0.17)	-

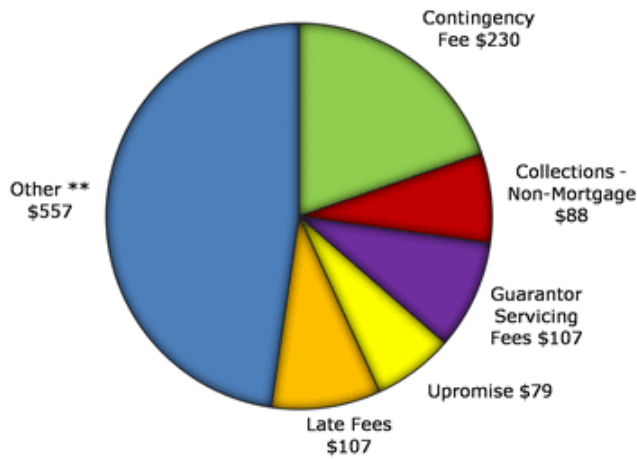
CP YIELD – 3M LIBOR



- **CP-LIBOR – still volatile but reverting to long-term mean**

FEE INCOME & OTHER INCOME

Nine months ended
September 30, 2009
\$1,168 Million*



* Does not include net losses from Collections-Mortgage of \$72 million
** Other includes gains from debt repurchases of \$463 million

- ▶ Contingency Inventory of \$10.7 Billion
- ▶ Collecting on behalf of the Dept of Education for close to ten years
- ▶ Upromise – largest private source of 529 plans
- ▶ Guarantor Servicing for student loans
- ▶ APG is re-focused on student loan contingency and collections

LENDING SEGMENT EARNINGS DETAIL

(\$ millions)	Q309	Q308	% Change
FFELP Originations	\$6,940	\$5,534	25%
Private Originations	\$893	\$2,117	-58%
Total Originations	\$7,833	\$7,651	2%
Average Managed Student Loans	\$191,459	\$175,470	9%
Net Student Loan Spread	1.56%	1.90%	-
Economic Floor Income not included in Net Student Loan Spread	0.07%	-	-
Operating Expenses	\$154	\$142	8%
OpEx Annualized as a % Average Managed Student Loans	0.32%	0.32%	-
FFELP Third-Party Serviced Loans Originated	\$727	\$999	-27%

DEPT. OF EDUCATION / GOVERNMENT PROGRAMS

- ▶ Kennedy-Miller Legislation – Signed by President 05/07/08
 - ECASLA - Broad authority to purchase loans from 10/01/03 – 07/01/09
 - ECASLA Extension – Signed by President 10/07/08
 - Extended purchase authority for 2009 – 2010 Academic Year
- ▶ Loan Purchase Commitment Program - 5/21/08
 - Eligible collateral – certain 2008 - 2009 FFELP loans
 - Funded at CP +50 bps
 - Par put + \$75/per loan fee and origination fee rebate
 - Program replicated to cover 2009 – 2010 originations 11/08/08
- ▶ ED Additional Loan Purchase Actions -11/20/08
 - Program term 12/08 – 1/09, eligible collateral - certain 2007 – 2008 FFELP loans
 - Purchase price of 97 – servicing released - program total of \$6.5 B
- ▶ Straight A Conduit Program Launched - Announced 11/08/08, Launched 5/11/09
 - Collateral originated 10/03 – 9/09 eligible
 - Program term – 5 yrs
 - Liquidity provided by the Federal Financing Bank (a division of Treasury)
- ▶ TALF – NY Fed and Treasury to provide consumer ABS support
 - Eligible collateral – AAA rated Card, Auto, Small Business and Student Loan securities
 - Includes Consolidation and Private Credit student loans originated post 5/1/07
 - Fed to provide funding, rates and haircuts to be determined
 - Program Term – Initially 1 year (extended to 3/31/10 for Student Loans) with 3 – 5 yrs of financing

FEDERAL STUDENT LOAN POLICY ALTERNATIVES

- ▶ President's Budget Proposal and House Legislation
 - Convert all federal student loans to federal funding by July 2010
 - Use savings to substantially increase Pell Grants
 - Use limited number of private sector firms to service
-
- ▶ Industry/Community Proposed Modifications = President's Proposal above
PLUS
 - ▶ Choice and competition on campus for loan originations systems and service
 - Lenders compete with each other and Direct Lending to originate loans
 - Schools choose among lenders and servicers, including non-profits
 - Originating lenders have opportunity to service loans under federal pricing standards
 - All loans have same terms and conditions
 - Use established ECASLA mechanism to move privately-originated loans onto federal balance sheet
 - ▶ Ensures continuation of borrower assistance and advocacy on all loans through Guarantors
 - ▶ Powerful incentives for default aversion via risk share
 - All servicers retain 3% risk sharing
 - SLM performance superior versus program performance across all school types
 - ▶ Low implementation risk
 - Avoids potential transition risk for 4,000 schools moving to the DL system over a short period of time

POLITICAL DEVELOPMENTS

- ▶ Congressional Budget Office (CBO) Scores the “Community Proposal” as generating substantial savings
 - Confirms mandatory savings (\$87 B) which is equivalent to the Administration’s proposal, H.R. 3221.
 - Debate is on best origination and default management strategy for the government and what cost, if any, is worth:
 - Eliminating the risk associated with converting thousands of schools to Direct Lending July 2010
 - Reducing defaults while protecting students from credit deterioration and minimizing expense to ED
 - Reducing the risk associated with owning \$1 trillion in student loan assets
 - Preserving choice and competition in student lending, and,
 - Protecting existing jobs.

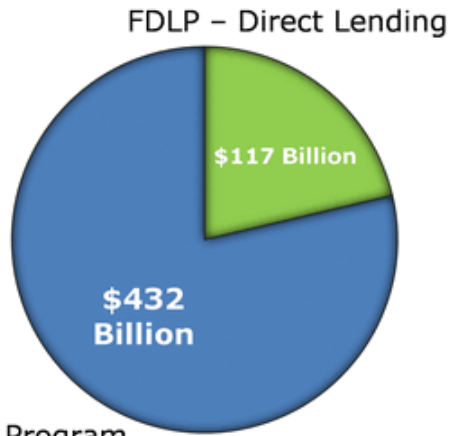
POLITICAL DEVELOPMENTS

- ▶ House of Representatives passed legislation (H.R. 3221) which ends private sector role in loan originations, but there are many steps remaining in the process
 - H.R. 3221 passed the House of Representatives as freestanding (non-reconciliation) legislation
 - Senate leadership has indicated an intent to move student loan measures only through the reconciliation process.
 - If the Senate pursues the reconciliation process, the House will have to pass a reconciliation bill in order to conference with Senate reconciliation bill.

- ▶ The Senate has introduced no language and has taken no action.
 - No hearings or legislative mark-ups yet scheduled
 - Health care debate dictating timing and process
 - New Chair on Senate HELP Committee – Tom Harkin, Iowa
 - 2010 most likely timeframe for student loan bill in Senate

FEDERAL STUDENT LOAN MARKET

- ▶ Outstanding Government Student Loan Market Distribution 2/28/09

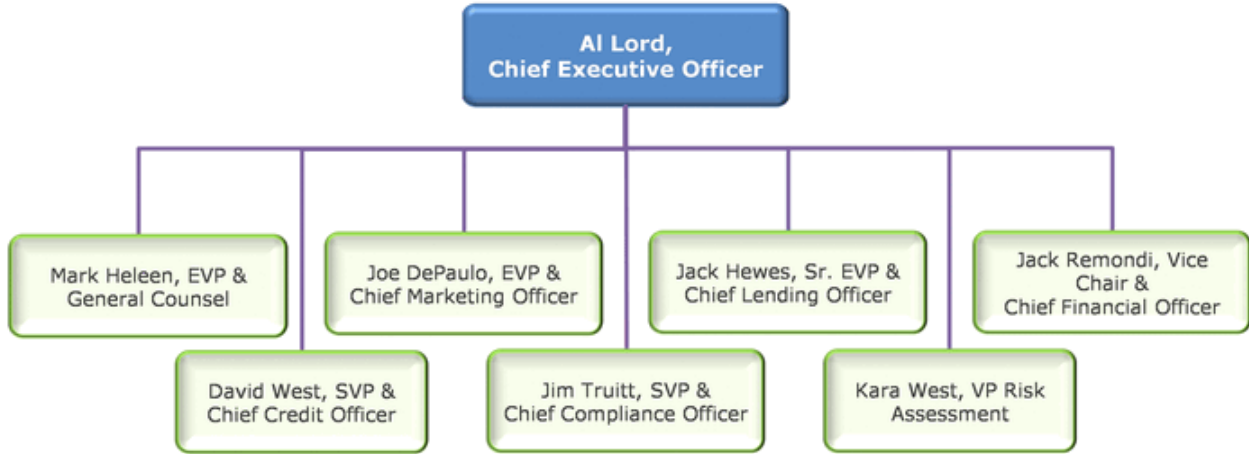


- ▶ Top 10 Holders of FFELP Loans FFYE 9/30/08

Lender Name	Outstanding (\$ in Billions)	% Total
Sallie Mae	\$141	35%
Citibank /Student Loan Corp	31	8%
Wells Fargo/Wachovia	27	7%
NELNET	26	6%
Brazos Group	14	3%
PA Higher Ed Asst Auth (PHEAA)	12	3%
JPMorgan Chase Bank	12	3%
Student Loan Xpress	11	3%
College Loan Corp	10	2%
Goal financial	7	2%
Top 10 Holders	291	72%
Remaining holders	115	28%

Source: US Department of Education

OFFICE OF THE CHIEF EXECUTIVE OFFICER



THE U.S. STUDENT LOAN MARKET

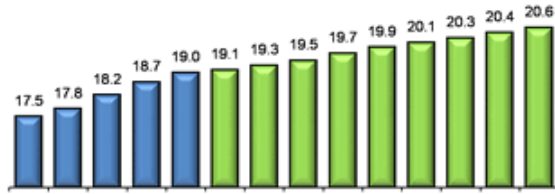
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FAVORABLE STUDENT LOAN MARKET TRENDS

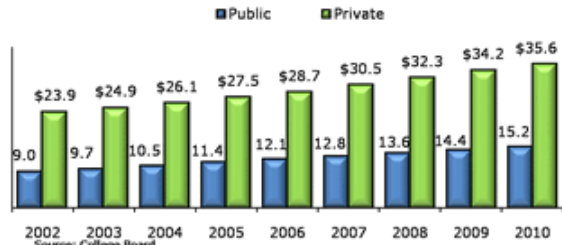
Enrollment Growth + Rising Tuitions + Education Value = Increasing Loan

Higher Education Enrollment (millions)



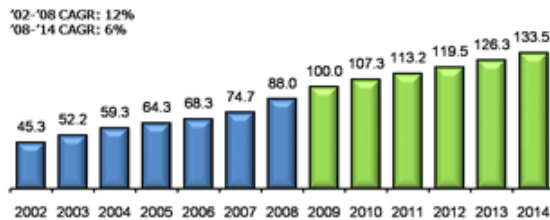
Source: National Center for Education Statistics
 Note: Total enrollment in all degree-granting institutions; middle alternative projections for 2008 onward

Annual Cost of Education (\$ thousands)



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

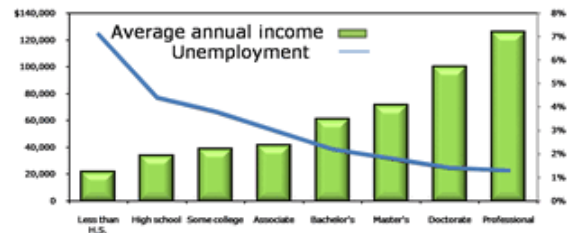
Federal Student Loan Origination Volume (\$bn)



'02-'08 CAGR: 12%
 '08-'14 CAGR: 6%

Source: President's 2010 Budget. Gross commitments by fiscal year
 Note: Excludes consolidation volume

Relationship Between Higher Education, Income and Unemployment



Source: U.S. Census Bureau, Current Population Survey, 2008 Annual Social and Economic Supplement. Represents median earnings for a full time, year-round worker over age 25. Unemployment data as of 2007. Represents unemployment for civilian noninstitutional population over age 25.

COLLEGE GRADS EXPERIENCE LOWER LEVELS OF UNEMPLOYMENT



Source: U.S. Department of Labor, Bureau of Labor Statistics

THE FEDERAL FAMILY EDUCATION LOAN PROGRAM OR “FFELP”

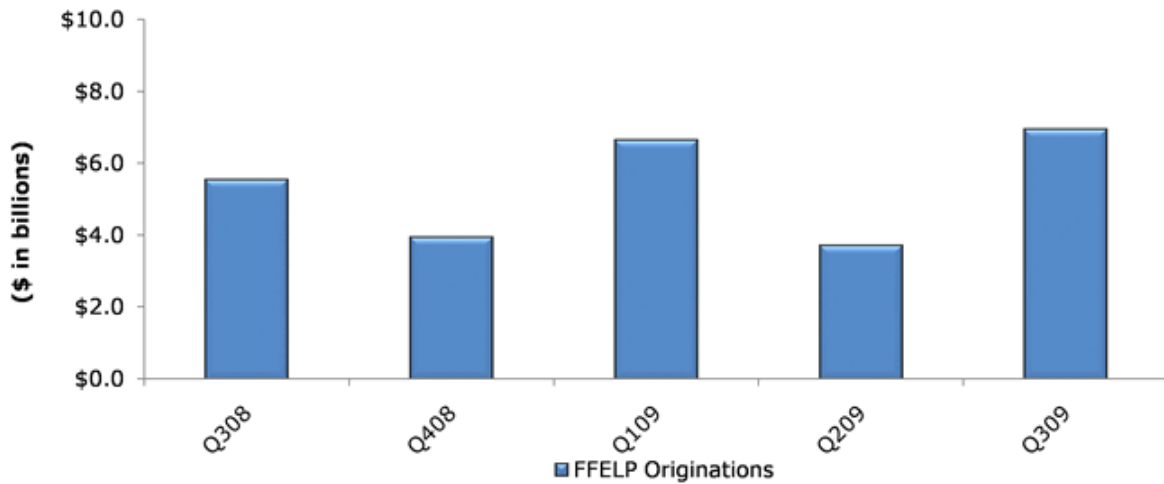
- ▶ Provides lenders an explicit U.S. government guarantee of at least 97% and a fixed yield on student loans made pursuant to the FFELP program
- ▶ Loan pricing, terms and maximum borrowing limits set by Congress
- ▶ Available to undergraduate students, graduate students and their parents
- ▶ Fixed rate loans, with 10 to 30+ year maturities and payments typically deferred until after graduation
- ▶ Borrower outstanding balances typically range from \$5,000 to \$25,000, although balances exceed \$100,000 for graduate students
- ▶ Pending legislation in Congress could substantially alter this program

FFELP STUDENT LOAN MARKET SHARE

FFELP Loan Originations (Gross Commitments) \$ in Billions			
Rank	Lender	2008	Mkt Share 2008
1	Sallie Mae	\$19.6	31%
2	Wells Fargo	\$9.1	14%
3	Citibank	\$6.2	10%
4	Bank of America	\$4.3	7%
5	JP Morgan Chase	\$3.4	5%
6	US Bank	\$2.3	4%
7	PNC Bank	\$2.2	3%
8	EdAmerica	\$1.6	3%
9	Suntrust Bank	\$1.1	2%
10	Access Group	\$1.1	2%
Top 10 Totals		\$50.8	80%
Total Market		\$63.2	100%

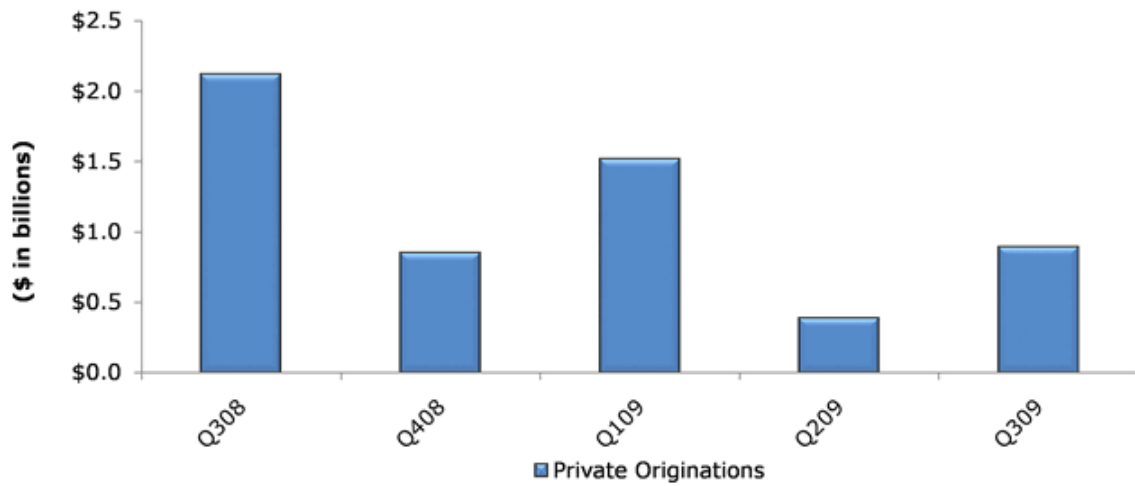
Notes: Wells Fargo includes Wachovia volumes, Bank of America includes Fleet and LaSalle Bank volumes, JP Morgan Chase includes Bank One volumes, PNC Bank includes National City Bank volumes Source: <http://www.fp.ed.gov>

FFELP LOAN ORIGINATIONS



- ▶ Originated Nearly \$7 billion of loans in the quarter a 25% increase over the prior year
- ▶ Originated \$727 million of loans for third-party servicing clients in the quarter
- ▶ Put approximately \$840 million of loans to ED in the third quarter
- ▶ Put approximately \$17.6 billion of loans to ED in October

PRIVATE LOAN ORIGINATIONS



- ▶ Increases in Federal Student Loans, tighter underwriting standards, and conservative consumer behavior dampened demand for private education 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 and/or cosigner
- ▶ Generally 5 to 15 years in maturity, with terms similar to those offered under the guaranteed student loan program

SLM'S PRIVATE EDUCATION LOAN PORTFOLIO

- ▶ Private Education Loan Portfolio Characteristics⁽¹⁾
 - 35 billion of managed outstandings at Q3 2009
 - 18% of SLM's managed student loan portfolio
 - Risk-based pricing
 - Approximately 56.5% of portfolio has a cosigner, typically a parent
 - Higher education loans typically non-dischargeable in bankruptcy
 - Integrated underwriting, servicing and collections

(1) All figures as of September 30, 2009.

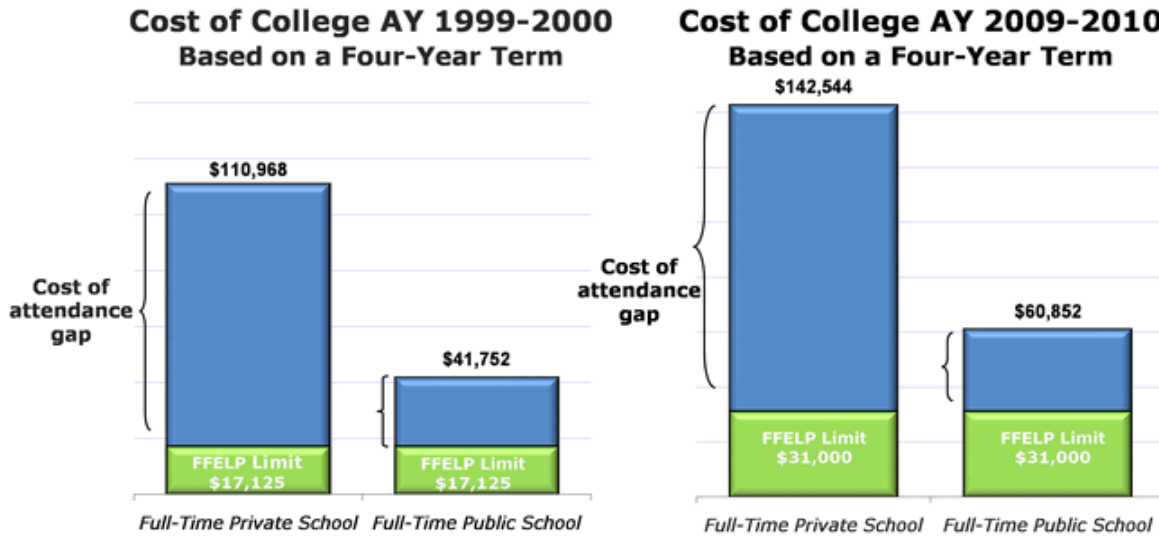
SLM's NEW PRIVATE EDUCATION LOAN PRODUCT

▶ Smart Option Product

- Launched 3/23/09
- Eliminates negative amortization during the school and grace period while reducing the average life from 9.5 years to 5.5 years
- Strategies to achieve a 90% cosigned rate have been deployed
- Repayment term is driven by cumulative amount borrowed and grade level
- Requires interest only payment on new loans with open option to pay P&I
- Eliminates capitalization of interest effect which significantly reduces total interest paid
- Full communication with borrower during in school period
- Full collection activities employed at both the student and cosigner level
- Develops habit and responsibility of payment
- Limits propensity to accumulate additional debt given in-school payment requirement

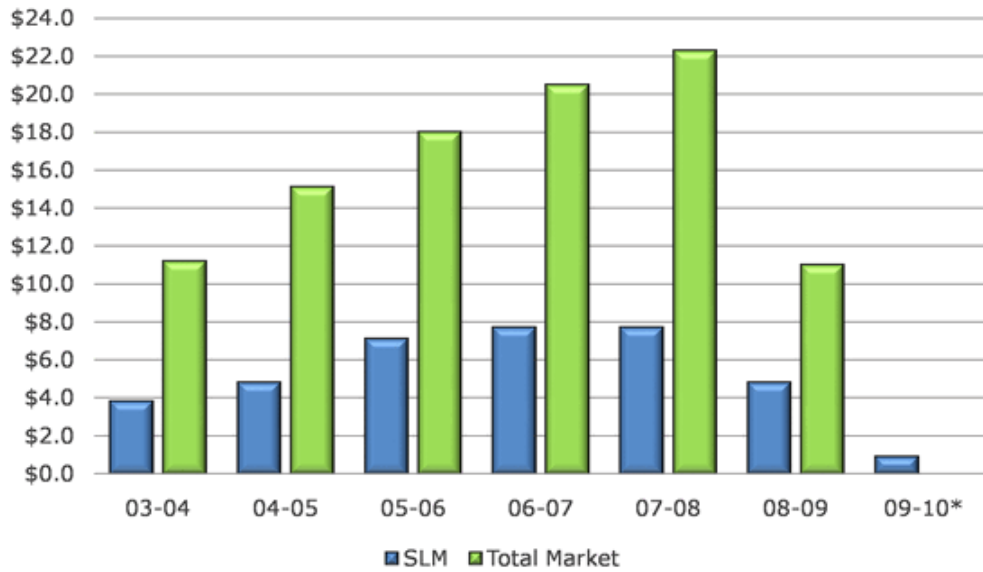
PRIVATE EDUCATION LOAN MARKET DEMAND

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



PRIVATE CREDIT ORIGINATIONS

SLM vs. Industry Originations



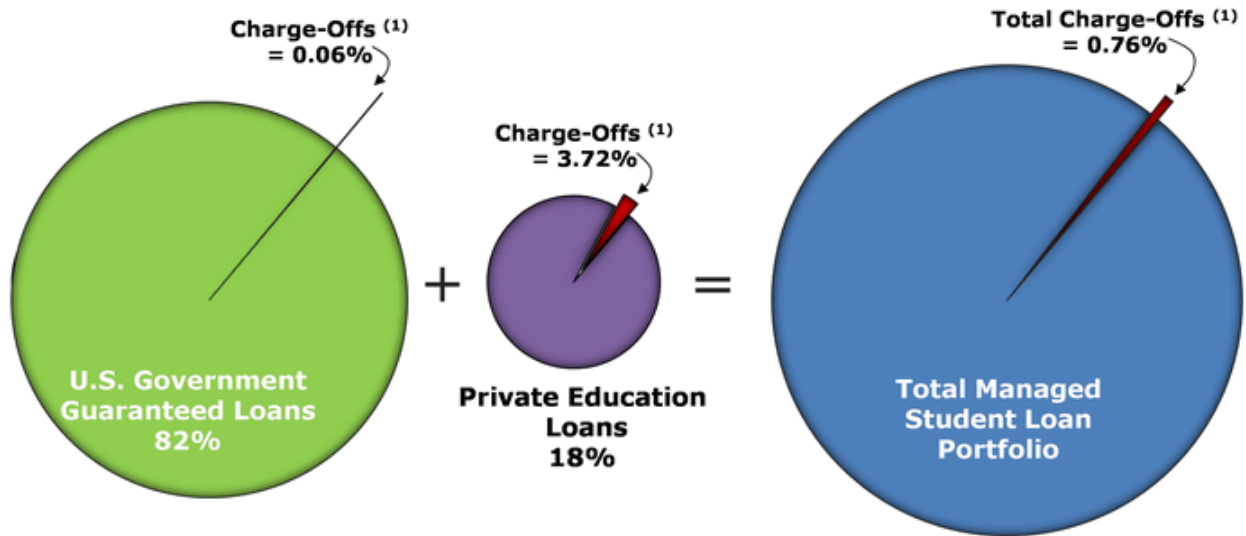
Source: College Board, Trends in Higher Education Series (2009). 2008-2009 industry data is preliminary. Data reported by academic year, SLM quarterly data converted to academic year basis.
*3Q 2009 data only

CREDIT QUALITY

SLM Corporation



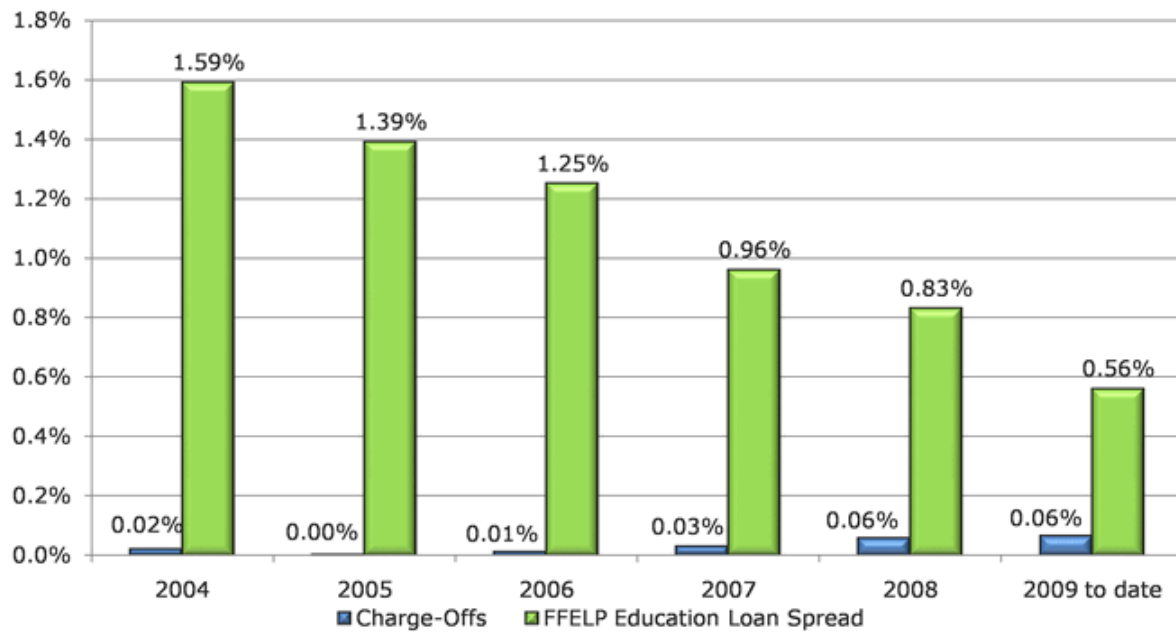
LOAN LOSSES



(1) All data as of September 30, 2009. Managed FFELP charge-offs as a percentage of average managed FFELP assets. Managed Private Education Loan charge-offs as a percentage of average managed Private Education Loan assets. Total charge-offs as a percentage of average managed FFELP and Private Education Loan assets. Managed Private Education Loan charge-offs represented 6.3% of managed Private Education Loans in repayment for the nine months ended September 30, 2009, annualized.

FFELP EDUCATION LOAN PORTFOLIO

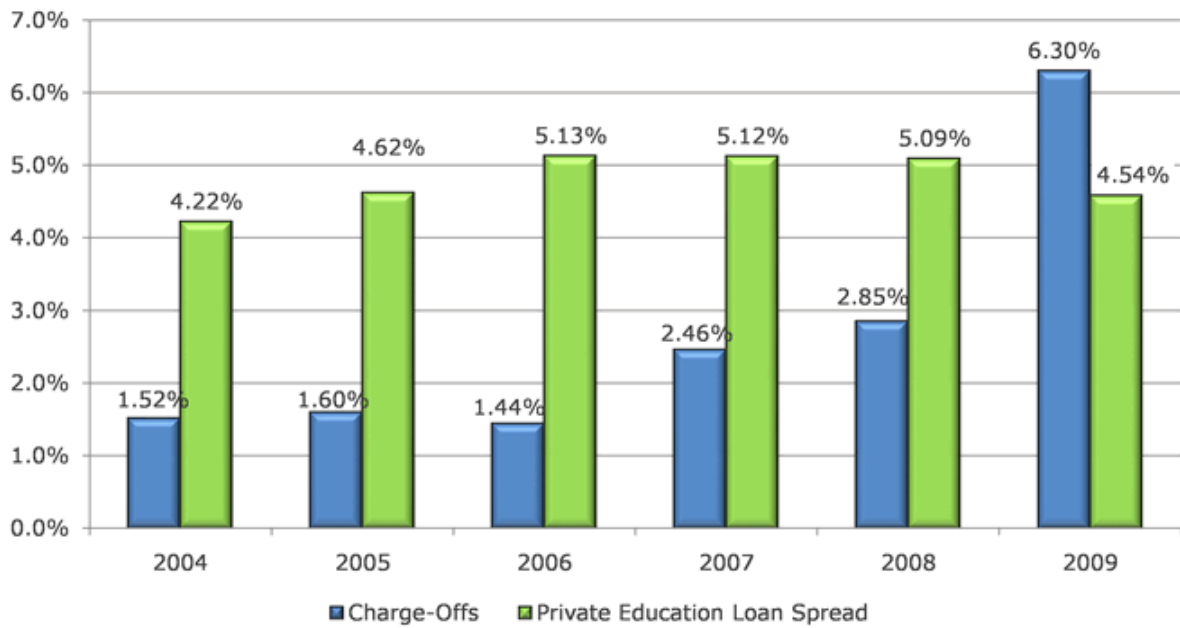
"Core Earnings" FFELP Loan Spread vs. Charge-Offs



(1) "Core Earnings" FFELP Loan spread, before provision. Annualized charge-offs as a percentage of average Managed FFELP Loans .

PRIVATE EDUCATION LOAN PORTFOLIO

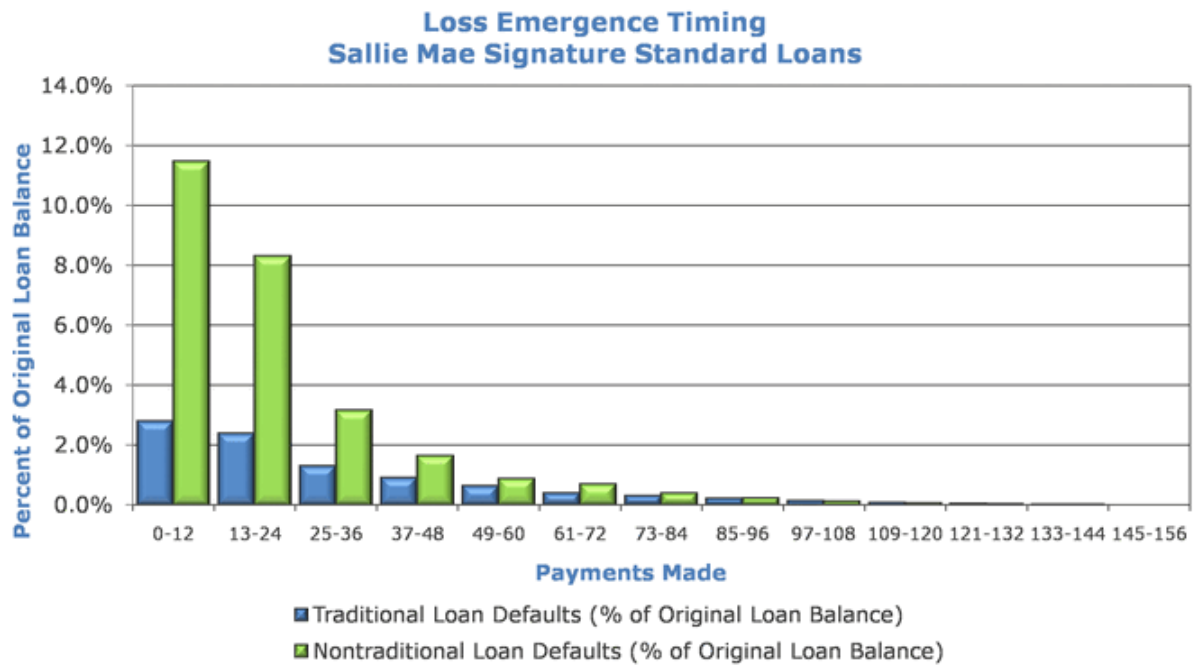
"Core Earnings" Private Education Loan Spread vs. Charge-Offs ⁽¹⁾



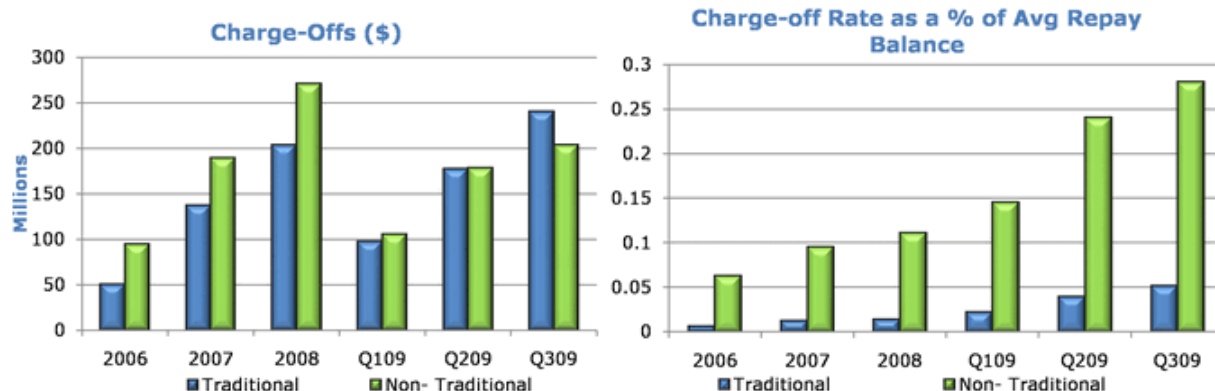
(1) "Core Earnings" Private Education Loan spread, before provision. Annualized charge-offs as a percentage of average Managed Private Education Loans in repayment.

SLM PRIVATE CREDIT DEFAULT EMERGENCE PROFILE

PAYMENTS MADE



CHARGE-OFF TRENDS – MIX OF TRADITIONAL VS. NON-TRADITIONAL



- Charge-offs driven by Non-Traditional loans
- Non-Traditional loans represent less than 13% of the Private Education Loan portfolio
- Higher quality loans entering repayment in 2009 and 2010

PRIVATE EDUCATION LOAN PORTFOLIO PERFORMANCE

- ▶ Non-traditional loans represent only 13% of the Private Education loan portfolio but account for 50% of charge-offs

	Q309	Q209	Q109	Q408	Q308
Loans Outstanding - Traditional Portfolio	\$32,891	\$32,326	\$32,137	\$31,101	\$30,177
Loans Outstanding- Non-Traditional Portfolio	\$4,828	\$4,978	\$5,096	\$5,107	\$5,092
Loans in Repayment - Traditional Portfolio	\$18,922	\$18,980	\$17,765	\$17,715	\$14,605
Loans in Repayment- Non-Traditional Portfolio	\$2,790	\$2,980	\$2,991	\$2,997	\$2,641
Charge-offs - Traditional Portfolio ⁽¹⁾	5.1%	3.9%	2.2%	1.7%	1.4%
Charge-offs - Non-Traditional Portfolio ⁽¹⁾	28.5%	24.0%	14.5%	12.3%	10.0%
90+ Day Delinq as a % of Repay - Traditional Portfolio	4.6%	4.8%	4.3%	2.6%	2.3%
90+ Day Delinq as a % of Repay - Non-Traditional Portfolio	17.8%	20.6%	19.1%	12.7%	11.9%
Forb as a % of Forb & Repay - Traditional Portfolio	5.4%	6.1%	6.3%	6.7%	11.0%
Forb as a % of Forb & Repay - Non-Traditional Portfolio	8.1%	8.9%	8.5%	9.0%	14.4%
Allowance as a % of Loans in Repay - Traditional Portfolio	5.3%	5.1%	5.4%	4.8%	4.7%
Allowance as a % of Loans in Repay - Non-Traditional Portfolio	32.9%	32.7%	32.2%	31.8%	35.0%

(1) Charge-offs as a percentage of average loans in repayment annualized for the quarters presented

PRIVATE EDUCATION LOAN PORTFOLIO PERFORMANCE

Traditional Loans with a Cosigner	Q309	Q209	Q109	Q408	Q308
Outstanding Balance as a % of Total	53%	52%	52%	51%	50%
90+ Delinquency as a % of Repayment	3.6%	3.8%	3.2%	1.9%	1.7%
Forbearance as a % of Repayment & Forbearance	5.1%	5.8%	6.0%	6.4%	10.6%
Charge-Offs as a % of Repayment ⁽¹⁾	3.4%	2.5%	1.5%	1.1%	1.0%
Average FICO at Origination	740	739	739	738	738
Traditional Loans without a Cosigner	Q309	Q209	Q109	Q408	Q308
Outstanding Balance as a % of Total	35%	35%	35%	35%	36%
90+ Delinquency as a % of Repayment	5.9%	6.1%	5.6%	3.3%	2.9%
Forbearance as a % of Repayment & Forbearance	5.7%	6.4%	6.6%	6.9%	11.5%
Charge-Offs as a % of Repayment ⁽¹⁾	7.7%	5.7%	3.4%	2.6%	2.4%
Average FICO at Origination	700	700	700	701	701
Non-Traditional Loans with a Cosigner	Q309	Q209	Q109	Q408	Q308
Outstanding Balance as a % of Total	3%	4%	4%	4%	4%
90+ Delinquency as a % of Repayment	14.8%	15.9%	13.8%	9.1%	7.9%
Forbearance as a % of Repayment & Forbearance	9.1%	10.0%	9.9%	10.0%	15.1%
Charge-Offs as a % of Repayment ⁽¹⁾	17.8%	14.0%	7.8%	6.5%	6.1%
Average FICO at Origination	633	633	633	633	633
Non-Traditional Loans without a Cosigner	Q309	Q209	Q109	Q408	Q308
Outstanding Balance as a % of Total	9%	9%	10%	10%	11%
90+ Delinquency as a % of Repayment	19.0%	22.4%	20.8%	13.7%	13.1%
Forbearance as a % of Repayment & Forbearance	7.6%	8.5%	8.0%	8.7%	14.1%
Charge-Offs as a % of Repayment ⁽¹⁾	31.8%	27.4%	16.3%	13.8%	11.2%
Average FICO at Origination	619	618	618	618	618

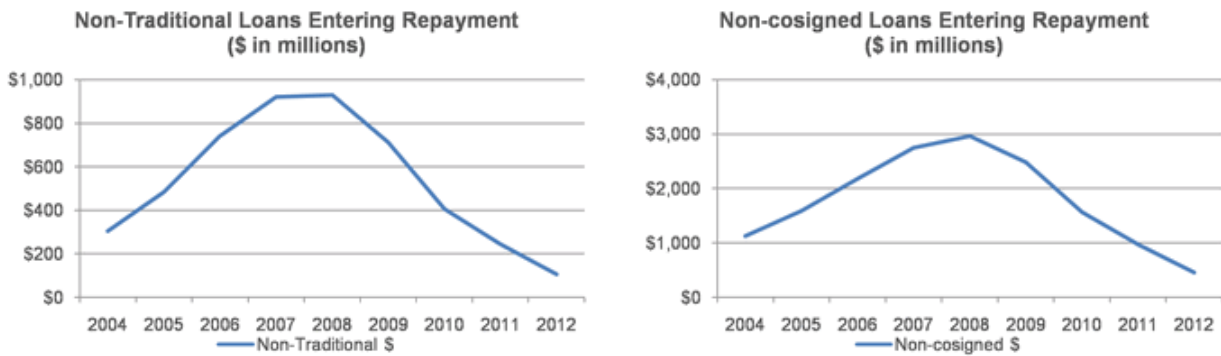
(1) Charge-offs as a percentage of average loans in repayment annualized for the quarters presented

IMPROVING PORTFOLIO QUALITY

Characteristics of Loans Entering Repayment

Year Entering Repayment	% Traditional	% Cosigned	Avg FICO Score at Origination
2006	83%	51%	709
2007	84%	54%	712
2008	86%	55%	711
2009	89%	63%	720
2010	90%	60%	717
2011	91%	65%	719
2012	93%	69%	723

PORTFOLIO QUALITY IMPROVING

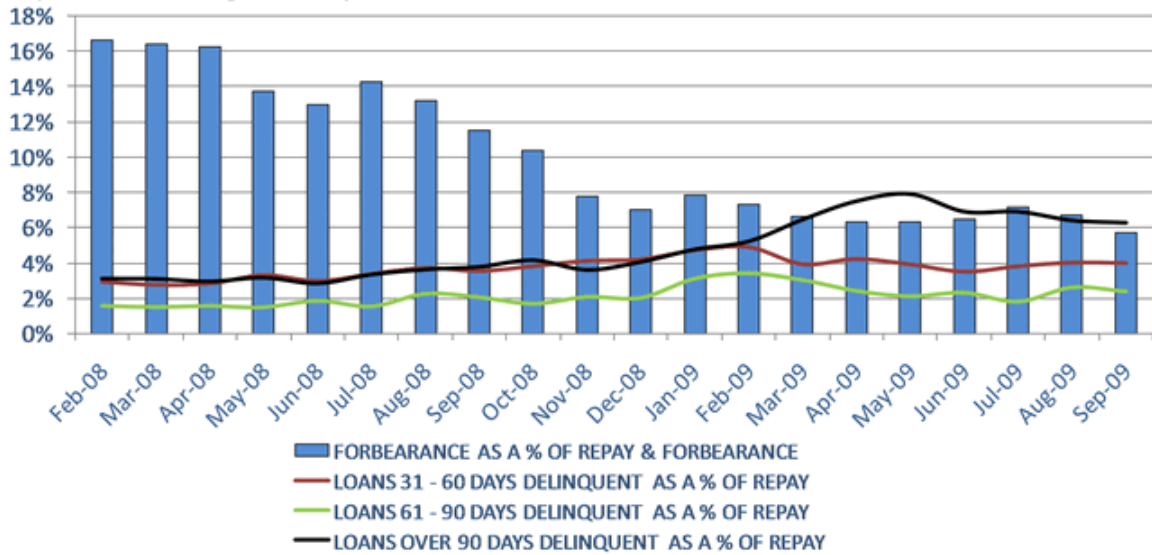


Amounts shown above represent the dollar amount of loans that will enter repayment

- ▶ **Non-Traditional charge-off rate is 6x to 7x greater than Traditional**
 - Amount of non-traditional loans entering repayment have begun to decline
- ▶ **88% of Q309 loan originations had cosigners, up from 71% in Q308.**
 - The aggregate portfolio is migrating to a higher cosigner percentage
- ▶ **Non-cosigned loans charge off at more than twice the rate of cosigned loans**
 - Amount of non-cosigned loans entering repayment have begun to decline

PRIVATE EDUCATION LOAN PORTFOLIO PERFORMANCE

- ▶ Tightening of forbearance policies and the economic downturn have adversely impacted the performance of our Managed Private Education Loan portfolio
- ▶ Delinquency trends have improved, as the impact of forbearance tightening passed through the system.



SERVICING: A COMPETITIVE ADVANTAGE

SLM Corporation



SERVICING

- ▶ #1 servicer and collector of student loans in the U.S. currently servicing \$190 billion in assets including \$9 billion for third parties

- ▶ Awarded ED servicing contract in June 2009
 - Servicing under contract initiated in August 2009
 - Contract to span 5 years with one, five-year renewal option

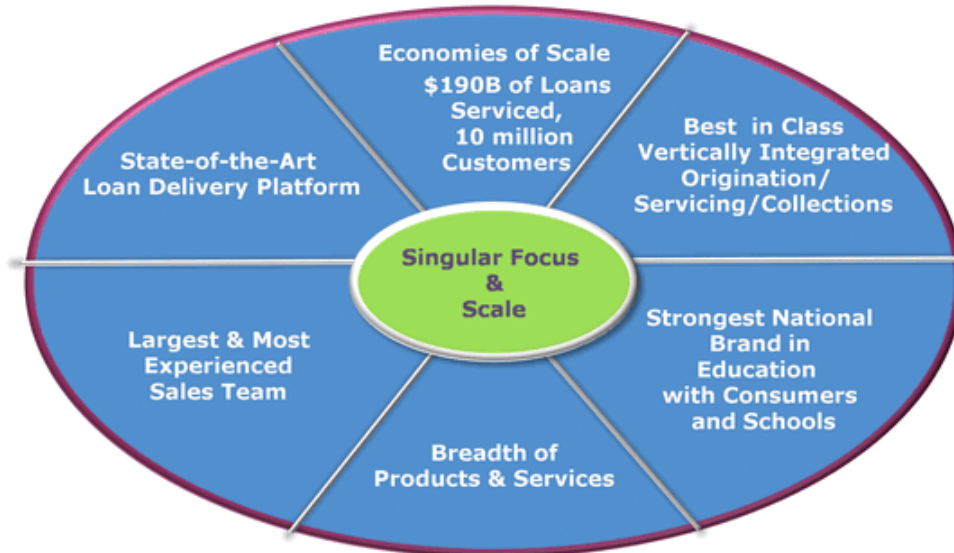
- ▶ Currently 2 million accounts (4.4 M loans, \$19 B) serviced under contract*

- ▶ Servicing on new Direct Loans expected to begin in August 2010

* As of October 15, 2009

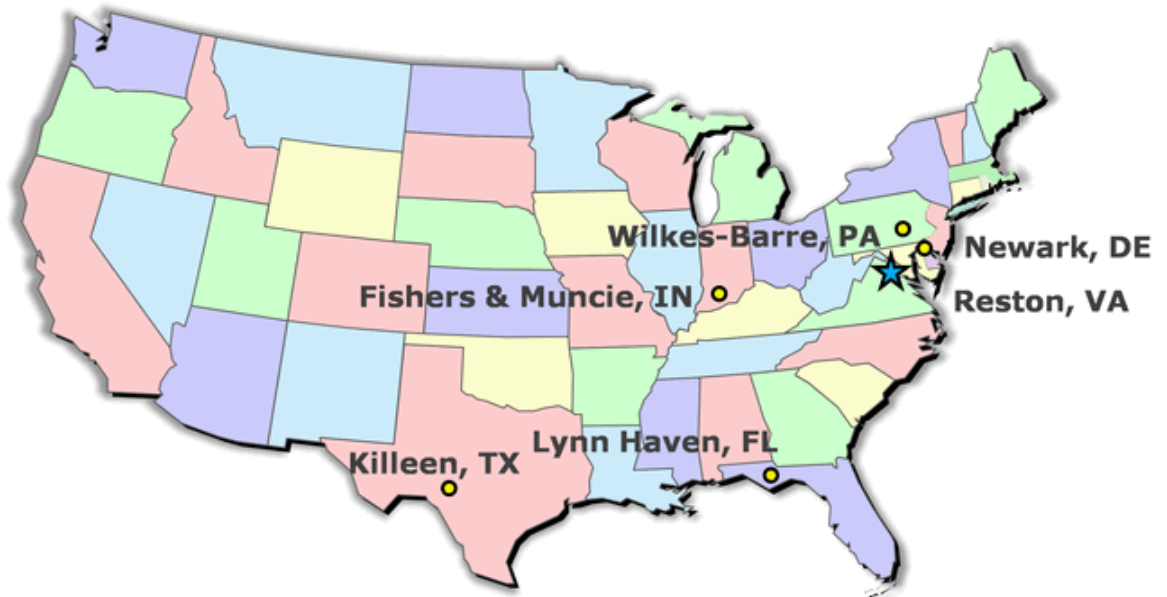
SLM's COMPETITIVE ADVANTAGE

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



Note: Figures as September 30, 2009.

OPERATIONS LOCATIONS



★ Corporate Headquarters

FUNDING DIVERSITY AND LIQUIDITY

SLM Corporation



CAPITAL MARKETS SUMMARY

- ▶ Realized gains of \$74.4 million on debt repurchases in Q309
- ▶ Bank ABCP facility reduced to \$9.4 billion outstanding
- ▶ Completed \$1.1 billion TALF Eligible Private Credit ABS – July 14, 2009
- ▶ Completed \$1.7 billion TALF Eligible Private Credit ABS – August 13, 2009
- ▶ Funded \$14.2 billion through ED Straight A Funding conduit as of September 30, 2009

RECENT ABS TRANSACTIONS

Transaction: FFELP Consolidation	April SLT 2009-I	May SLT 2009-1	May SLT 2009-2
Issuance Size:	\$1.027 B	\$2.179 B	\$1.845 B
Registration Type:	144A	Public	Public
Indicative Pricing:	L + 280	L + 225	L + 225
Transaction: Private Credit	May 2009-B	July 2009-C	August 2009-D
Issuance Size:	\$2.593 B	\$1.027 B	\$1.680 B
Registration Type:	144A	144A	144A
Indicative Pricing:	L + 600 L + 366 to 30 mo call	Prime + 125 Prime-71 to 30 mo call	Prime + 25 Prime-55 to 48 mo call

LIQUIDITY POSITION DETAIL

(\$ in billions)	9/30/2009	6/30/2009	3/31/2009
Sources of Primary Liquidity:			
ED Purchase and Participation Program	Unlimited	Unlimited	Unlimited
Unrestricted Cash & Liquid Investments	\$6.2	\$7.3	\$3.7
Unused Commercial Paper and Bank Lines of Credit	3.5	3.5	5.2
2008 FFELP ABCP Facilities	1.0	2.3	0.1
Total Sources of Primary Liquidity	10.7	13.1	9.0
Stand-by Liquidity:			
Unencumbered FFELP Loans, net	2.7	3.2	5.1
Total Primary and Stand-by Liquidity	\$13.4	\$16.3	\$14.1

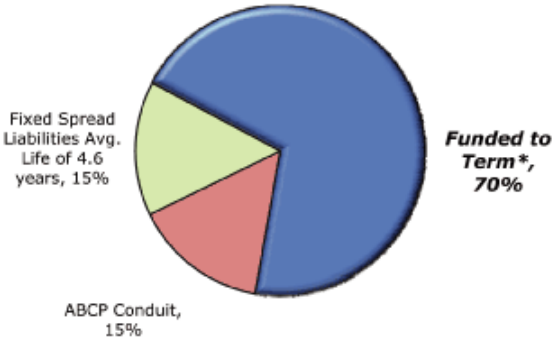
SLM has \$3.5 billion in unsecured revolving credit facilities. The Company has never drawn on these facilities. \$1.9 billion of our unsecured revolving facilities matures in October 2010 and \$1.6 billion matures in October 2011.

HIGH PERCENTAGE OF STUDENT LOANS FUNDED TO TERM

\$192 Billion Managed Student Loan Portfolio as of September 30, 2009



\$178 Billion Managed Student Loan Portfolio as of September 30, 2008

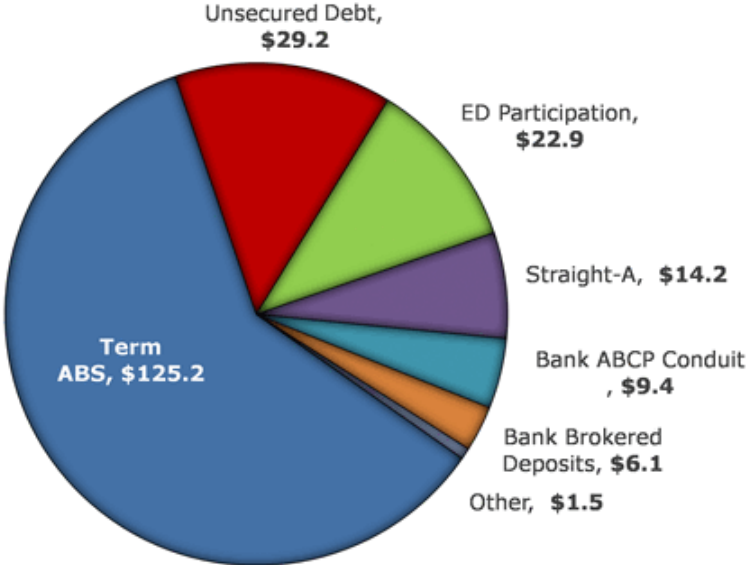


Employ conservative long-term funding model

* Funded to Term includes 19% or \$37.0 billion and 2% or \$3.6 billion of advances outstanding under the ED Purchase and Participation Program and Straight A Funding Facility as of September 30, 2009 and September 30, 2008, respectively.

FUNDING DISTRIBUTION

At September 30, 2009, total managed debt borrowings was \$208.5 billion.



SLM CORPORATE DEBT AND ABS ISSUANCE

SLM has issued \$142 billion of long-term, corporate debt and asset-backed securities since 2005, across a broad range of maturities

New Issuance Volume (\$ in billions)	2005	2006	2007	2008	Q109	Q209	Q309
Corporate Debt Issuance	\$10	\$12	\$1.6	\$2.5	\$0.0	\$0.0	\$0.0
Term ABS Issuance ⁽¹⁾	27	34	26	19	1.5	7.6	2.8
Total Term Debt Issuance	37	45	28	21	1.5	7.6	2.8
ED Participation Program ⁽²⁾	-	-	-	7.4	6.2	3.7	5.6
Straight – A Funding	-	-	-	-	-	11.1	3.1
ABS Tranches	75	92	58	40	4	4	2
Ave Life to Call in Years	6.5	7.2	7.2	5.1	7.5	5.7	2.75
Ave Cost of Funds vs. US\$ LIBOR ⁽³⁾	+18 bp	+19 bp	+21 bp	+155 bp	+575 bp	+295 bp	+228 bp

(1) Excludes short-term issuance under SLM's asset-backed commercial paper programs.

(2) Reported net of paydowns

(3) Includes SLM corporate debt and term asset-backed securities.

Note: Totals may not add due to rounding.

SLM ABS ISSUANCE VOLUME

SLM ABS Term Issuance Volume ⁽¹⁾

(\$ in billions)	2005	2006	2007	2008	Q109	Q209	Q309
Non-Consolidation FFELP ABS	\$ 6.6	\$ 5.1	\$ 9.1	\$18.5	\$ 0.0	\$ 0.0	\$ 0.0
Consolidation FFELP ABS	17.1	22.9	15.0	0.0	0.0	5.1	0.0
Private Credit ABS	3.4	5.7	2.2	0.0	1.5	2.6	2.8
Total ABS Issuance	\$27.0	\$33.7	\$26.3	\$18.5	\$1.5	\$7.7	\$2.8

(1) Excludes outstandings under SLM's asset-backed commercial paper program. Totals may not add due to rounding.

SLM CORPORATE DEBT ISSUANCE VOLUME

SLM Corporate Term Debt Issuance Volume (\$ billions)

Issuance Type	2005	2006	2007	2008	Q109	Q209	Q309
US\$ Global & Medium Term Notes	\$4.5	\$5.8	\$1.4	\$2.5	\$0.0	\$0.0	\$0.0
Foreign Currency Denominated ⁽¹⁾	4.0	3.9	0.2	0.0	0.0	0.0	0.0
Extendible Notes	1.0	1.5	0.0	0.0	0.0	0.0	0.0
Retail Note Program	0.8	0.5	0.0	0.0	0.0	0.0	0.0
Total Corporate Debt Issuance	\$10.3	\$ 11.7	\$1.6	\$2.5	\$0.0	\$0.0	\$0.0

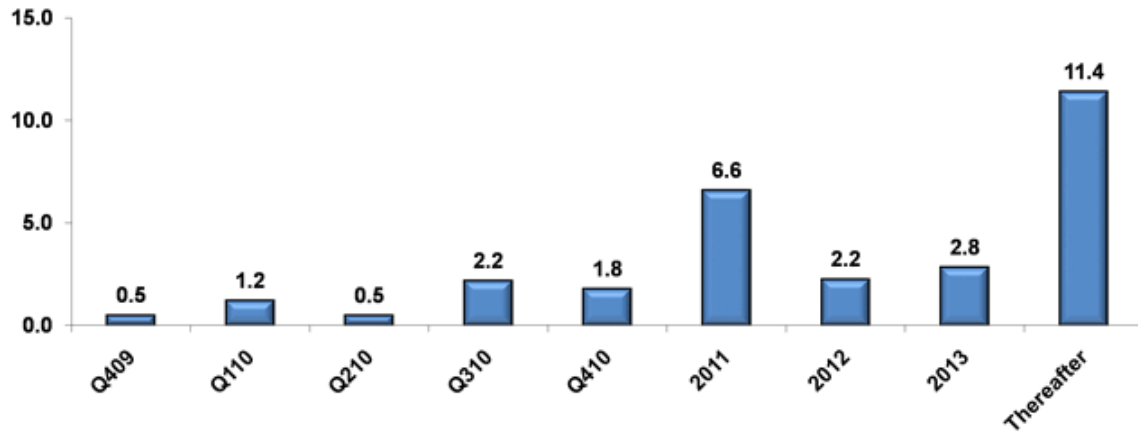
(1) US\$ equivalent at the time of issuance.

Q3 2009 Debt Repurchase Overview

- ▶ Repurchased \$1.4 B face value of debt generating \$74.4 M in accounting gains

UNSECURED DEBT MATURITIES

As of September 30, 2009
(par value, \$ in billions)



- ▶ Repurchased \$2.7 billion of debt in 2009
- ▶ Remaining unsecured debt maturities in 2009 total \$483 million

Note: Does not include Sallie Mae Bank or Subsidiary funding

UNENCUMBERED ASSETS & UNSECURED DEBT

(\$ in billions)	12/31/08	3/31/09	6/30/09	9/30/2009
FFELP Stafford and Plus Loans, net	\$ 3.8	\$ 4.5	\$ 2.7	\$ 2.1
FFELP Consolidation Loans, net	1.6	0.6	0.5	0.6
Private Education Loans, net	15.7	14.1	16.0	13.3
Other Loans	0.7	0.7	0.5	0.5
Available Cash & Investments	5.1	3.7	7.4	6.3
Retained Interests	2.2	1.9	1.8	1.8
Other Assets	5.8	5.7	6.5	6.4
Total Unencumbered Tangible Assets	\$ 34.9	\$ 31.2	\$ 35.4	\$ 31.0
Unsecured Debt Outstanding	\$ 40.2	\$ 38.2	\$ 38.8	\$ 35.1

SALLIE MAE BANK

▶ **Bank charter**

- Utah based ILC regulated by FDIC and Utah Department of Financial Institutions (UDFI)
- Charter granted October 2005

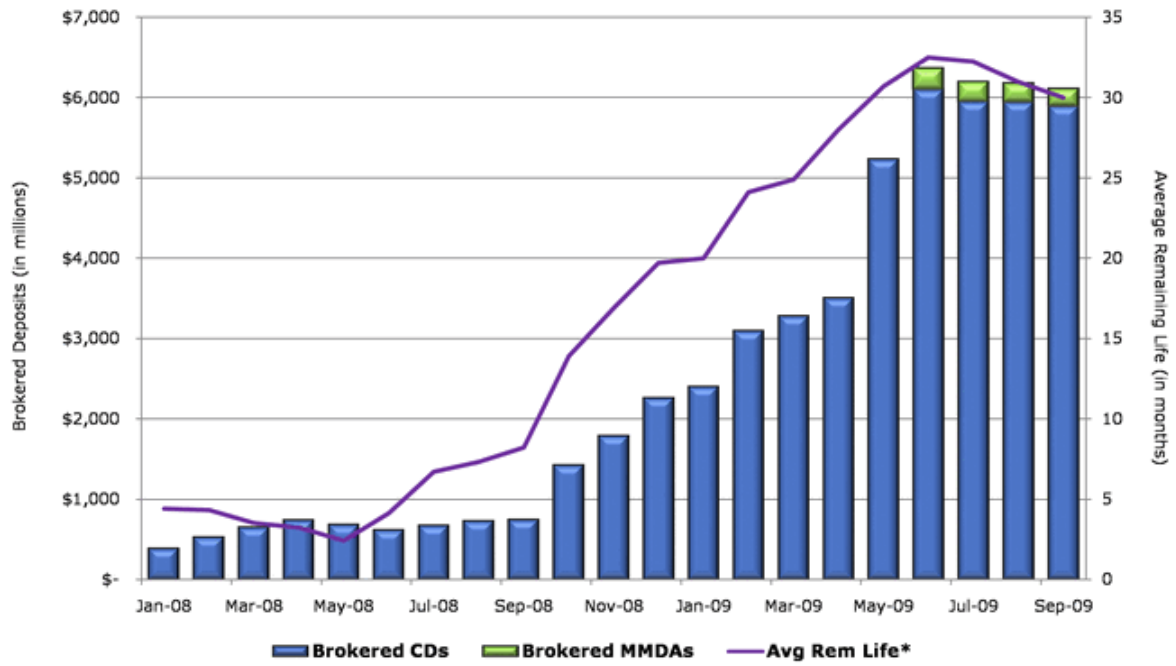
▶ **Current bank activity**

- Originates Sallie Mae's private education loans
- Funded through affiliate and brokered deposits
- 25.1% Total Risk-based Capital at September 30, 2009

▶ **Deposit taking activities**

- Strong cash position used to fund Private Credit originations
- Total deposits decreased by 1.9% in Q309
- Deposits totaled \$6.7 billion at September 30, 2009
 - \$ 6.1 billion Brokered Deposits
 - \$543 million Affiliate Deposits
- Brokered Deposit portfolio has a weighted average maturity of 30 months

SALLIE MAE BANK BROKERED DEPOSITS



*Average remaining life includes the brokered CDs only.

SALLIE MAE BANK – DEPOSITS

Bank Deposits (\$ millions)					
	Dec 07	Dec 08	Mar 09	Jun 09	Sep 09
Brokered CDs	\$254	\$2,256	\$3,281	\$6,100	\$5,891
Brokered MMDAs	\$ -	\$ -	\$ -	\$264	\$221
Other Deposits*	\$431	\$458	\$433	\$420	\$543
Total Deposits	\$685	\$2,714	\$3,714	\$6,784	\$6,655

*Primarily affiliate demand deposit accounts with no stated maturities

SALLIE MAE BANK – CAPITAL

Regulatory Capital Ratios					
Ratio	Dec 07	Dec 08	Mar 09	Jun 09	Sep 09
Tier 1 Leverage	23.2%	40.7%	24.5%	17.9%	14.2%
Tier 1 Risk Based	24.4%	45.9%	29.6%	26.2%	24.2%
Total Risk Based	24.4%	46.3%	30.2%	26.9%	25.1%

RISK-ADJUSTED CAPITALIZATION

SLM Corporation



CAPITALIZATION

SLM Corp

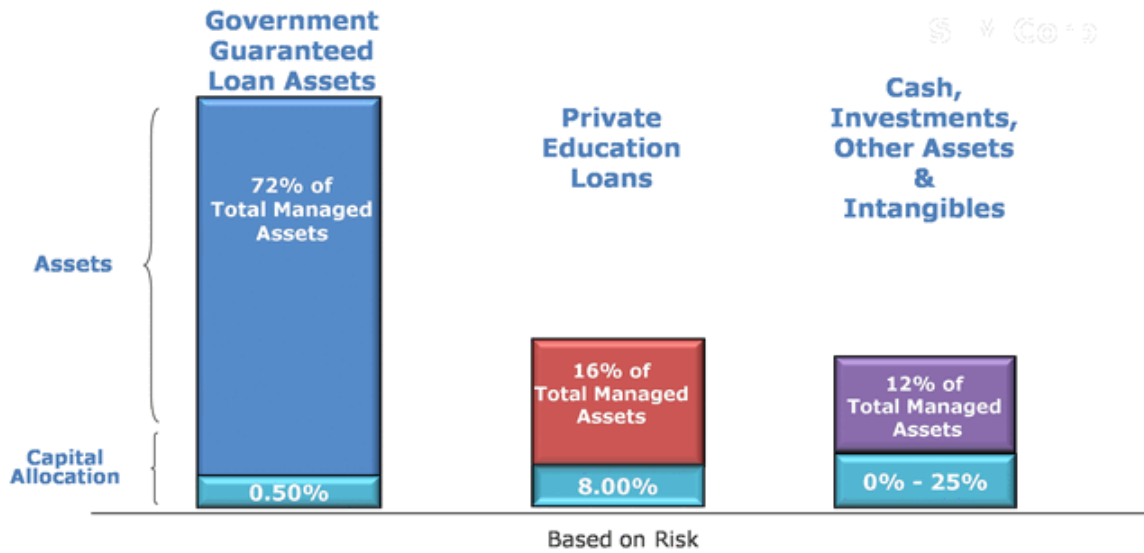
	2006	2007	2008	3Q YTD
Tangible Equity/Managed Assets ⁽¹⁾	1.8%	2.0%	1.8%	1.7%
Tangible Equity/Charge-Offs ⁽²⁾	18x	9X	7x	3x

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

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

CAPITAL ALLOCATION

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



As of September 30, 2009

FFELP APPENDIX

SLM Corporation



SLM FFELP ABS ISSUE CHARACTERISTICS

Typical SLM FFELP ABS Transaction Features

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

Unique Characteristics of FFELP Loan ABS

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

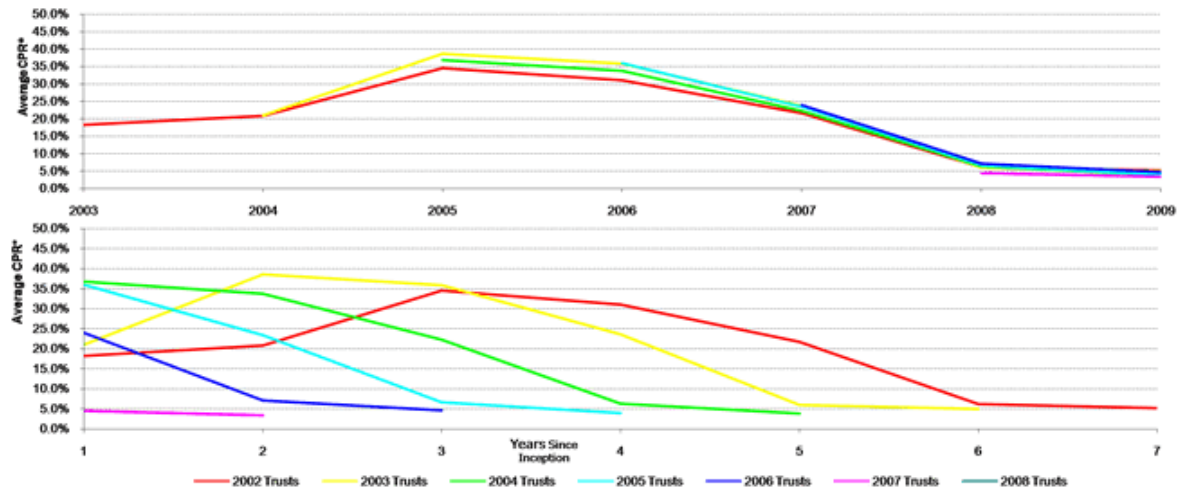
(1) Principal and accrued interest on underlying FFELP loan collateral carry a guarantee of either 98% or 97%. Guarantee is dependent on meeting the servicing requirements of the U.S. Department of Education.

SLM STAFFORD/PLUS ABS TRUSTS

PREPAYMENT ANALYSIS

- ▶ Annualized CPRs for SLM Stafford/PLUS ABS Trusts have decreased significantly as incentives for borrowers to consolidate have declined

Historical SLM Stafford/PLUS ABS CPRs



* Average CPR is the simple (non-weighted) average of four Quarterly CPR calculations for years ended September 30, 2009.

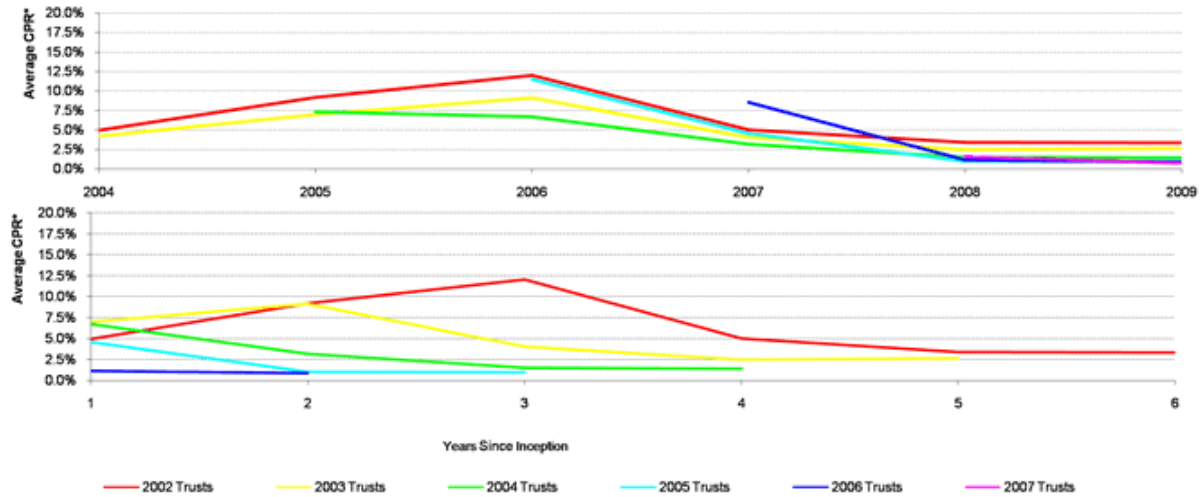
Quarterly CPR assumes School and Grace loans are not scheduled to make payments. Deferment, Forbearance and Repayment loans are scheduled to make payments.

SLM CONSOLIDATION ABS TRUSTS

PREPAYMENT ANALYSIS

- ▶ CPRs for SLM Consolidation ABS Trusts have declined significantly following legislation that prevented in-school and re-consolidation of borrowers' loans

Historical Consolidation ABS CPRs



* Average CPR is the simple (non-weighted) average of four Quarterly CPR calculations for years ended September 30, 2009. Quarterly CPR assumes School and Grace loans are not scheduled to make payments. Deferment, Forbearance and Repayment loans are scheduled to make payments.

PRIVATE CREDIT APPENDIX

SLM Corporation



PRIVATE CREDIT LOAN COLLECTIONS

- ▶ Sallie Mae services and collects the loans in its managed private loan portfolio
- ▶ Private credit collections are conducted by a stand-alone consumer credit collections unit, not the company's FFELP collections operations
- ▶ Managed by individuals with prior experience managing collections operations for consumer loan assets
- ▶ Over the past 18 months, private credit collections resources have been significantly increased and collections technology and practices enhanced
 - Multi-variable analysis has enabled prioritization of collection efforts on higher risk borrowers
 - Forbearance policies have been enhanced to reduce reliance on the tool, while still meeting the customer need during an economic downturn
 - Additional workout and settlement programs have been introduced to help customers avoid default
 - Collection workstation, dialer capabilities, and internet utilities have all been enhanced with more effective technology solutions

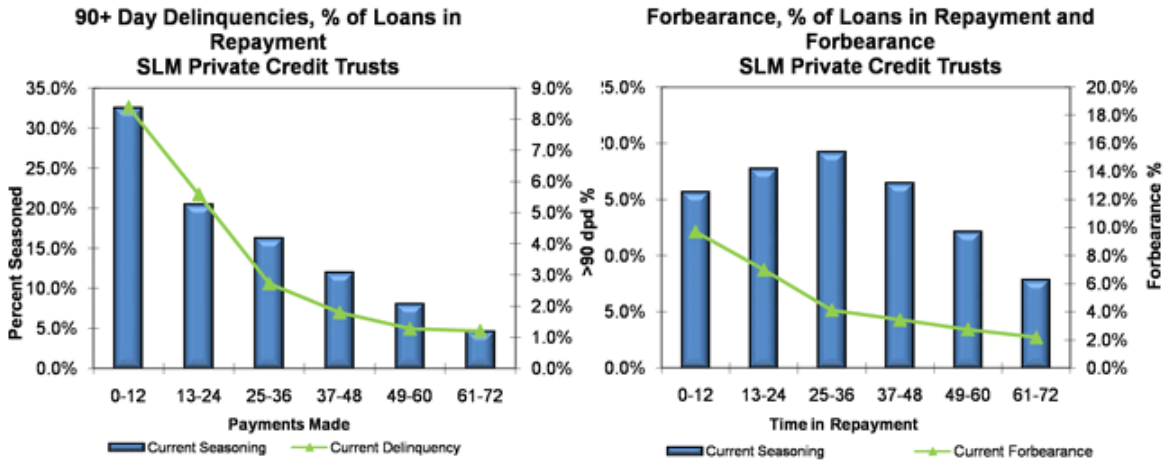
FORBEARANCE

- ▶ A collections tool used to provide borrowers time to improve their ability to repay
 - Between graduation and start of first job
 - Economic hardship
- ▶ Provides borrower with time to obtain employment and income to support their obligations
- ▶ Applied most frequently in the first two years of repayment
- ▶ Granted for three month intervals, up to a maximum of 24 months
- ▶ Majority of loans are in forbearance for less than 12 months
- ▶ Placing a loan in forbearance suspends payments, with interest capitalized to the loan balance

PRIVATE CREDIT TRUST

DELINQUENCY AND FORBEARANCE SEASONING TRENDS

- ▶ Delinquency and forbearance are highest when loans enter repayment, and diminish as loans season
- ▶ As the trust loans season, delinquency and forbearance are expected to decline

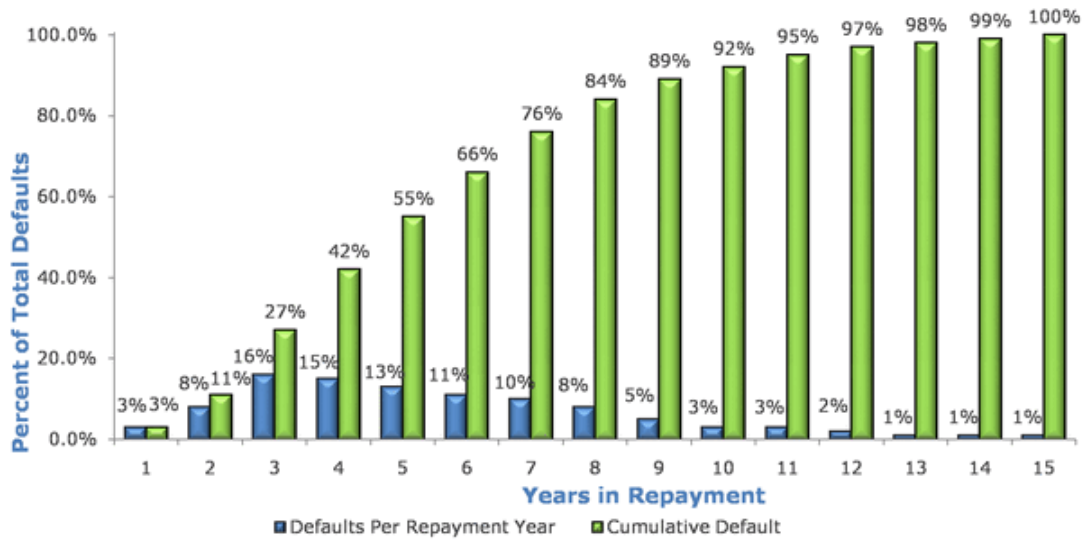


Note: Based on historical data through September 30, 2009. Does not include data for 2009 trusts which have not had time to become 90 days delinquent

PRIVATE CREDIT TRUST

DEFAULT EMERGENCE BY YEARS IN REPAYMENT

- ▶ Defaults in SLM Private Credit ABS Trusts increase as loans first enter repayment, then diminish steadily over time
Expected Loss Emergence Timing

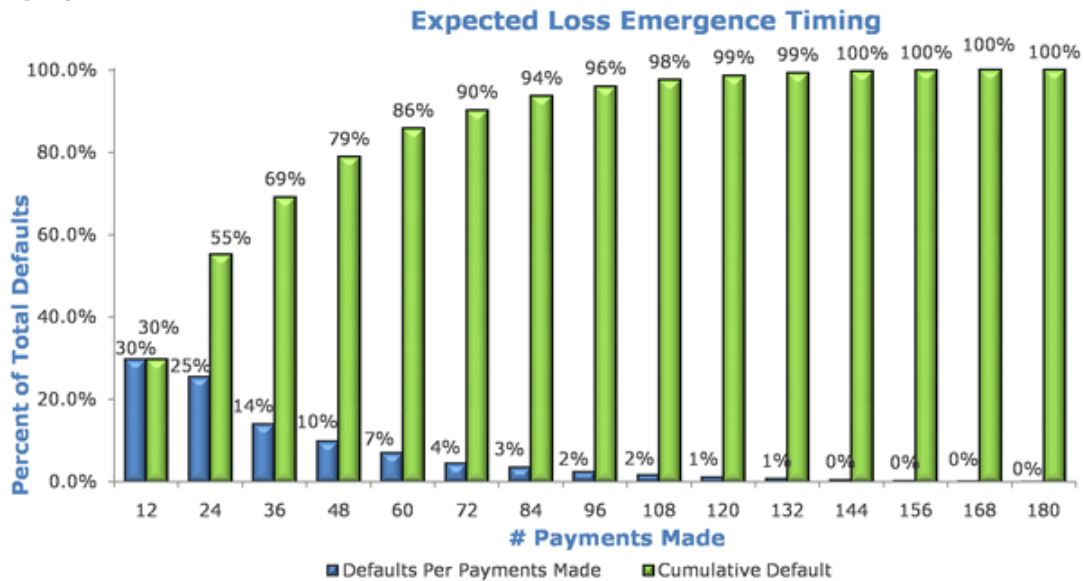


Based on assumptions in effect as of September 30, 2009

PRIVATE CREDIT TRUST

DEFAULT EMERGENCE BY PAYMENTS MADE

- ▶ The probability of default substantially diminishes as the number of payments made increases

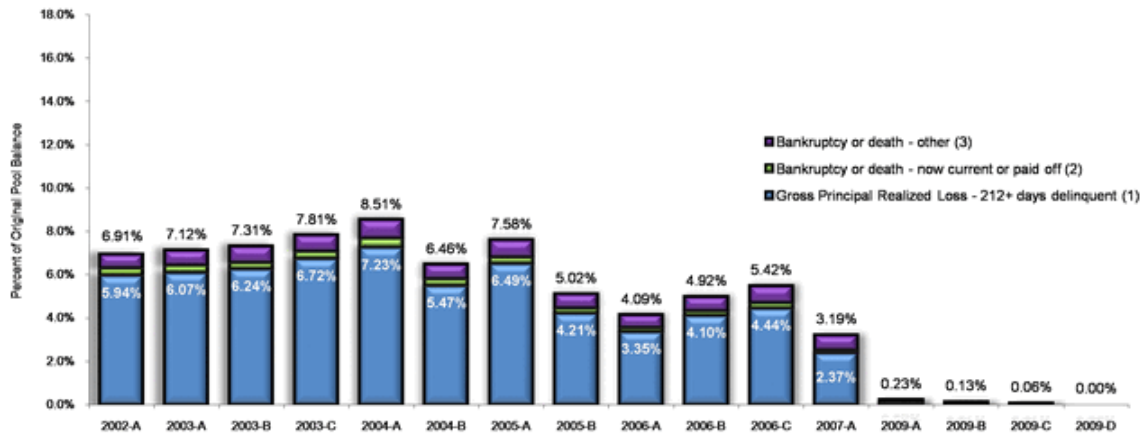


Based on assumptions in effect as of September 30, 2009
 Excludes months in forbearance. Includes months of delinquency prior to chargeoff

SLM PRIVATE EDUCATION LOAN GROSS DEFAULTS

ACTUAL-TO-DATE

Actual-to-Date Cumulative Gross Defaults,
including Bankruptcy Information
All Trust Loans



For SLM Private Education Loan Trusts issued prior to 2005-B, the servicer has the option, but not the obligation, to repurchase loans that (i) become 180+ days delinquent and/or (ii) have a borrower who filed for bankruptcy or died. Prior to November 1, 2006, the servicer exercised this repurchase option and actual charge-offs in these trusts equaled zero. Beginning November 1, 2006, the servicer ceased purchasing from the trust loans that are more than 180 days delinquent. For the purposes of comparison across all deals, this chart reflects trust charge-offs for SLM Private Education Loan Trusts issued prior to 2005-B as if the servicer had never exercised its repurchase option.

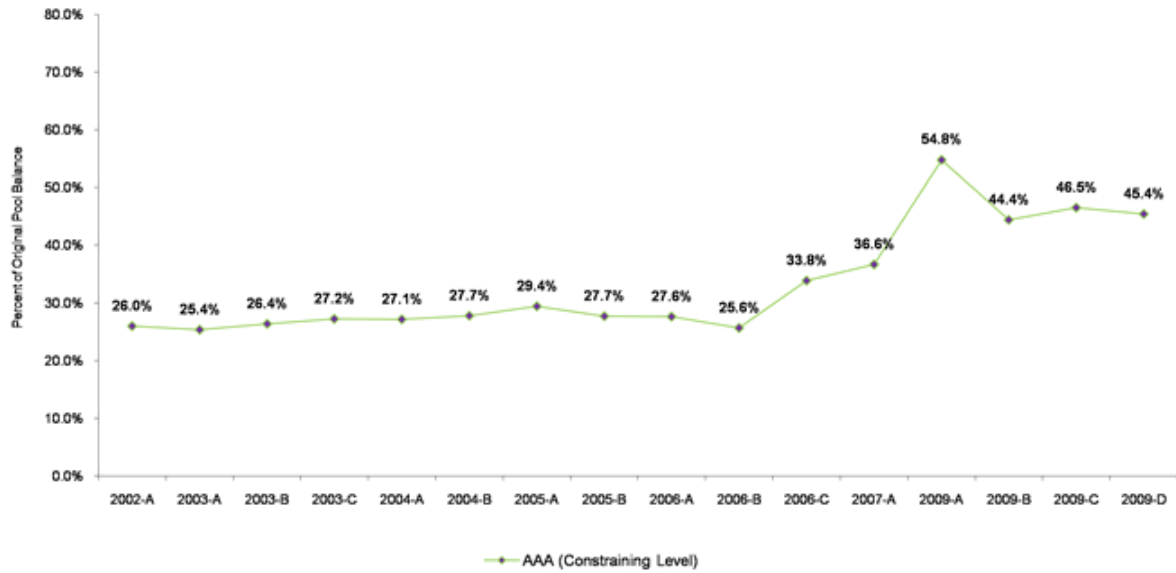
- (1) Charge-offs per the servicer's portfolio definition which is generally 212+ days delinquent. Includes loans for which a borrower has filed bankruptcy which have subsequently become 212+ days delinquent.
- (2) Charge-offs due to a borrower's bankruptcy filing for which the loan is now current or paid off.
- (3) Charge-offs due to a borrower's bankruptcy filing or death for which the loan is not current or paid off but has not become 212+ days delinquent. These loans are in various statuses including: bankruptcy stay, deferment, forbearance or delinquency.

As of August 31, 2009

SLM PRIVATE CREDIT GROSS DEFAULTS

CONSTRAINING RATING AGENCY STRESS LEVELS AT ISSUANCE

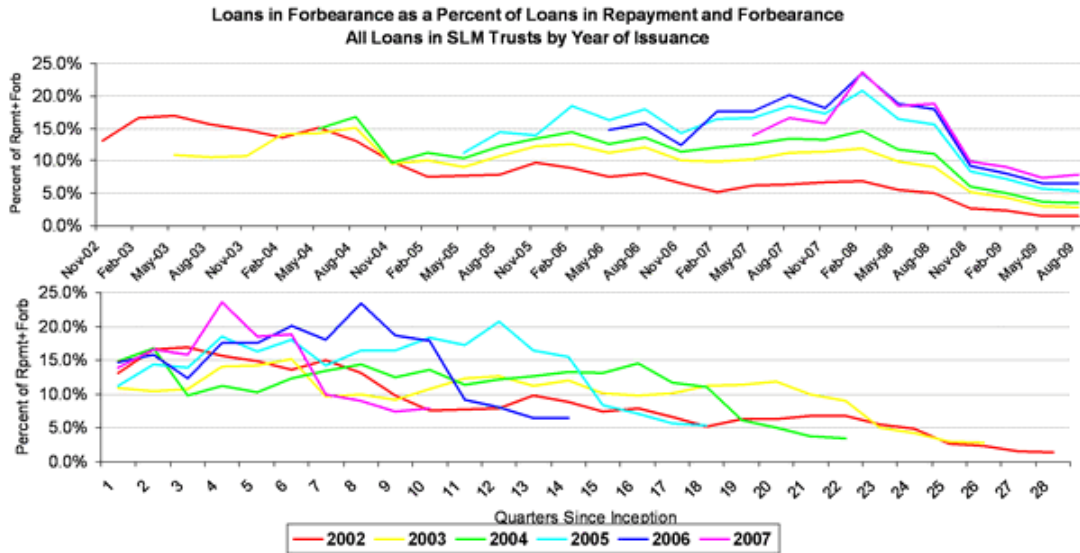
Constraining Rating Agency Stress Levels at Issuance for 'AAA'



As of August 31, 2009

PRIVATE CREDIT ABS TRUSTS FORBEARANCE

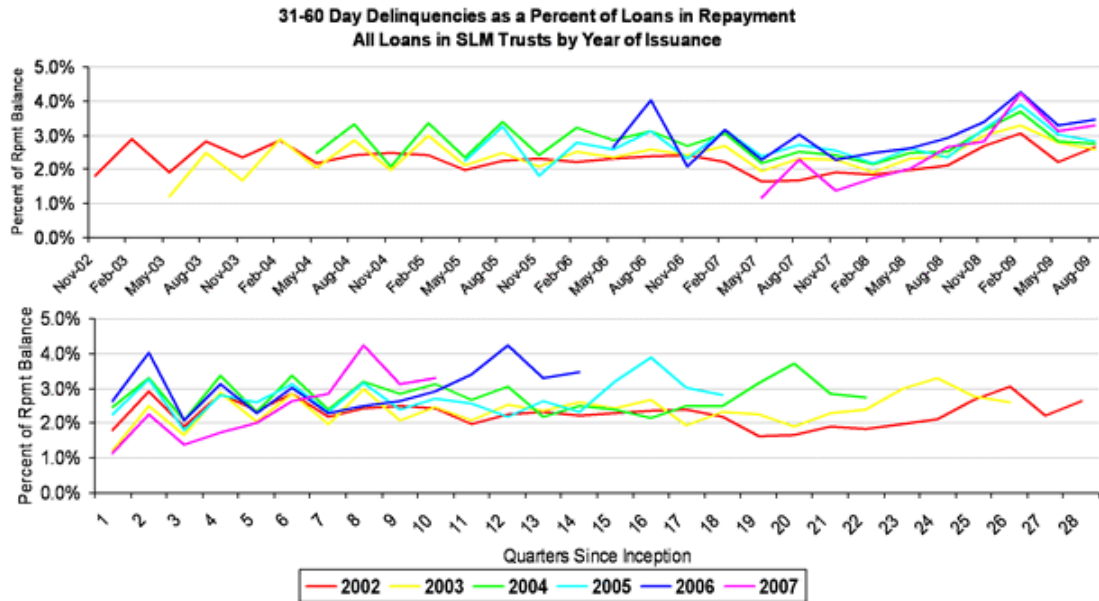
- ▶ Forbearance usage is typically highest when loans enter repayment, and declines as loans season
- ▶ Use of forbearance as a collection tool peaked in early 2008, and has since declined, as a result of changes in the forbearance strategy
- ▶ The decline in forbearance has resulted in increased delinquency and default in the near term but no long term increase in lifetime defaults



PRIVATE CREDIT ABS TRUSTS –

31-60 DAY DELINQUENCIES

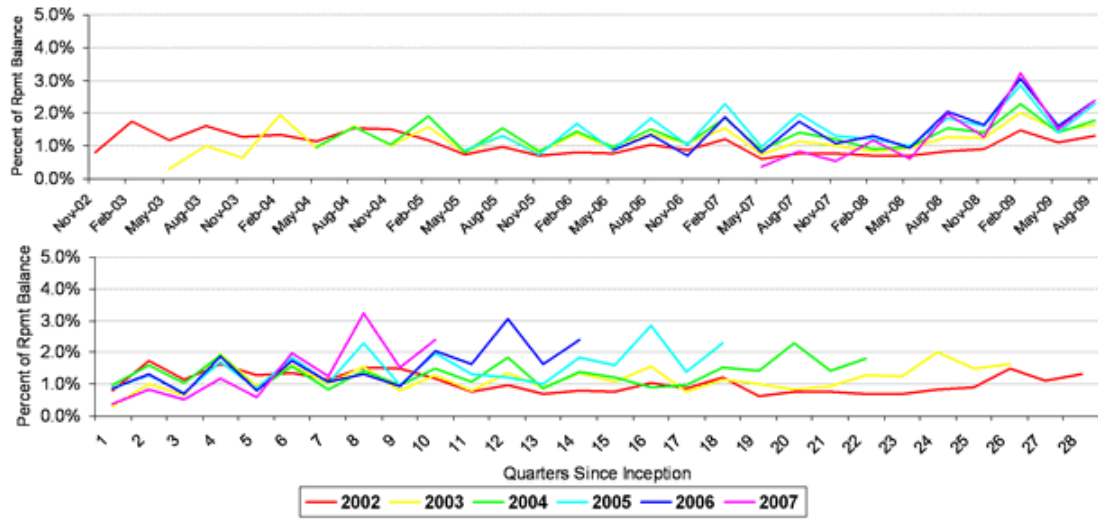
- ▶ Early delinquencies increased as forbearance policies tightened and have recently declined



PRIVATE CREDIT ABS TRUSTS -

61-90 DAY DELINQUENCIES

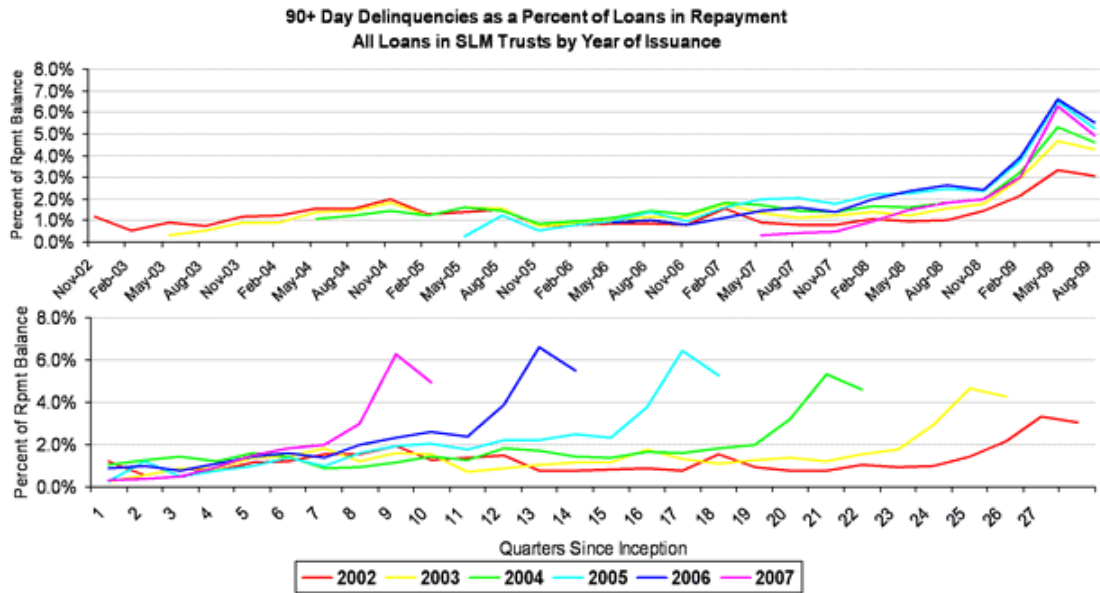
61-90 Day Delinquencies as a Percent of Loans in Repayment
All Loans in SLM Trusts by Year of Issuance



PRIVATE CREDIT ABS TRUSTS -

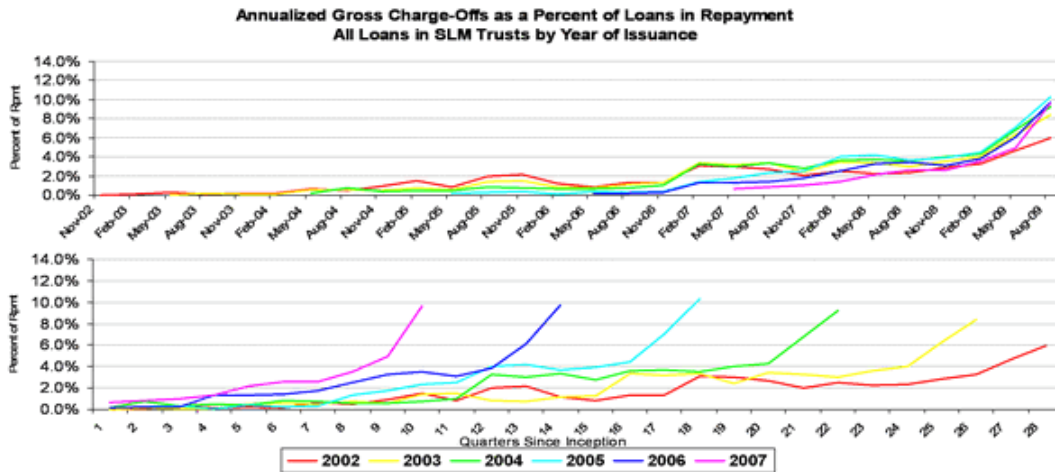
90+ DAY DELINQUENCIES

- ▶ As expected, later stage delinquency has increased due to tightening of Forbearance and the current economic environment



PRIVATE CREDIT ABS TRUSTS - ANNUALIZED GROSS CHARGE-OFFS

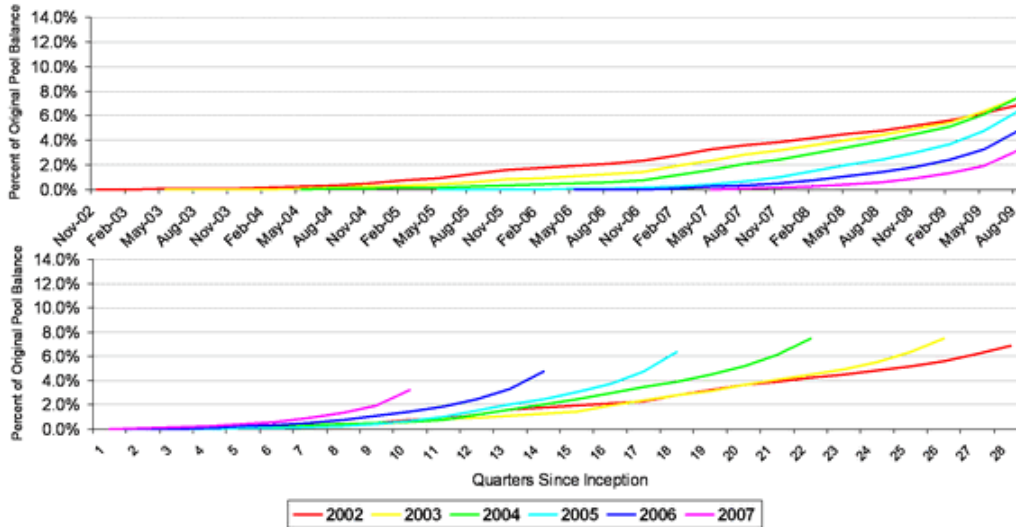
- ▶ Charge-off levels first increased in 2007 and have remained elevated through the economic downturn
- ▶ As is typical, more recent Trusts with a greater percentage of borrowers first entering repayment continue to exhibit higher charge-offs



(1) For SLM Private Credit Student Loan Trusts issued prior to 2005-B, the servicer has the option, but not the obligation, to repurchase loans that (i) become 180+ days delinquent and/or (ii) have a borrower who filed for bankruptcy or died. Prior to November 1, 2006, the servicer exercised this repurchase option and actual charge-offs in these trusts equaled zero. Beginning November 1, 2006, the servicer ceased purchasing from the trust loans that are more than 180 days delinquent. For the purposes of comparison across all deals, this chart reflects trust charge-offs for SLM Private Credit Student Loan Trusts issued prior to 2005-B as if the servicer had never exercised its repurchase option.

PRIVATE CREDIT ABS TRUSTS - HISTORICAL CUMULATIVE GROSS CHARGE-OFFS⁽¹⁾

**Cumulative Gross Charge-Offs as a Percent of Original Pool Balance
All Loans in SLM Trusts by Year of Issuance**

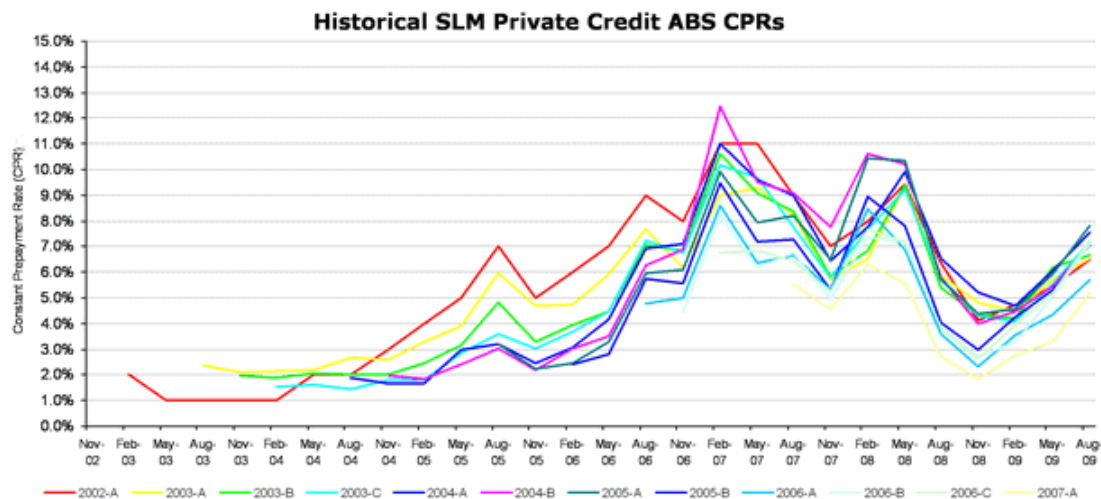


(1) For SLM Private Credit Student Loan Trusts issued prior to 2005-B, the servicer has the option, but not the obligation, to repurchase loans that (i) become 180+ days delinquent and/or (ii) have a borrower who filed for bankruptcy or died. Prior to November 1, 2006, the servicer exercised this repurchase option and actual charge-offs in these trusts equaled zero. Beginning November 1, 2006, the servicer ceased purchasing from the trust loans that are more than 180 days delinquent. For the purposes of comparison across all deals, this chart reflects trust charge-offs for SLM Private Credit Student Loan Trusts issued prior to 2005-B as if the servicer had never exercised its repurchase option.

SLM PRIVATE CREDIT ABS TRUSTS -

PREPAYMENT ANALYSIS

- ▶ Constant prepayment rates increased in 2007 due to the introduction of Private Credit Consolidation loans, but then declined accordingly following SLM's decision to suspend its consolidation loan program



APPENDIX



GAAP TO CORE EARNINGS RECONCILIATION

(\$ in thousands, except per share amounts)

	Quarters Ended			
	September 30, 2009		September 30, 2008	
	Dollars	Diluted EPS	Dollars	Diluted EPS
GAAP net income (loss) attributable to SLM Corporation	\$ 159,110	\$ 0.25	\$ (158,541)	\$ (0.40)
Adjustment from GAAP to "Core Earnings"				
Net impact of securitization accounting	(27,885)		148,121	
Net impact of derivative accounting	36,598		205,991	
Net impact of Floor Income	8,020		42,721	
Net impact of acquired intangibles	9,815		50,391	
Total "Core Earnings" Adjustments before net tax effect	26,548		447,224	
Net tax effect	(21,716)		(171,701)	
Total "Core Earnings" Adjustments	4,832		275,523	
"Core Earnings" net income attributable to SLM Corporation	\$163,942	\$0.26	\$116,982	\$0.19
After tax non-recurring items				
Restructuring Expenses	\$2,263		\$6,620	
Other reorganization-related asset impairments	-		\$226	
De-acceleration of premium amortization expense on loans	(34,627)		(74,138)	
Total after tax non-recurring items	(\$32,364)	(\$0.07)	(\$67,292)	(\$0.14)

ADDITIONAL INFORMATION AVAILABLE AT WWW.SALLIEMAE.COM



DEBT INVESTOR RELATIONS CONTACT INFORMATION

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