

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 4

OMB APPROVAL

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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[] Check this box if no longer Subject to Section 16.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or
Section 30(f) of the Investment Company Act 1940

1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol			6. Relationship of Reporting Person to Issuer (Check all Applicable)		
Diefenderfer III William M.			USA Education, Inc.			---(give title below) ---(Specify below)		
(Last) (First) (MI)			of Reporting Person Year			X Director 10% Owner		
11600 Sallie Mae Drive			3. IRS or Soc. Sec. No. of Reporting Person (Voluntary)			Officer Other		
(Street)			4. Statement for Month/Year			---(give title below) ---(Specify below)		
Reston VA 20193			October 2000			7. Individual or Joint/Group Filing (Check Applicable Line)		
(City) (State) (Zip)			5. If Amendment, Date of Original (Month/Year)			X Form filed by One Reporting Person		
						--- Form filed by More than One Reporting Person		

TABLE I - Non-Derivative Securities Acquired, Disposed of or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Mon/Day/Yr)	3. Trans. Code (Instr. 8)		4. Security Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5)			5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 & 4)	6. Own. Form (D) or (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
		Code	V	Amount	(A) (D)	Price			
Common Stock	10/25/2000	M		3500	A	\$39.3393			
Common Stock	10/25/2000	M		5700	A	\$43.3125			
Common Stock	10/25/2000	S		8193	D	\$53.5000	3767	D	

Reminder: Report on a separate line for each class securities owned directly or indirectly. SEC 1474 (7-96)
*If the form is filed by more than one reporting person, see Instruction 4(b)(v).

FORM 4 (continued) TABLE II - Derivative Securities Acquired, Disposed of, Beneficially Owned (e.g., puts, calls, warrants, options, convertible security)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Mon/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 & 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Own. Form (D) or (I)	11. Nature of Indirect Ownership (Instr. 4)
			Code	V	(A)	(D)		Title	Amount or Number of Shares				
Stock Opti	\$39.3393	10/25	S		3500		11/21	Common Sto	3500		7000	D	

on (Right to buy)		2000					2007	ck					
						(01)							
Stock Option (Right to buy)	\$43.3125	10/25/2000	M		5700		05/20/2009	Common Stock	5700		46800	D	
						(01)							

Explanation of Responses:

(01) The options become exercisable in increments of one-third; One-third became exercisable on the date of grant, one-third upon the Company's common stock having closing price on the New York Stock Exchange of \$57.15 and \$71.43, respectively, for five trading days, they also become exercisable on the eighth anniversary of the grant (November 21, 2005 and May 20, 2007, respectively) subject to terms regarding the reporting person's continued service with the Company.

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

/s/Mary F. Eure (POA)

11/07/2000

**Signature of Reporting Person

Date

Note: File three copies of this form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

SEC 1474 (7-96)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMD Number

Diefenderfer III, William M.

USA Education, Inc.

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