





**ABS Investor Presentation  
American Securitization Forum Conference  
February 4-6, 2008**

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## Forward Looking Statements

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This presentation contains forward-looking statements and information that are based on management's current expectations as of the date of this document. When used in this report, the words "anticipate," "believe," "estimate," "intend" and "expect" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause the actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others, increased financing costs and more limited liquidity as a result of current conditions in the credit markets or otherwise; any adverse outcomes in any significant litigation to which we are a party; 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 yields 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 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; changes in the general interest rate environment and in the securitization markets for education loans, which may increase the costs or limit the availability of financings necessary to initiate, purchase or carry education loans; changes in projections of losses from loan defaults; changes in general economic conditions; changes in prepayment rates and credit spreads; and changes in the demand for debt management services and new laws or changes in existing laws that govern debt management services. The Company does not undertake any obligation to update or revise these forward looking statements to conform the statement to actual results or changes in the Company's expectations.

## Disclosures

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**Non-GAAP Financial Measures** - The following presentation includes non-GAAP performance measures. A presentation of the most comparable GAAP financial measures and a reconciliation of the non-GAAP performance measures to the most directly comparable GAAP financial measures are included in 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://www.salliemae.com/about/investors/stockholderinfo/earningsinfo>) and (<http://www.salliemae.com/about/investors/stockholderinfo/secfilings>) and on the SEC's website (<http://www.sec.gov>).

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

**Additional Information** - The following presentation contains certain information about the Company that management believes is important to investors, but should be read in conjunction with other material information about the Company, including, but not limited to, the operational, market and interest rate, political and regulatory, liquidity, credit, and 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://www.salliemae.com/about/investors/stockholderinfo/earningsinfo>) and (<http://www.salliemae.com/about/investors/stockholderinfo/secfilings>) and on the SEC's website (<http://www.sec.gov>). For a discussion of the specific characteristics of any specific security, you should refer to the pricing supplement, prospectus supplement and/or prospectus applicable to that security.

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# SLM Corporation Overview

## Overview of SLM Corp.

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- #1 originator, servicer and collector of student loans in the U.S. education lending market
- \$164 billion managed student loan portfolio, 83% of which is U.S. government guaranteed<sup>1</sup>
- Profitable since its founding in 1972, through various political, interest rate and economic cycles<sup>2</sup>

<sup>1</sup> As of December 31, 2007

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

## Recent Events

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- From October, 2007 through January, 2008, SLM priced five separate FFELP Stafford and Consolidation Loan ABS transactions, aggregating over \$8.9B
- Also during that period...
  - On December 12, 2007, SLM announced it will be more selective in its origination activities in response to the impact of changes to the FFELP and capital markets conditions
  - On December 27, 2007, SLM priced public offerings of \$2.0B common stock and \$1.0B mandatory convertible preferred stock, with \$2.0B of the proceeds used to eliminate its equity forward position
  - On January 7, 2008, SLM announced that Anthony Terracciano was appointed Chairman of the Board, Albert Lord was appointed Vice Chairman of the Board and will continue as CEO, and Jack Remondi was appointed Vice Chairman and CFO
  - On January 23, 2008, SLM announced Q4 and full year 2007 earnings and that it planned to curtail private education lending to students attending schools where loan performance was significantly below expectations
  - On January 28, 2008, SLM announced it received \$31B of ABCP conduit and other financing commitments to refinance its interim ABCP conduit facilities, and that lawsuits and counterclaims filed in connection with the proposed merger were dismissed and the merger agreement terminated

## New Management Biographies

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### **Anthony P. Terracciano, Chairman of the Board**

Tony was formerly President of First Union Corporation, Chairman and Chief Executive Officer of First Fidelity Bank Corporation, President and Chief Operating Officer of Mellon Bank, Vice Chairman of Chase Manhattan Bank, and non-executive Chairman of both The Dime Bank and Riggs National Corporation. Throughout his career, Tony has had a distinguished record creating value for shareholders.

### **John F. Remondi, Vice Chairman and Chief Financial Officer**

Jack will play an instrumental role in all business strategy and have responsibility for corporate finance, investor relations, accounting and reporting, financial planning, credit policy, and risk management. Jack joined Sallie Mae in 1999 as part of the company's acquisition of Nellie Mae and was a key player in Sallie Mae's transformation from a government sponsored entity to a fully private, retail-focused organization. Most recently, Jack was with PAR Capital Management, a Boston-based private investment management firm. Jack reports to Al Lord, Sallie Mae's Chief Executive Officer.



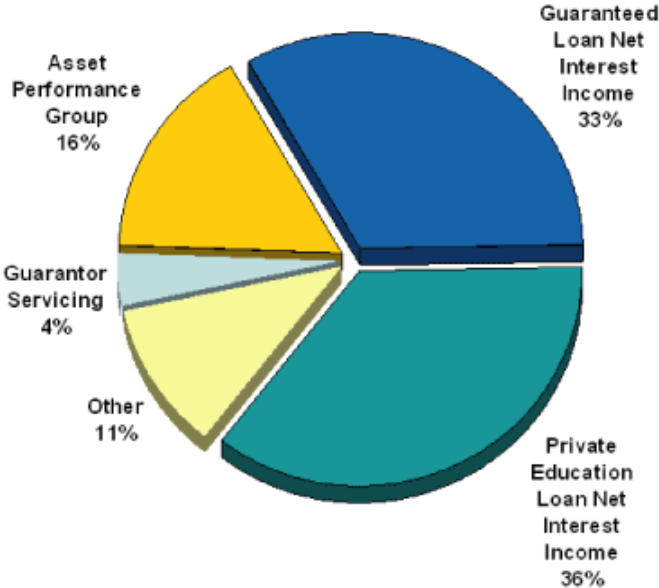
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# SLM Business Fundamentals

# SLM "Core Earnings" Revenue Mix

## 2007 Revenue Breakdown -

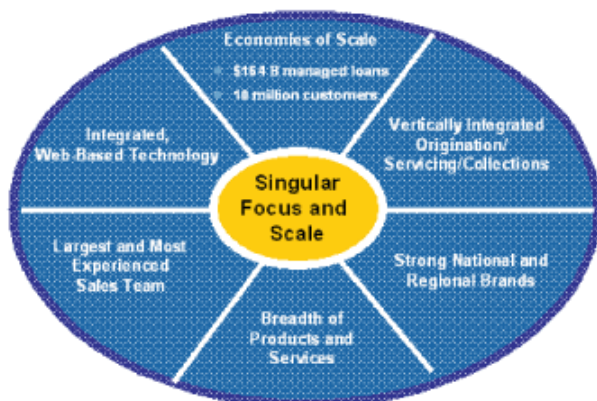
- Net interest income from student loans made up 69% of net revenue
- The remaining 31% of net revenue was derived from fee-generating businesses
  - Asset Performance Group (formerly "DMO") third-party collections activities
  - Guarantor Servicing for student loans
  - Other sources, including late fees on student loans



Note: Figures for year ended December 31, 2007. Percentage of net revenues, before provisions for loan losses.

# SLM Competitive Advantage and Market Position

## SLM's Competitive Advantage



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

## Federal Student Loan Market Share

		Market Share			
		2006	2003	2000	1997
Lender					
1	<b>Sallie Mae Preferred Channel<sup>1</sup></b>	27%	25%	17%	0%
2	Federal Government	21%	26%	32%	34%
3	Citigroup	6%	7%	6%	6%
4	JPMorgan Chase	6%	13%	12%	10%
5	Bank of America	5%	5%	5%	2%
	Note: Sallie Mae Brands	12%	7%	3%	0%

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

## Fundamentals of SLM Business Model Remain Unchanged

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### FFELP Stafford and PLUS

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

### FFELP Consolidation

- Originated primarily through SLM's nationwide school customer base, as well as direct-to-consumer channels
- Marketed predominantly as Sallie Mae brand consolidation loans
- Loans originated, serviced and collected by SLM's servicing operations

### Private Credit Loans

- Originated through both school and direct-to-consumer channels
- Predominantly Sallie Mae branded, coupled with FFELP loans when possible
- Loans originated, serviced and collected by SLM's servicing operations

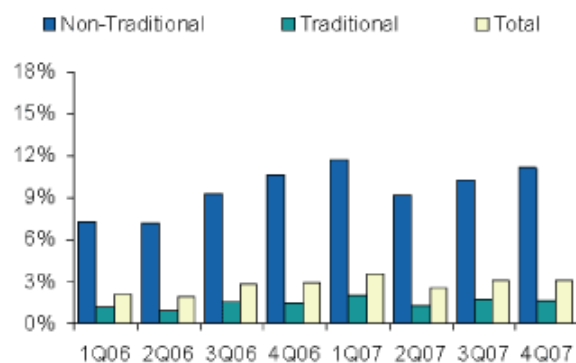
### Fee-Based Businesses

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

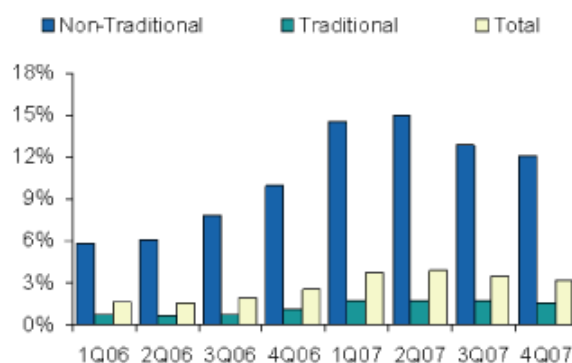
## Losses are Highly Concentrated among Non-Traditional Borrowers

- Delinquencies and defaults are concentrated among a small set of non-traditional schools and borrowers
  - Limited number of schools accounted for > 50% of all charge-offs
- Failure to complete program is major driver of defaults
  - More than 65% of borrowers with loans that charged off withdrew from programs or were less than ½ time status
  - High concentration of withdrawals in non-traditional schools
- Non-traditional loans represented approximately 6% of SLM's private credit term ABS student loan collateral at 12/31/08

**90 Days Delinquent as % of Repay**



**Gross Charge-Offs as % of Average Repay**



## Business Strategy Refocused on Most Profitable Businesses

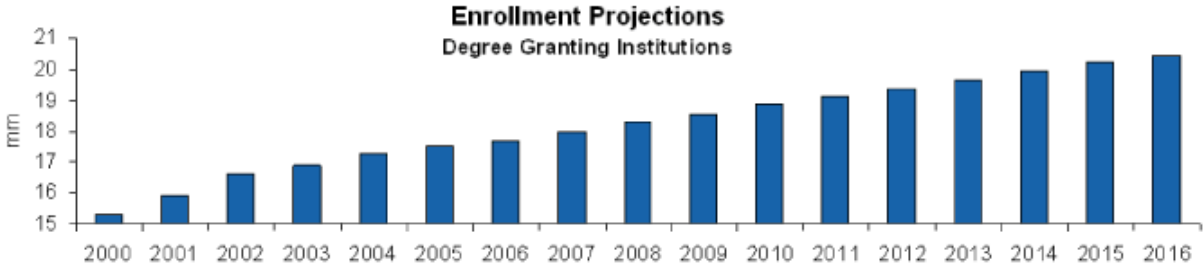
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- Grow both Private and FFELP market share at traditional schools
  - Significantly lower delinquencies and charge-offs
  - Expect 10% growth in FFELP originations
  - Expect 15+% growth in Private Education originations
- Curtail unprofitable originations with little strategic value
  - High default rate non-traditional schools and borrowers
  - Lower tier credit borrowers
  - Wholesale FFELP Consolidation Loan acquisitions
- Adjust pricing of private credit loan products to reflect market conditions
- Utilize custom scorecards and revamped collections practices to improve private credit performance
- Reduce Borrower Benefits and operating expenses to generate acceptable returns under new FFELP economics
- Improve profitability of fee income businesses
  - Increase operating efficiency
  - Shed low risk return adjusted businesses

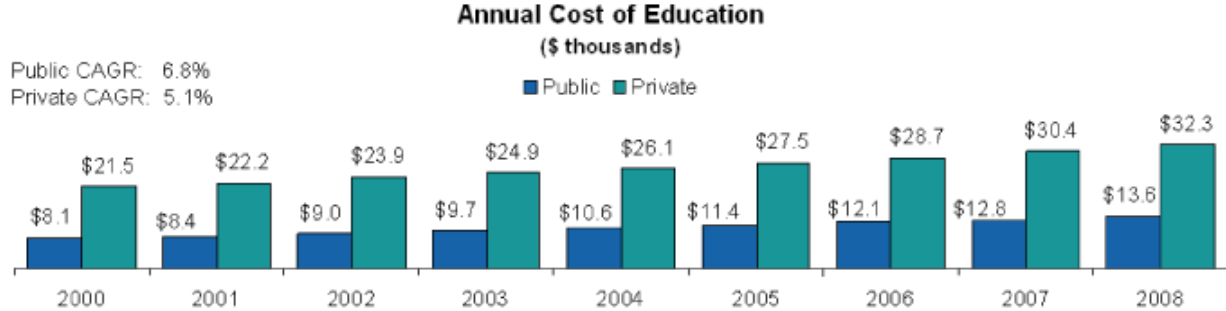
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# The U.S. Student Loan Market

# Strong Industry Trends Continue



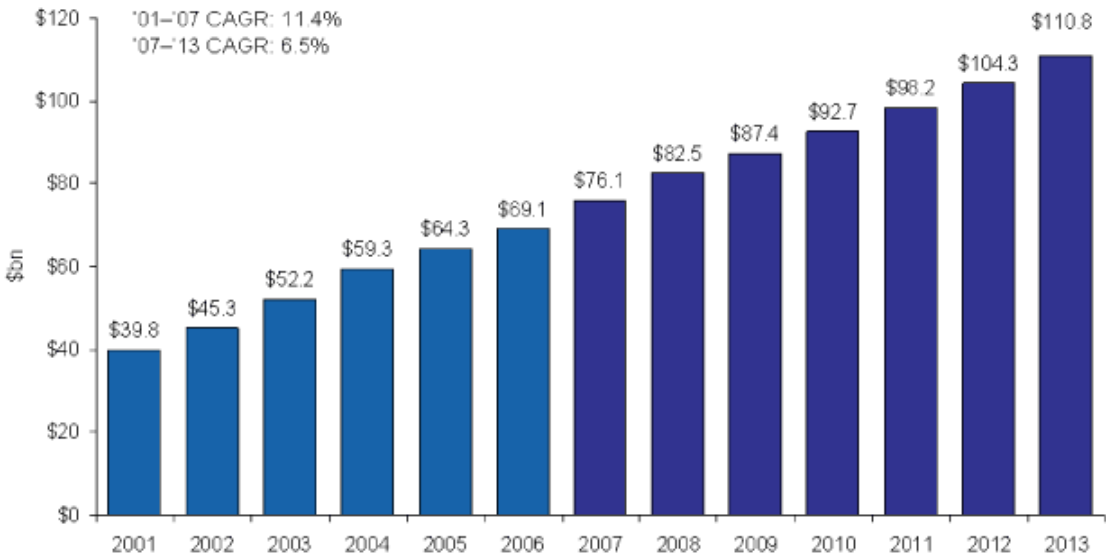
Source: National Center for Education Statistics  
 Note: Total enrollment in all degree-granting institutions; middle alternative projections for 2006 onward



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



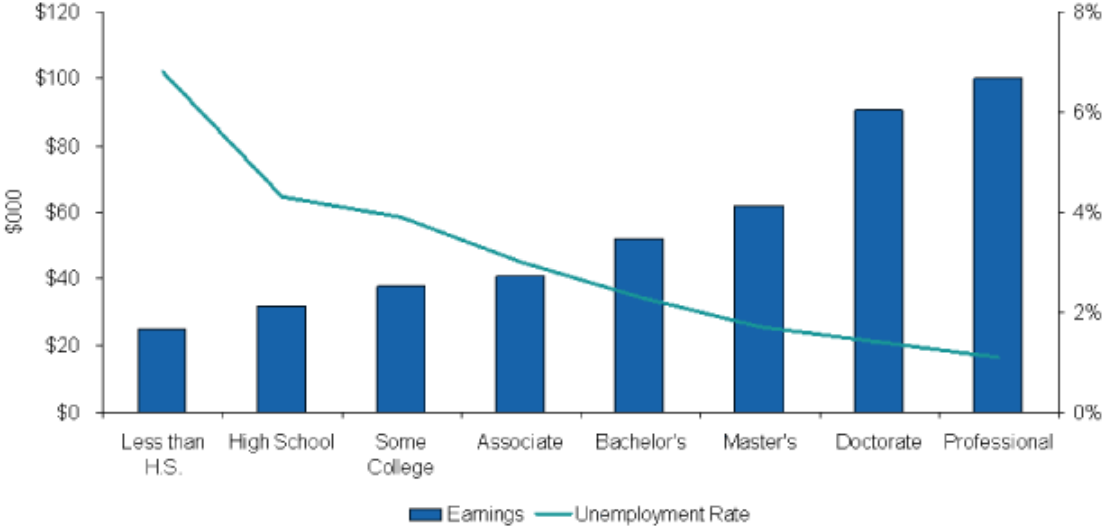
# Federal Student Loan Origination Volume



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

# Higher Education Return on Investment

- Income and employment are strongly correlated to educational attainment

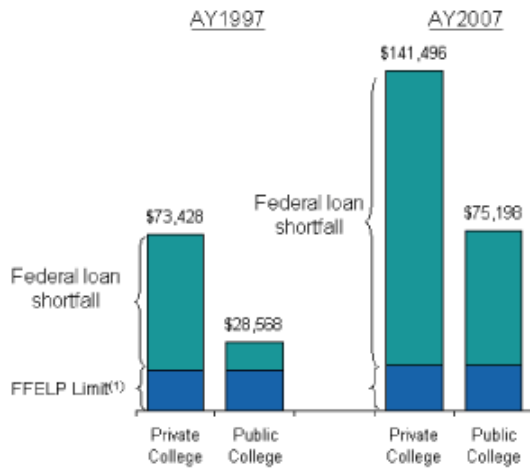


Source: U.S. Census Bureau, Current Population Survey, 2006 Annual Social and Economic Supplement. Represents median earnings for a full time, year-round worker over age 25. Unemployment data as of 2006. Represents unemployment for civilian noninstitutional population over age 25

## Private Education Loan Market Growth

Students and parents have increasingly turned to private credit loans to fund the gap between student aid, federal loans and the rising cost of education

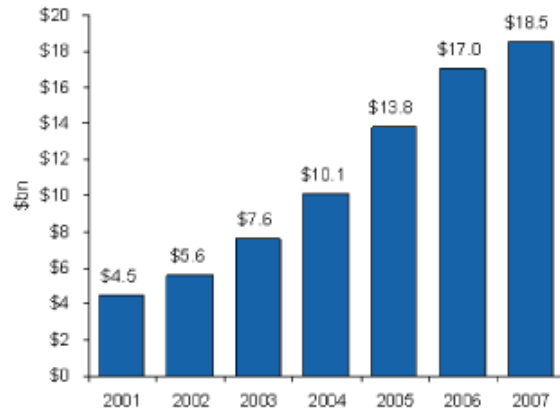
**Cost of College vs. FFELP Loan Limits**  
Academic Years 1997 vs. 2007



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

(1) FFELP loan limit for four consecutive years of college. Limits increased on July 1, 2007 from \$17,125 to \$19,000 for dependent students.

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



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

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## Liquidity and Capital Markets Access

## Liquidity

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- At December 31, 2007, SLM maintained a primary liquidity position of \$26.7B

<u>Sources of Primary Liquidity:</u>	<u>Dec 31, 2007</u>
Unrestricted Cash & Investments	\$10.3B
\$6.5B CP and Bank Lines	6.5B
\$6.0B Asset-Backed CP Program	5.9B
\$30.0B Interim Asset-Backed CP Program <sup>(1)</sup>	<u>4.0B</u>
Total Sources of Primary Liquidity	\$26.7B
 <u>Stand-by Liquidity:</u>	
Unencumbered FFELP Loans	<u>18.7B</u>
Total Primary and Stand-by Liquidity	\$45.4B

(1) \$30.0 billion Interim ABCP facility effectively terminates on April 24, 2008, with new borrowings unavailable after February 15, 2008, unless extended.

## 2008 Funding Plan

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### Funding Plan –

- Close new, 364-day ABCP conduit facilities to replace the Company's existing ABCP conduit facilities
- \$25B(+) of term FFELP ABS issuance
- \$3B(+) of Private Credit Student Loan ABS issuance
- Additional unsecured debt issuance, market conditions permitting

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# Federal Student Loan Legislation

## College Cost Reduction and Access Act

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For federal student loans disbursed after October 1, 2007, the new legislation...

- Reduced lender yields on Stafford and Consolidation loans in repayment to CP+1.79% and CP+ 2.09% (CP+1.94% and CP+2.24% for not-for-profit lenders)
- Reduced lender yields on PLUS loans to CP+1.79% (CP+1.94% for not-for-profit lenders)
- The new legislation also –
  - Eliminated the Exceptional Performer designation, effectively reducing the guarantee level for former EPs such as SLM from 99% to 97% <sup>(1)</sup>
  - Increased origination fees paid by lenders from 0.5% to 1.0%
  - Reduced default collections retained by guaranty agencies from 23% to 16%
  - Required ED to develop a pilot auction program for Parent PLUS loans
  - Provided loan forgiveness after 120 monthly payments to FDLP borrowers engaged in selected public service occupations

(1) Depending on the date of disbursement



## FFELP Spread Pro Forma Table

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	<b>Stafford Loan in Repay Pre-10/1</b>	<b>Stafford Loan in Repay Post-10/1</b>
<b>Repay SAP Spread</b>	2.34%	1.79%
<b>Funding Costs</b>	0.55%	0.55%
<b>Lender Origination Fees</b>	0.10%	0.20%
<b>Borrower Benefits</b>		
Up-front Fees (2.00% - AY08-09)	0.40%	0.40%
Repayment Benefits	0.09%	0.09%
<b>Total Borrower Benefit Costs</b>	<u>0.49%</u>	<u>0.49%</u>
<b>Net Loan Spread</b>	1.20%	0.55%
<b>Risk Sharing</b>	0.02%	0.06%
<b>Origination and Servicing Costs</b>	0.41%	0.41%
<b>Pre-tax Yield</b>	0.77%	0.08%

### Outlook -

- New CCRA economics expected to cause many industry participants to exit, both large and small
- Major student lenders have cut borrower benefits to varying degrees
- SLM ultimately expects to gain FFELP market share as players exit and pricing rationalizes

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## SLM's ABS Program

## SLM ABS Issue Characteristics

### Typical SLM FFELP ABS Transaction Features

- U.S. Government guaranteed collateral <sup>(1)</sup>
- Historical Issue size of \$1.5B to \$5.0(+)<sup>B</sup>
- Tranches denominated in US\$ or Euros
- 'Aaa/AAA/AAA' rated senior tranches make up 97% of issue structure
- 20% risk based capital weighting on senior securities in most countries
- 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.

### Typical SLM Private Credit ABS Transaction Features

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

<sup>(1)</sup> (1) Principal and accrued interest on underlying FFELP loan collateral carry a guarantee of either 96% or 97%. Guarantee is dependent on meeting the servicing requirements of the U.S. Department of Education.

## Unique Characteristics of FFELP Loan ABS

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### **FFELP Student Loan ABS is Unique -**

- Explicit U.S. government guarantee of underlying collateral
- Formerly 20% risk-weighted, now <10% risk-weighted under Basel II's IRB methodology
- Eligible as collateral at the Fed discount window

## SLM ABS Issuance Volume and Portfolio

- SLM is the largest issuer of FFELP and private education loan ABS, and issued \$26.3B of student loan ABS in 2007

Issuance (\$billion) <sup>1</sup>				
	2004	2005	2006	2007
FFELP Stafford/PLUS	\$10.1	\$6.6	\$5.1	\$9.1
FFELP Consolidation	17.4	17.1	22.9	15.0
Private Credit	2.8	3.4	5.7	2.2
<b>Total ABS Issuance</b>	<b>\$30.3</b>	<b>\$27.0</b>	<b>\$33.7</b>	<b>\$26.3</b>

Managed Portfolio (\$billion) <sup>2</sup>				
	2004	2005	2006	2007
FFELP Stafford/PLUS	\$46.8	\$40.7	\$39.9	\$45.2
FFELP Consolidation	49.2	65.4	79.6	90.1
Private Credit	11.5	16.4	22.6	28.3
<b>Total Portfolio</b>	<b>\$107.4</b>	<b>\$122.5</b>	<b>\$142.1</b>	<b>\$163.6</b>

<sup>1</sup> Excludes outstandings under SLM's asset-backed commercial paper program. Totals may not add due to rounding

<sup>2</sup> Outstandings for total managed portfolio, after deducting loan loss allowance and unamortized discount

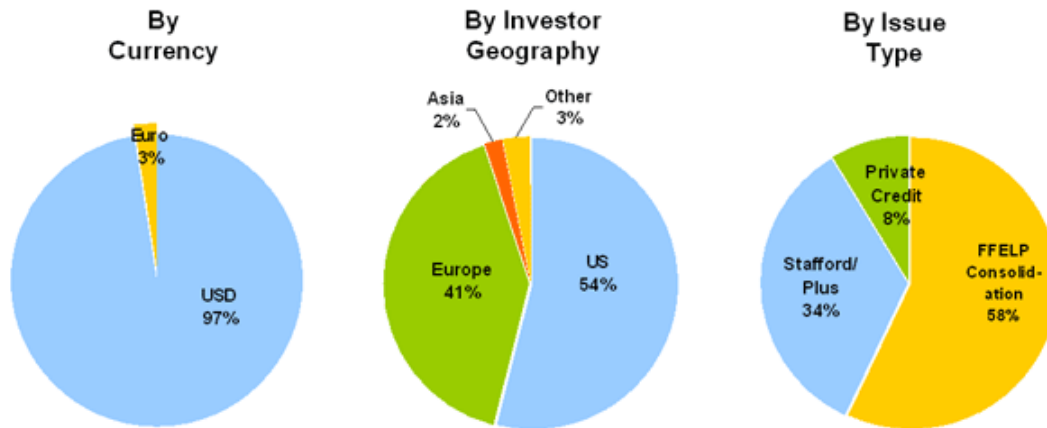
<sup>3</sup> Based on pricing date

## ABS Funding Diversity

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- SLM's ABS investor base is diversified and global

SLM 2007 Total Managed ABS Issuance  
by Currency, Investor Geography and Issue Type



Note: Estimates based on information provided by various investment dealers. Totals may not add due to rounding.

## SLM ABS Structures

### Recent SLM New Issue ABS Structures

	Non-Consolidation FFELP					Consolidation FFELP					Private Education Loans				
<b>Issue:</b>	\$1.5B SLM Trust 2008-1					\$1.6B SLM Trust 2007-8					\$2.2B SLM Trust 2007-A				
<b>Pricing Date:</b>	January 10, 2008					November 30, 2008					March 22, 2007				
<b>Collateral:</b>	US Govt. Guaranteed FFELP Stafford and Plus Loans					US Govt. Guaranteed FFELP Consolidation Loans					Non-Guaranteed Private Education Loans				
<b>Initial Pricing CPR:</b>	12%					CLR Ramp (0%-8%) over 10 years					6%				
	Moody's	Amt	AL <sup>1</sup>	Pricing		Moody's	Amt	AL <sup>1</sup>	Pricing		Moody's	Amt	AL <sup>1</sup>	Pricing	
<b>Tranching:</b>	A1	Aaa	\$371	1.0	L+25	A1	Aaa	\$259	2.0	L+23	A1	Aaa	\$626	3	L+3
	A2	Aaa	\$517	3.0	L+35	A2	Aaa	\$234	5.0	L+33	A2	Aaa	\$566	6.8	L+12
	A3	Aaa	\$190	5.0	L+50	A3	Aaa	\$135	7.0	L+38	A3	Aaa	\$219	10	L+17
	A4	Aaa	\$410	7.4	L+65	A4	Aaa	\$430	10.0	L+47	A4	Aaa	\$654	14	L+24
	B	Aa1	\$46	8.5	L+115	A5	Aaa	\$453	16.0	L+55	B	Aa2	\$73	10.9	L+30
						B1	Aa1	\$47	12.6	L+100	C-1	A2	\$35	9.7	L+43
											C-2	A2	\$66	9.7	ARS <sup>2</sup>

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

<sup>2</sup> ARS denotes Auction Rate Security



## 2007 ABS Issuer Rankings

2007 US\$ ABS Issuance by Issuer			
(in equivalent US\$ billions)			
RANK	ISSUER	PROCEEDS	MARKET SHARE
1	Citigroup	\$39.5	7%
2	General Motors	\$32.7	6%
<b>3</b>	<b>SLM Corp</b>	<b>\$26.3</b>	<b>4%</b>
4	JPMorgan	\$25.7	4%
5	Countrywide	\$25.4	4%
6	Morgan Stanley	\$22.7	4%
7	Bank of America	\$21.1	4%
8	Lehman	\$17.8	3%
9	Merrill Lynch	\$16.7	3%
10	Santander	\$12.8	2%
Top 10 Total		\$240.7	41%
ABS Industry Total		\$590.7	100%

2007 Student Loan ABS by Issuer			
(in equivalent US\$ billions)			
RANK	ISSUER	PROCEEDS	MARKET SHARE
<b>1</b>	<b>SLM Corp</b>	<b>\$26.3</b>	<b>49%</b>
2	First Marblehead	\$5.2	10%
3	Nelnet	\$3.9	7%
4	Student Loan Corp	\$3.1	6%
5	College Loan Corp	\$3.0	6%
6	CIT	\$3.0	6%
7	EdSouth	\$1.6	3%
8	GCO	\$1.5	3%
9	ALG	\$1.3	2%
10	Chase Education	\$1.2	2%
Top 10 Total		\$50.3	94%
Student Loan ABS Total		\$53.3	100%

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

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## Private Credit Student Loan ABS Program

## Sallie Mae's Private Credit Student Loan Program

### Current Private Credit Loan Program Criteria

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

*(1) With a Co-Signer, maximum aggregate loan indebtedness is permitted to be up to the cost of education less any other aid.*

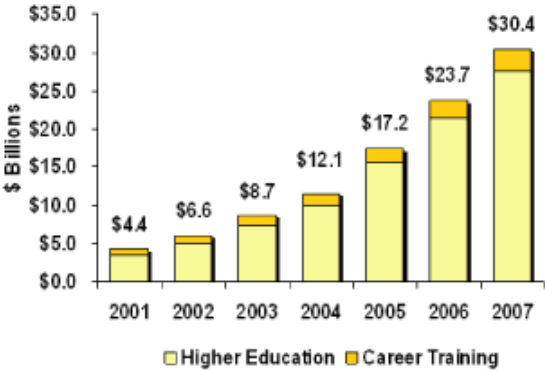
*(2) Minimum FICO score for the standard program. Prior to July 1, 2001, minimum FICO score for Sallie Mae branded loans was 630. Custom programs have been negotiated with certain schools in which the FICO cut-off may be lower. In certain cases there is school recourse for these loans. Loans originated by Sallie Mae prior to the initiation of FICO-based underwriting standards in May 1998 represent < 1% of the pool outstandings.*

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

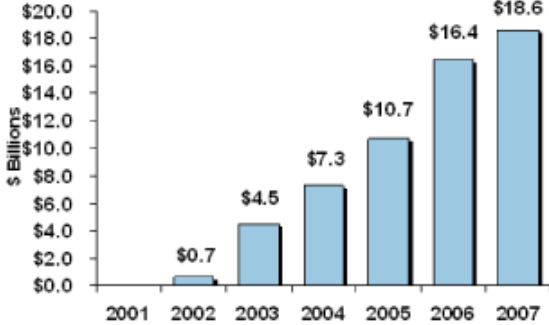
# SLM Private Credit Student Loan ABS Issuance

- SLM issued \$2.2B of private credit loan ABS during 2007, bringing total issuance to date to \$19B

**SLM Managed Private Credit Loans Outstanding<sup>(1)</sup>**



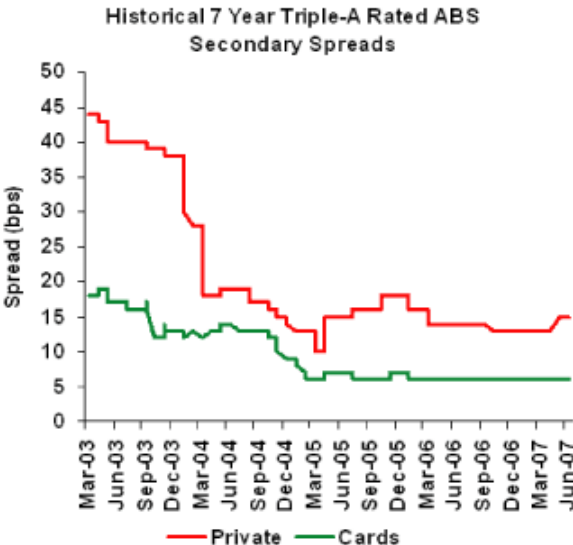
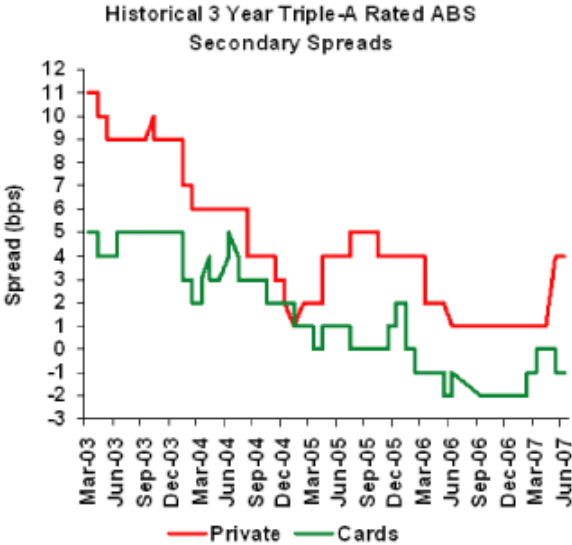
**SLM Private Credit Cumulative ABS Issuance<sup>(1)</sup>**



<sup>(1)</sup> Gross outstandings for total managed portfolio, before deducting loan loss allowance and unamortized discount.

# SLM Private Credit ABS Relative Value

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



Source: Merrill Lynch Research.

## Upgrades of SLM Private Credit Student Loan ABS

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

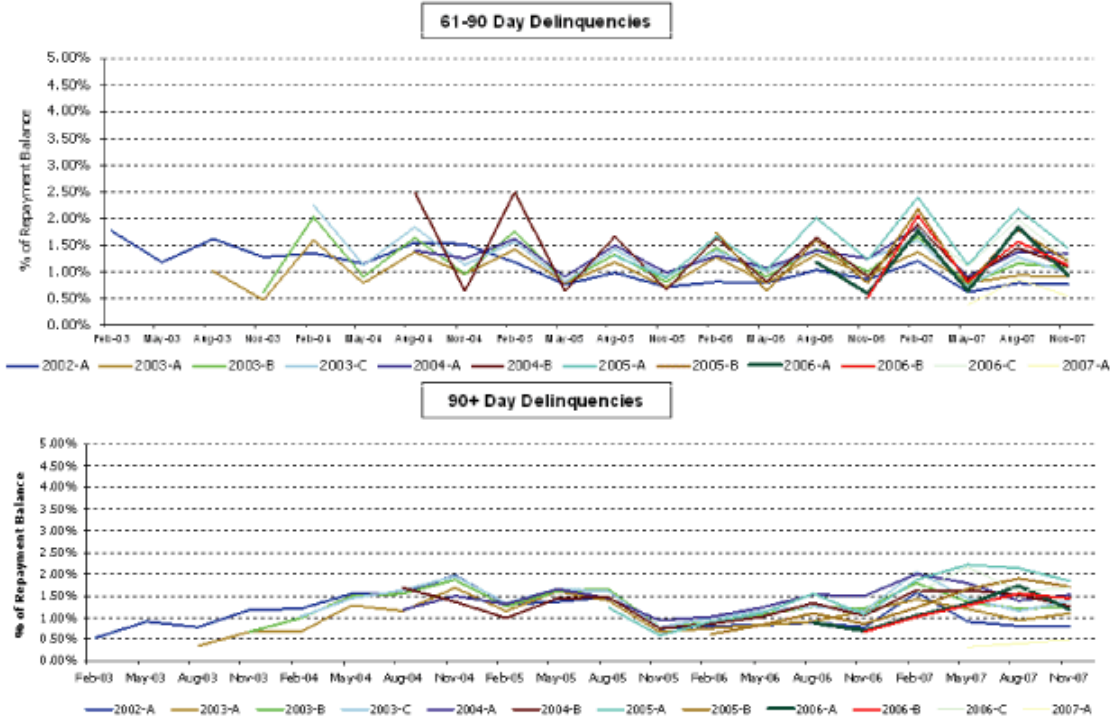
- In September 2007, Fitch upgraded the ratings of subordinate tranches of SLM's 2002-A Private Credit ABS issue to 'AA+' and 'A+' from their original ratings of 'A' and 'BBB'
- At the same time, Fitch upgraded the ratings of all of the subordinate tranches of SLM Private Credit ABS issues 2003-A thru 2004-B to 'AA' and 'A' from their original ratings of 'A+' and 'BBB+'
- Beginning in 2006, S&P began upgrading the ratings on the two subordinate tranches of SLM's new issue Private Credit ABS from 'A' and 'BBB', ultimately to the 'AA' and 'A' ratings assigned the subordinate tranches of SLM's 2007-A Private Credit ABS

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**Historical Static Pool Performance  
SLM Private Credit ABS Trusts thru November 2007**

# SLM Private Credit ABS Trusts

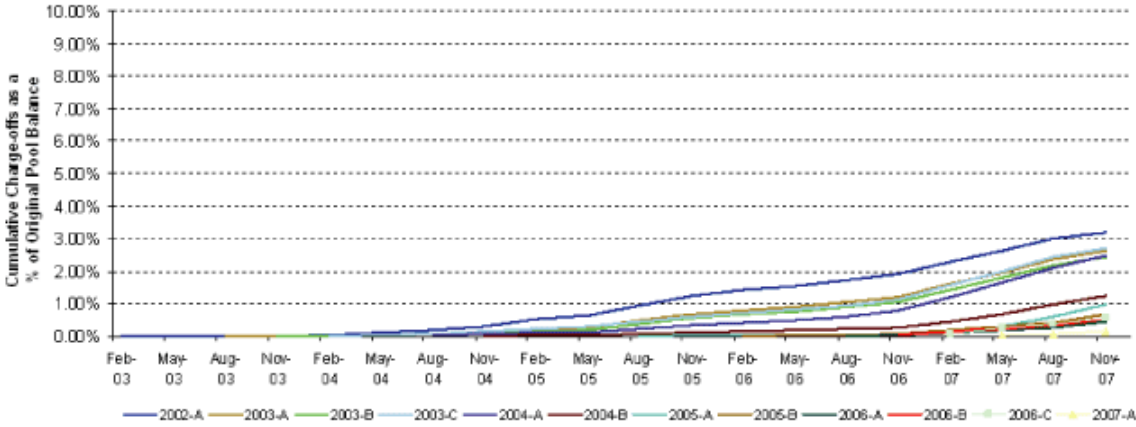
## 61- 90 and 90+ Day Delinquent Loans





# SLM Private Credit ABS Trusts

## Historical Cumulative Gross Charge-Off Experience <sup>(1)</sup>

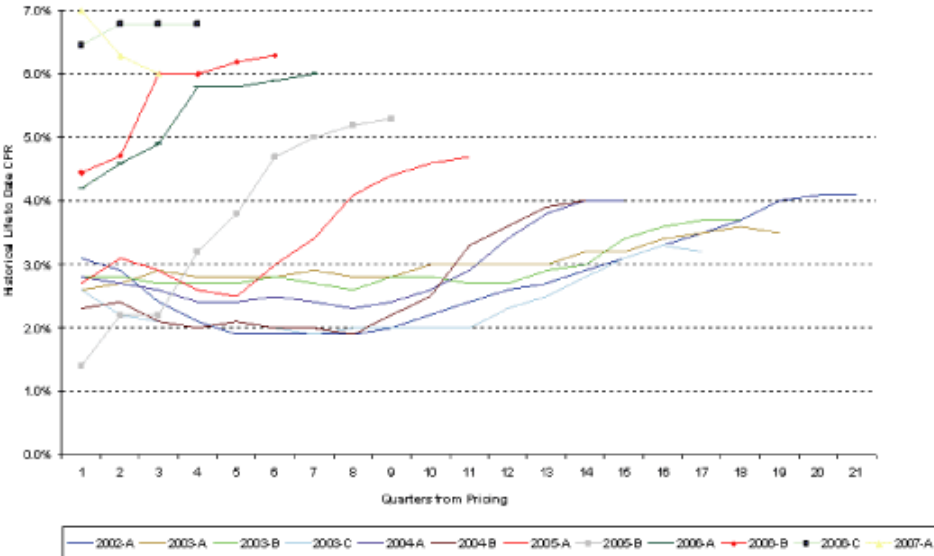


(1) For SLM Private Credit Student Loan ABS issued prior to 2005-B, the servicer has the option, but not the obligation, to repurchase loans that become 180+ days delinquent. To date, the servicer has exercised this option and actual charge offs in these Trusts equal zero. Data above represents charge-offs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

Note: Data current as of Nov 30<sup>th</sup>, 2007.

# SLM Private Credit ABS Prepayment Analysis

Historical SLM Private Credit ABS CPRs



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# SLM 2007-A Private Credit Student Loan ABS

## SLM Private Credit Student Loan Trust 2007-A

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

Class	Principal Balance (\$)	Principal Balance (%)	Expected Ratings (M/S/F)	Index	WA Life to Call (6% CPR) <sup>(1)</sup>	Expected Maturity	Principal Window	Legal Final Maturity
A-1	\$ 627,000,000	28.00%	Aaa/AAA/AAA	3mL	3.00	12/15/2011	6/07-12/11	9/15/2022
A-2	\$ 564,000,000	25.19%	Aaa/AAA/AAA	3mL	6.75	3/15/2016	12/11-3/16	9/15/2025
A-3	\$ 221,000,000	9.87%	Aaa/AAA/AAA	3mL	10.00	3/15/2018	3/16-3/18	12/15/2026
A-4	\$ 652,891,000	29.16%	Aaa/AAA/AAA	3mL	14.01	3/15/2023	3/18-3/23	12/16/2041
B	\$ 73,142,000	3.27%	Aa2/AA/AA	3mL	10.93	3/15/2022	3/13-3/22	12/16/2041
C-1	\$ 35,273,000	1.58%	A2/A/A	3mL	9.73	12/15/2020	6/13-12/20	12/16/2041
C-2	\$ 66,000,000	2.95%	A2/A/A	Auction	9.73	12/15/2020	6/13-12/20	12/16/2041
<b>Total</b>	<b>\$ 2,239,306,000</b>	<b>100.0%</b>			<b>8.41</b>			

Credit Enhancement	Initial <sup>(2)</sup>	Target <sup>(3)</sup>	Components of Subordination
Class A	8.50%	15.00%	Class B, Class C, O/C
Class B	5.25%	10.125%	Class C, O/C
Class C	0.75%	3.00%	O/C
Overcollateralization (O/C)	Builds from 0.50% to 2.00% of Initial Asset Balance		
Reserve Account	0.25% of Initial Pool Balance (non-declining)		
Other Enhancement	Prima/LIBOR Swap (15-year) 11.2% Cash Capitalization Account for liquidity (steps down over time) <sup>(4)</sup>		

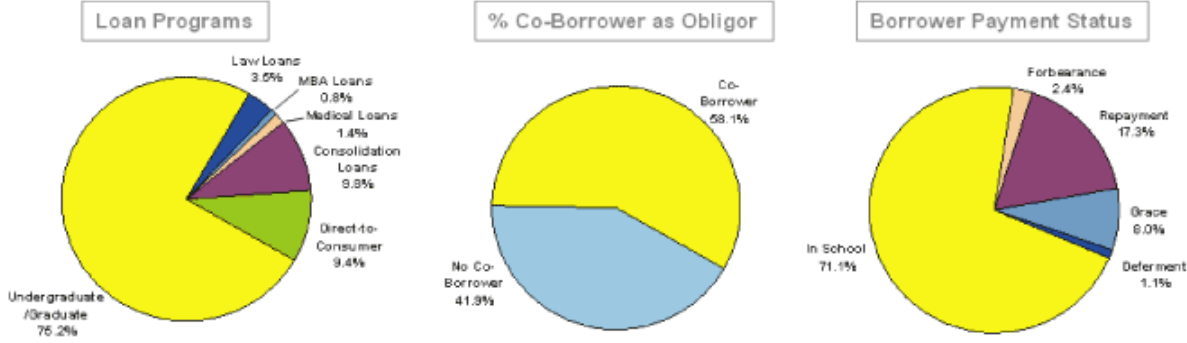
(1) Estimated based on a variety of assumptions concerning loan repayment behavior. Actual average life and repayment characteristics may vary significantly from estimates.

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

(3) Appropriate percent of Current Asset Balance.

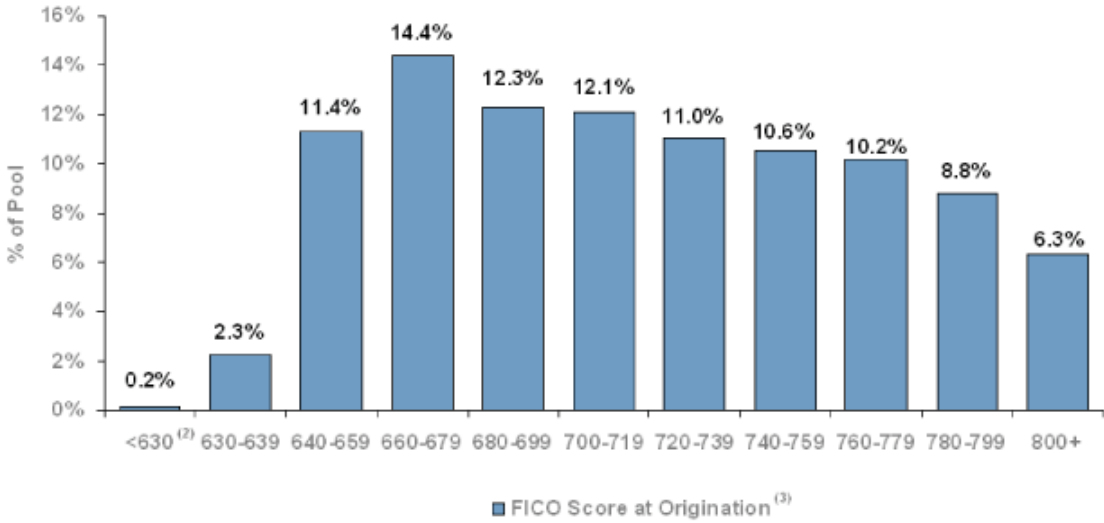
(4) Appropriate percent of Initial Asset Balance.

# SLM 2007-A Initial Summary Pool Characteristics



- Pool Weighted Original Average FICO Score 718
- Pool Weighted Current Average FICO Score 710
- Average Borrower Indebtedness \$13,020
- Weighted Average Remaining Term 214 months

# SLM 2007-A FICO Distribution at Loan Origination<sup>(1)</sup>



(1) If there is a co-borrower, FICO score represents higher of borrower and co-borrower score.  
 (2) Loans with FICO scores greater than zero and less than 630 is less than 0.2% of the portfolio.  
 (3) Approximately 0.5% of the trust consists of student loans where no FICO scores were currently available or which were underwritten without relying upon FICO scores.

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## Additional Information

## Explicit Federal Guarantee

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- Excerpt from the High Education Act – 20 U.S.C. 1082(0). “Consequences of guaranty agency insolvency. In the event that the Secretary has determined that a guaranty agency is unable to meet its insurance obligations under this part, the holder of loans insured by the guaranty agency may submit insurance claims directly to the Secretary and the Secretary shall pay to the holder the full insurance obligation of the guaranty agency, in accordance with Insurance requirements no more stringent than those of the guaranty agency. Such arrangements shall continue until the Secretary is satisfied that the insurance obligations have been transferred to another guarantor who can meet those obligations or a successor will assume the outstanding insurance obligations.”
- Excerpt from the Federal Budget – “The higher Education Amendments of 1998 clarified that reserve funds held by public and non-profit guaranty agencies participating in the Federal Family Education Loan (FFEL) program are Federal Property. These reserves are used to pay default claims from FFEL lenders and fees to support agency efforts to avert defaults. The Federal Government reimburses these reserves for default claim payments.”



# SLM Corporate Debt Ratings

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- **As of December 31, 2007, SLM Corporation’s senior unsecured credit ratings were as follows:**

	<u>S&amp;P</u>	<u>Moody’s</u>	<u>Fitch</u>
Short-term unsecured debt.....	A-2 <sup>(1)</sup>	P-2 <sup>(1)</sup>	F3 <sup>(1)</sup>
Long- term senior unsecured debt.....	BBB+ <sup>(1)</sup>	Baa1 <sup>(1)</sup>	BBB <sup>(1)</sup>

<sup>(1)</sup> Each of the rating agencies has the Company’s current ratings on review for potential downgrade.

## 2007 Earnings Summary

(\$ millions)	2007	2006	% Increase
"Core Earnings" Net Income <sup>(1)</sup>	\$560	\$1,253	- 55%
Stafford/PLUS Originations (\$B)	\$17.6	\$16.0	10%
Internal FFELP Consolidations (\$B)	\$8.9	\$14.5	- 37%
Private Education Loan Originations (\$B)	\$7.9	\$7.4	7%
Managed FFELP Loans Outstanding (\$B)	\$135.3	\$119.5	13%
Managed Pvt Ed Loans Outstanding (\$B)	\$28.3	\$22.6	25%
Managed Student Loan Portfolio (\$B)	\$163.6	\$142.1	15%
Mgd Pvt Ed Loan % of Total Mgd Student Loans	17%	16%	--
"Core Earnings" Net Student Loan Spread <sup>(2)</sup>	1.77%	1.84%	--
"Core Earnings" Loan Loss Provision	\$1,394	\$303	--
"Core Earnings" Private Loan NCOs as a % of Repayment	3.07%	1.62%	--
"Core Earnings" Fee and Other Income	\$1,173	\$1,100	7%
"Core Earnings" Operating Expenses	\$1,440	\$1,253	15%
Stockholders' Equity (GAAP)	\$5,224	\$4,360	20%
Tangible Capital Ratio	2.01%	1.84%	--

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

(2) "Core Earnings" 2007 Net Student Loan Spread is before the impact of Interim ABCP Facility Fees and the effect of Wholesale Consolidation Loans.

## “Core Earnings” Presentation

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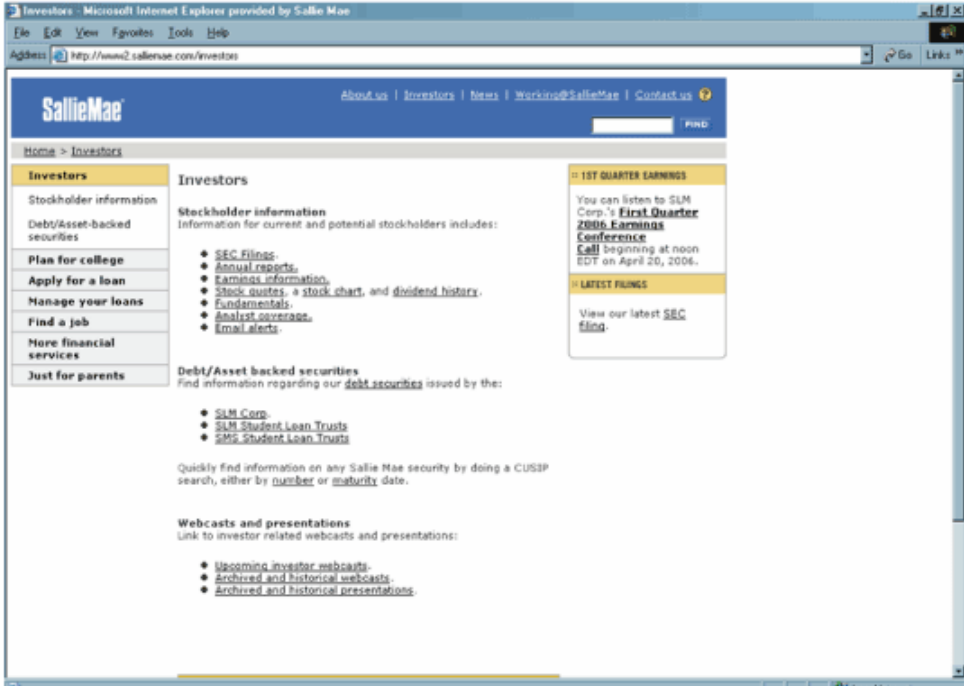
### “Core Earnings” Performance Measures –

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

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

## GAAP to Core Earnings EPS Reconciliation

	(In thousands, except per share amounts)	
	<u>Dollars</u>	<u>Diluted EPS</u>
<b>GAAP Net Loss</b>	<b>\$ (896,394)</b>	<b>\$ (2.26)</b>
Adjustment from GAAP to "Core Earnings"		
Net impact of securitization accounting	(246,817)	
Net impact of derivative accounting	1,340,792	
Net impact of Floor Income	168,501	
Net impact of acquired intangibles	<u>112,397</u>	
Total "Core Earnings" adjustments before income taxes and minority interest in net earnings of subsidiaries	1,374,873	
Net tax effect	<u>81,845</u>	
Total "Core Earnings" adjustments	<u>1,456,718</u>	
<b>"Core Earnings" net income</b>	<b>560,324</b>	<b>\$ 1.23</b>
<b>"Core Earning" net income adjusted for non-recurring items</b>		
Costs related to the recent legislative changes in the FFELP Risk Sharing percentage	27,726	\$ 0.07
Costs associated with the Company's previously announced Merger	74,364	\$ 0.17
Costs related to severance compensation	<u>14,178</u>	<u>\$ 0.03</u>
Total after-tax non-recurring items	<u>116,268</u>	<u>\$ 0.27</u>
<b>"Core Earnings" net income adjusted for non-recurring items</b>	<b>\$ 676,592</b>	<b>\$ 1.50</b>



## Debt Investor Relations Contact Information

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