REGULATORY ASSIGNMENT CONTROL SHEET

LOG CONTROL NUMBER: 66 **ANALYST ASSIGNED: HYLER**

ACTION: OT

TITLE: NOTICE OF TERMS AND CONDITIONS OF ADDITIONAL PURCHASE OF LOANS UNDER THE ENSURING CONTINUED ACCESS TO STUDENT LOANS ACT OF 2008

RECEIVED: 1/7/2009

DATE ASSIGNED: 1/7/2009

DATE DUE: 1/8/2009

ANALYST SIGNATURE: James Hyl

COMPLETION DATE: 1/8/09

FINAL APPROVAL: Angela Arig **DATE:** 1-14-09

OMB NO: 1845-0087

REG PART:

4000-01-U

DEPARTMENT OF EDUCATION, DEPARTMENT OF THE TREASURY, OFFICE OF MANAGEMENT AND BUDGET

Federal Family Education Loan Program (FFELP)

AGENCY: Department of Education, Department of the Treasury, Office of Management and Budget.

ACTION: Notice of terms and conditions of additional purchase of loans under the Ensuring Continued Access to Student Loans Act of 2008.

SUMMARY: Under the authority of section 459A of the Higher Education Act of 1965, as amended ("HEA"), as enacted by the Ensuring Continued Access to Student Loans Act of 2008 (Pub. L. 110-227) and amended by Pub. L. 110-315 and Pub. L. 110-350, the Department of Education ("Department") may purchase, or enter into forward commitments to purchase, Federal Family Education Loan Program ("FFELP") loans made under sections 428 (subsidized Stafford loans), 428B (PLUS loans), or 428H (unsubsidized Stafford loans) of the HEA, on such terms as the Secretary of Education ("Secretary"), the Secretary of the Treasury, and the Director of the Office of Management and Budget (collectively, "Secretaries and Director") jointly determine are "in the best interest of the United States" and "shall not result in any net cost to the Federal Government (including the cost of servicing

the loans purchased)."

The Secretary initially exercised this authority in accordance with a notice published in the Federal Register on July 1, 2008 (73 FR 37422). The Secretary exercised this authority again on December 2, 2008 (73 FR xxxxx) and published a notice that established the terms and conditions that will govern the Short-term Purchase Program, under which the Secretary will purchase certain additional loans.

The notice published herein: (a) establishes the terms and conditions that will govern certain additional loan purchases made under section 459A of the HEA, as extended by Pub. L. 110-350 (including the forward purchase commitment to purchase loans from an asset-backed commercial paper vehicle referred to as a "Conduit"); (b) establishes the terms and conditions for replication of the Participation Purchase Program ("Participation Program") and Loan Purchase Commitment Program ("Purchase Program") (collectively, "Programs") for the 2009-2010 academic years; (c) outlines the methodology and factors that have been considered in evaluating the price at which the Department will purchase these additional FFELP loans; and (d) describes how the use of those factors and methodology will ensure that the

additional loan purchases do not result in any net cost to the Federal Government. The Secretaries and Director concur in the publication of this notice and have jointly determined that the purchase of additional loans as described in this notice is in the best interest of the United States and shall not result in any net cost to the Federal Government (including the cost of servicing the loans purchased).

DATES: Effective Date: The terms and conditions governing the purchase of loans under the replicated Participation Program, Purchase Program, and the ABCP Conduit Program are effective [Insert Date].

FOR FURTHER INFORMATION CONTACT: U.S. Department of Education, Office of Federal Student Aid, Union Center Plaza, 830 First Street, NE., room 111G3, Washington, DC 20202. Telephone: (202) 377-4401 or by e-mail: ffel.agreementprocess@ed.gov.

If you use a telecommunications device for the deaf (TDD), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

Individuals with disabilities can obtain this document in an accessible format (e.g., braille, large print,

audiotape, or computer diskette) on request to the contact person listed under FOR FURTHER INFORMATION CONTACT.

SUPPLEMENTARY INFORMATION:

Introduction

The Department's purchase of FFELP loans is intended to ensure that students and parents continue to have access to FFELP Stafford and PLUS loans for the remainder of the 2008-2009 academic year and the 2009-2010 academic year. The Department initially offered lenders the opportunity to participate in a Participation Program and Purchase Program.

Pursuant to section 459A of the HEA, the Secretaries and Director established the terms and conditions that govern the Participation Program and the Purchase Program in a notice published in the Federal Register on July 1, 2008 (73 FR 37422). Minor revisions to this notice were published in the Federal Register on July 17, 2008 (73 FR 41048).

Under the Participation Program, the Department has purchased participation interests in eligible loans that are held by an eligible lender acting as a sponsor under a Master Participation Agreement. To participate in the Participation Program, each sponsor entered into a Master Participation Agreement with the Department and a third-

party custodian.

Under the Purchase Program, the Department has purchased eligible loans that are held by eligible lenders. To participate in the Purchase Program, each eligible lender entered into a Master Loan Sale Agreement with the Department and agreed to deliver to the Department or its agent the fully executed master promissory note (or all electronic records evidencing the same) evidencing each eligible loan that the lender wished to sell to the Department and any and all other documents and computerized records relating to all such loans.

Subsequent to the announcements of the Purchase Program and Participation Program in July, the Secretaries concluded that additional action was necessary to ensure students and parents have access to FFELP for the remainder of the 2008-2009 academic year. Specifically, the Secretaries acknowledged the potential that some lenders would not be able to obtain capital to make second disbursements even for the short-term necessary before lenders can utilize the ABCP Conduit Program. Through the Short-term Purchase Program, the Department extended the offer to purchase loans to include eligible loans made for the 2007-2008 academic year. The Department gave notice it would purchase such loans beginning on or about December 1,

2008 and would continue purchasing them through February 28, 2009 or the date on which one or more conforming Asset-Backed Commercial Paper (ABCP) conduit(s) for purchasing FFELP loans becomes operational, whichever occurs earlier. The Department will expend up to $500 million to purchase eligible loans each week during this period, for a potential total aggregate amount of up to $6.5 billion.

The Secretaries of Education and Treasury have concluded that additional actions are necessary to ensure students and parents have access to FFELP loans for the 2009-2010 academic year. Specifically, the Secretaries believe that lenders may continue to have difficulty in accessing capital to make commitments, including preferred lender arrangements with schools that participate in the FFEL Program, to make loans to students and parents for the upcoming academic year or to make initial and subsequent disbursements on those loans without the commitment from the Department to purchase those loans. While capital markets have and may continue to improve, replication of the Purchase Program and the Participation Program is warranted.

In addition, the Department intends to enter into forward purchase commitments with one or more conforming ABCP conduit(s) for purchasing FFELP loans under terms and

conditions specified below. Details of how an entity wishing to establish an ABCP Conduit must submit such offers will be provided by the Department by postings to its official Web site at www.federalstudentaid.ed.gov/ffelp [Is this correct?].

Terms and Conditions

Pursuant to section 459A of the HEA, the Secretaries and Director establish the terms and conditions that will govern the replication of the Loan Purchase Commitment Program (''2009-2010 Loan Purchase Commitment Program Terms and Conditions,'' attached as Appendix X to this notice) and the terms and conditions that will govern the replication of the Loan Participation Purchase Program (''2009-2010 Loan Participation Purchase Program Terms and Conditions,'' attached as Appendix X to this notice). The 2009-2010 Loan Purchase Commitment Program Terms and Conditions and the 2009-2010 Loan Participation Purchase Program Terms and Conditions are collectively referred to as the ''Terms and Conditions.'' (The Notice of Intent to Participate, referenced in the Terms and Conditions, is attached.)

Under the ABCP Conduit Program, the Department will enter into forward purchase commitments to purchase fully

disbursed FFELP loans (subsidized Stafford loans, unsubsidized Stafford loans, and PLUS loans) on which the first disbursement was made after July 1, 2003 but before September 30, 2010. FFELP Consolidation loans are not eligible for purchase by the Department under this program. The Department will purchase loans for XX percent of the total of the outstanding principal balance plus accrued but unpaid interest as of the purchase date. To participate in the ABCP Conduit, each sponsor must enter into an ABCP Conduit Agreement, dated [Insert Date] (attached as Appendix X to this notice) with the Department [Are we including any conduit agreements in the FR notice?]. That agreement establishes the nature of the relationship between the Department and the Conduit Manager and establishes the terms and conditions under which the Department will ultimately purchase loans from the Conduit should capital not become available. Under the Conduit arrangement, the Manager may sell eligible loans by delivering to the Department or its agent the fully executed master promissory note (or all electronic records evidencing the same) evidencing each eligible loan and any other documents and computerized records relating to that eligible loan.

For the purpose of the Conduit program, an otherwise

eligible FFELP loan must have been first disbursed on or after July 1, 2003 but before September 30, 2010. At the time of purchase by the Department, the loan must be free and clear of any encumbrance, lien or security interest or any other prior commitment. At the time of purchase by the Department, the loan cannot be in a default status, be 210 or more days delinquent, or have had a lender claim filed for it. In addition, if the lender wishes to sell a loan from a particular borrower, all loans from that particular borrower must be offered for sale.

Unlike the Purchase and Participation Programs announced in July 2008, under the 2009-2010 Loan Purchase, 2009-2010 Participation Interest, and Conduit Programs, the Department will purchase loans with borrower benefits. However, the benefits are limited to those that can be implemented by the Department's servicer for these loans. The Department will accept loans that provide Eligible Borrower benefits as summarized in Exhibit X to the ABCP Conduit Agreement [Insert Date], attached as Appendix X to this notice. A listing of those specific borrower benefits will be posted to the Department's Web site at www.federalstudentaid.ed.gov/ffelp. The Department will not purchase loans if a cash rebate was promised to the borrower.

Outline of Methodology and Factors in Determining Prices for all programs [Do we need a separate pricing discussion for each program (i.e., conduit, replicated PPI and Replicated Put)?

In accordance with Pub.L. No. 110-227, Pub. L. 110-315, and Pub. L. 110-350, the goal in structuring the 2009-2010 Purchase Program, the 2009-2010 Participation Program and the Conduit Program is to maximize student loan availability while ensuring loan purchases result in no net cost to the Federal Government. The Secretaries and Director described the basis for determining the cost neutrality in the Federal Register notice published on July 1, 2008. While this notice provides updated cost estimates in Table X, the methodology remains essentially the same for the 2009-2010 Purchase Program, the 2009-2010 Participation Program and the Conduit Program. This section of the notice responds in particular to the statutory requirement for an outline of the methodology and factors considered in evaluating the price at which loans may be purchased, and describes how the use of such methodology and consideration of such factors will ensure no net cost to the Federal Government results from the loan purchases for the 2009-2010 Purchase Program, the 2009-2010

Participation Program and the Conduit program.

Price: To determine the price at which FFELP loans would be purchased from the Conduit, the Secretaries considered several factors. These factors included the price that would ensure this program resulted in no net cost to the Federal Government; the increased liquidity that the rate would offer distressed lenders; borrower benefits; and other factors. Based on this analysis, the Secretaries determined that 97 percent of outstanding principal and accrued interest was an appropriate price for this program. For the 2009-2010 Purchase Program and the 2009-2010 Participation Program, the Secretaries determined that xx percent of [outstanding principle + ????] is the appropriate price.

Analysis of Cost Neutrality

The cost-neutrality analysis used credit subsidy cost estimation procedures established under the Federal Credit Reform Act of 1990 (Pub. L. No. 101-508) and OMB Circular A-11. These procedures entail performing various analyses to project cash flows to and from the Government, excluding administrative costs. For changes to outstanding FFEL guaranteed loans, the analysis reflects the modification cost, or the difference between the estimate of the net

present value of the remaining cash flows underlying the most recent President's Budget for such loan guarantees, and the estimate of the net present value of these cash flows after the purchase program, reflecting only the effects of the modification. For new loans, cash flows are discounted to the point of disbursement, using the Credit Subsidy Calculator 2 ("OMB calculator"), developed by the Office of Management and Budget to estimate credit subsidy costs for all Federal credit programs, as the discounting tool. Costs for new loans can be expressed as subsidy rates that reflect the Federal costs associated with a loan; these costs are expressed as a percentage of the credit extended by the loan. For example, a subsidy rate of 10.0 percent indicates a Federal cost of $10 on a $100 loan.

The metric to determine cost neutrality was that costs under the new program should not exceed costs expected under the FFEL program had the loan purchase authority in Pub. L. No. 110-227 not been extended in this manner. All costs were based on estimates in the 2009 President's Budget for the FFEL program, and estimates of administrative costs.

Student loan cost estimates were developed to assess the Federal cost incurred for loans financed for students in

five categories for each loan type: those attending proprietary schools, two-year schools, freshmen/sophomores at four-year schools, juniors/seniors at four-year schools, and students in graduate programs. Risk categories have separate assumptions based on historical patterns -- for example, the likelihood of default or the likelihood of exercising statutory deferments or discharge benefits -- of borrowers in each category. The analysis also considered risk factors particular to the 2009-2010 Purchase Program, the 2009-2010 Participation Program and the Conduit Program, such as the likelihood that lenders would sell only their least profitable loans.

This discussion outlines the analysis of the 2009-2010 Purchase Program, the 2009-2010 Participation Program and the Conduit Program with respect to the following critical aspects affecting the Federal cost:

- Administrative costs
- Borrower behavior
- Lender behavior
- Risk factors

Administrative Costs. Federal administrative costs are normally not included in subsidy cost calculations. To capture the full cost of the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit

Program, however, section 459A of the HEA requires that the determination of cost neutrality reflect total costs, including Federal administrative costs subject to annual appropriation, and these costs were included in this analysis. Administrative cash flows primarily involve servicing costs associated with loans purchased by the Department. These costs can extend for up to 40 years, as servicing must continue until the last loan is paid in full. Under the base scenario where $xx billion in small loans were purchased, servicing costs would be $xxx million on a present value basis. Estimates were developed using the price structure of the Department's servicing contract for put loans, with adjustments for start-up costs, inflation, and other costs.

Borrower Behavior. Since the base FFEL program serves as the foundation of the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit Program, and the characteristics of the base program are unchanged, there is no reason to believe that the 2009-2010 Purchase Program, the 2009-2010 Participation Program, or the Conduit Program will affect borrower behavior. Thus, this cost analysis uses borrower behavior assumptions used to prepare the FY 2009 President's Budget to gauge the effect on program costs of borrower-based activities such as loan

repayment, use of statutory benefits such as deferments and loan discharges, and default rates and timing. These assumptions are based on a wide range of data sources, including the National Student Loan Data System, the Department's operational and financial systems, and a group of surveys conducted by the National Center for Education Statistics such as the 2004 National Postsecondary Student Aid Survey, the 1994 National Education Longitudinal Study, and the 1996 Beginning Postsecondary Student Survey.

Lender Behavior. A key factor in assessing whether the ABCP Conduit Program would operate in a cost- neutral manner was lender behavior: specifically for the Conduit program, how many conduits would be created, and for the 2009-2010 Purchase Program and the 2009-2010 Participation Program, how many lenders would participate in the program, including how many and what type of loans would they eventually choose to sell to the Department. The Department considered alternative scenarios of lender behavior to determine whether the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and Conduit Program could be considered cost-neutral under each. Because the Conduit Program would allow the Conduit Manager to sell loans with contingent borrower benefits--such as interest rate reductions for a specified number of on-time

payments--all alternatives include an adjustment to reflect the impact of these potential reductions on future loan repayments. Consistent with stress tests applied by rating agencies in the private securitization market, this adjustment reduces the net cash flow to the Government by reducing the principal of sold loans by 0.5 percent a year. A similar analysis applies to the 2009-2010 Purchase Program and the 2009-2010 Participation Program.

In both scenarios for all programs, the Department assumed a "worst- case" in which lenders sold $xx billion of their smallest, least profitable loans. Because long-term loan servicing costs are generally charged on an account basis independent of loan size, small loans tend to be less profitable than larger loans. Under this scenario, it was determined that costs for the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit Program were less expensive to the Government than baseline subsidy costs for FFELP loans. (Please see Table 1 for a summary of the analysis.)

Scenario: Education purchases $6.5 billion in loans assuming the smallest average borrower balances are put from outstanding 2007-2008 FFEL loans

Risk Factors. Analyzing whether the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the

Conduit Program would operate in a cost-neutral manner requires that projected costs account for the presence of various risk factors that must be assumed since the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit Program will not operate entirely like the base FFELP, or without operational risk. As such, the Secretaries' and Director's estimates included adjustments for four risk factors: (1) that some of the loans purchased by the Department would be those where the Department would otherwise reject a reinsurance claim under the FFELP ("claim rejects"); (2) that unforeseen problems undermine the Department's ability to effectively oversee and administer the Conduit Program ("operational risk"); (3) that costs related to servicing purchased loans do not fully reflect possible future requirements ("general administrative risk"); and (4) that the composition of loans ultimately sold to the Department may result in higher Federal costs than the composition assumed in this analysis ("portfolio composition risk").

To ensure cost estimates reflect a conservative assessment of possible Federal costs, the Secretaries and Director added cost adjustments to incorporate each risk factor. The adjustments were based on an assessment of private-sector behavior and program data as follows:

Claim Rejects. This risk factor takes into account the costs associated with the purchase of loans that would not typically qualify for the federal default guarantee in the FFELP due to improper origination or servicing. The xx basis point increase in cost is based on a historical rejected claim rate of 1 percent of volume, and assumes that these loans would have lower loss rates than the average portfolio. This cost assessment is significantly less than that which was assessed in the analysis of the original Purchase Program. This is appropriate given that the Department, under the Terms and Conditions of the original Purchase Program, had significantly less time to conduct due diligence on loans to be purchased under the original Purchase Program. This decreased cost assessment is intended to take this into account.

Operational Risk. In the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit Program, operational risk might result from servicing errors, technology failures, and the risk of fraud. The Department has made every effort to mitigate operational risk. Given the greater amount of time the Department has to implement this program compared to the original purchase programs, the

risk has been reduced.

For the low risk scenario, the analysis assumes a xx basis point reduction in program cost to reflect this risk. The analysis of the original Purchase Program included a 10 basis point assessment. For the high risk scenario, the analysis assumes an additional 60 basis point increase for operational risk, for a total of 80 basis points, consistent with the assessment in the high risk scenario of the original Purchase Program. In this scenario, the worst-case was estimated using survey data from bank regulators implementing an overhaul of bank regulations. The largest United States banking organizations will be subject to a new system of capital requirements that includes an explicit charge for operational risk. Under those regulations, banks will be required to develop models generating a probability distribution of losses for operational risk, and hold capital equal to the 99.9th percentile of that estimated probability distribution. Banks were surveyed to measure the anticipated impact of the regulations. Using the best available models of operational risk, the banks reported that operational risk would account for roughly 10 percent of their required capital. As banks currently finance on average about eight percent of their assets with capital, worst-case scenario operational risk losses can thus be estimated at about one

percent of total assets. Also, while we do not believe that this program has, or necessarily will, face such a level of operational risk, we developed the high risk scenario to ensure that the program is cost-neutral, even under

extreme and unlikely circumstances.

General Administrative Risk. The analysis of cost neutrality examined the Department's current loan servicing contract, and assumptions of borrower status over the life of the loan after purchase by the Department. The analysis assumed minimal start-up costs as the 2009-2010Purchase Program, the 2009-2010 Participation Program, and the Conduit

Program build on the current loan purchase program infrastructure. In December 2008, the Department plans to extend its current loan servicing contract for one year. This will involve the renegotiation of payment rates for certain activities which may affect long-term servicing costs for the loans purchased under the original Purchase Program, the original Participation Program, the 2009-2010 Loan Program, the 2009-2010 Participation Program, and the Conduit Program. Given the future uncertainty surrounding several factors, including the assumptions outlined above and the status of loans ultimately purchased by the

Department, it is possible that unforeseen additional costs may be incurred. Accordingly, a General Administrative Risk Factor of 100 basis points was added to the analysis.

Portfolio Composition Risk. The cost to the Government of the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit Program depends on numerous factors, including loan size, default/prepayment risk, borrower benefits, and other characteristics of the purchased loans. The cost-neutrality analysis accounts for some of these factors, as outlined in this notice, but may not incorporate all of the dimensions of lender behavior and the loans ultimately purchased by the Department. Given this uncertainty, savings may deviate to some degree from the savings estimated in the model. To ensure that the potential risk and the potential costs are adequately reflected, a Portfolio Composition Risk Factor of 100 basis points was added to the analysis. The Department considered a base scenario under which lenders sold $xxx billion in loans, the maximum amount allowable under the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and Conduit Program. This scenario also assumed lenders would sell their smallest, least profitable loans to the Department and included cost assessments for claim rejects and operational risk [Is this appropriate for the

conduit? Given our role, it might be but need to make sure]. This scenario would result in an average loan balance of approximately $3,000. Under this scenario, the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit Program is cost- neutral.

The Department also considered a high operational risk scenario in which the cost assessment for operation risk was raised from 20 basis points to 80 basis points. Even with this increased assessment, the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit

Program remains cost-neutral. The Terms and Conditions for the 2009-2010 Purchase Program, the 2009-2010 Participation Program, and the Conduit Program seek to reduce the likelihood of lenders exclusively selling low-balance loans. Lenders would be required to sell all eligible loans held for a specific borrower into the Conduit, and the Conduit Manager would be required to sell all eligible loans held by the Conduit for a specific borrower. These provisions make it less likely that lenders will choose to sell only poorly-performing loans to the Department.

Conclusion. After taking into account alternative market and lender behavior scenarios, the Administration determines that the 2009-2010 Purchase Program, the 2009-

2010 Participation Program, and the Conduit Program are in the best interest of the United States and will result in no net cost to the Government.

Applicable Program Regulations: 34 CFR part 682.

Electronic Access to This Document

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To use PDF you must have Adobe Acrobat Reader, which is available free at this site. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, DC, area at (202) 512-1530. You may also view this document in PDF at the following site: http://www.ifap.ed.gov. You may obtain a copy of the Master Loan Sale Agreement and direction regarding submission of the Master Loan Sale Agreement and offers to sell loans at http://federalstudentaid.ed.gov/ffelp.

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at: http://www.gpoaccess.gov/nara/index.html.

(Catalog of Federal Domestic Assistance Number 84.032

Federal Family Education Loan Program)

Program Authority: 20 U.S.C. 1087i-1.

Dated:

_____

Margaret Spellings,

Secretary of Education.

Dated:

_____

Henry M. Paulson, Jr.,

Secretary of the

Treasury.

Dated:

_____

Jim Nussle,

Director, Office of Management and

Budget.

DATE:

TO: The Secretary
Through: US _____
ES _____

THROUGH: GC

FROM: Cheryl Oldham
Acting Assistant Secretary for
Postsecondary Education

SUBJECT: Regulatory Action Memorandum: Notice -- Federal Family Education Loan (FFEL) Program.

ISSUE

Whether to approve the Departments of Education and Treasury and Office of Management and Budget's joint notice establishing the terms and conditions of the loan purchase programs authorized by Ensuring Continued Access to Student Loans Act of 2008 (Pub. L. 110-227 as extended by Pub. L. 110-350).

BACKGROUND

Under section 459A of the Higher Education Act of 1965, as amended as amended by the Ensuring Continued Access to Student Loans Act of 2008 (Pub. L. 110-227 as extended by Pub. L. 110-350), the Department of Education has the authority to purchase, or enter into forward commitments to purchase, Federal Family Education Loan Program(FFELP) loans made under sections 428 subsidized Stafford loans), 428B (PLUS loans), or 428H unsubsidized Stafford loans) of the HEA, on such terms as the Secretary of the Treasury, the Director of the Office of Management and Budget and you jointly determine are in the best interest of the United States.

The proposed notice establishes the terms and conditions that will govern the loan purchases, outlines the methodology and factors that have been considered in evaluating the price at which the Department will purchase loans made under section 428, 428B, or 428H of the HEA, and describes how use of those factors and methodology will ensure that the loan purchases do not result in any net cost to the Federal Government.

The purchasing of loans is intended to encourage eligible FFELP lenders to provide students and parents access to Stafford and PLUS loans for the 2008-2009 and 2009-2010 academic years. To accomplish this objective, the Department is offering lenders a Loan Purchase Commitment Program and a Loan Participation Purchase Program. In addition, the notice announces the terms under which the Department will enter into agreements with one or more conforming Asset-Backed Commercial Paper (ABCP) conduit(s).

FISCAL HISTORY OF PROGRAM

The FY 2008 and FY 2009 budget authority for title IV loan programs follows:

Program ($ in 000's)	FY 2008	FY 2009 President's Budget
Federal Family Education Loans	4,533,440	2,407,263

SUMMARY OF MAJOR PROVISIONS

Through this notice, the Department is extending the offer to purchase loans to include eligible loans from the 2009-2010 academic year, under terms and conditions established in this notice, and to enter into an agreement with one or more conforming Asset-Backed Commercial Paper (ABCP) conduit(s).

Under this extension of the Loan Purchase Commitment Program, the Department may purchase fully disbursed FFEL Program (Subsidized, Unsubsidized, and PLUS) loans originated for academic year 2009-2010. To participate in the extension of the Purchase Program, each eligible lender must enter into a separate Master Loan Sale Agreement with the Department and deliver to the Department or its agent the fully executed master promissory note (or all electronic records evidencing the same) evidencing each eligible loan that the eligible lender wishes to sell to the Department and any and all other documents and computerized records relating to such eligible loans.

For the purpose of this extension of the Loan Purchase Program, an otherwise eligible loan must have been first disbursed after May 1, 2009 for the loan period beginning on July 1, 2009 and support attendance at a post-secondary institution during the 2009-2010 academic year. The loan must be, or will be upon purchase by the Department, free and clear of any encumbrance, lien or security interest or any other prior commitment. Consolidated loans are not eligible for purchase by the Department.

DECISION

The Office of Management and Budget (OMB) and the Department of Treasury have reviewed the notice has reviewed this document. If you approve the notice, it will be forward to Treasury and OMB for signature. If you do not approve transmittal, please advise of any alternative action you wish to be taken and sign below.

Other/Comments:

_____

_____

_____

_____ _____

Signature Date

PREPARED BY: OPE/PPI/PBDS: DBERGERON: 1/6/09: 502-7815

CONTACT: OGC/DRS: L.KANTER: 401-8300

ATTACHMENT:

Notice

2009 MASTER LOAN SALE AGREEMENT

UNITED STATES DEPARTMENT OF EDUCATION

JANUARY 1, 2009

ELIGIBLE LOANS MADE PURSUANT TO THE
FEDERAL FAMILY EDUCATION LOAN PROGRAM

TABLE OF CONTENTS

		Page
Section 1.	Terms	1
Section 2.	Commitment to Lend Under the FFELP	2
Section 3.	Definitions	2
Section 4.	Sale/Purchase.	9
Section 5.	Conditions Precedent to Purchase.	11
Section 6.	Representations and Warranties of the Seller and the Eligible Lender Trustee.	14
Section 7.	Rescission of Purchase; Obligation to Reimburse and Indemnify	20
Section 8.	Obligation to Remit Subsequent Payments and Forward Communications.	21
Section 9.	Continuing Obligation of the Seller	21
Section 10.	Liability of the Seller; Indemnities	21
Section 11.	Transfer of Servicing	22
Section 12.	Merger or Consolidation of, or Assumption of the Obligations of, the Seller	22
Section 13.	Expenses	23
Section 14.	Survival of Covenants	23
Section 15.	Communication and Notice Requirements	23
Section 16.	Form of Instruments	24
Section 17.	Amendment; Waiver	24
Section 18.	Audits	24
Section 19.	Severability Clause	25
Section 20.	Governing Law	25
Section 21.	Exhibits	25
Section 22.	General Interpretive Principles	25
Section 23.	Reproduction of Documents	26
Section 24.	Further Agreements	26
Section 25.	Other Department Program	26
Section 26.	Adoption	26
Section 27.	Integration	26

EXHIBITS

EXHIBIT A - FORM OF ADOPTION AGREEMENT
EXHIBIT B - FORM OF SELLER'S OFFICER'S CERTIFICATE
EXHIBIT C - FORM OF OPINION OF COUNSEL TO THE SELLER
EXHIBIT D - FORM OF 45-DAY NOTICE OF INTENT TO SELL LOANS
EXHIBIT E - FORM OF BILL OF SALE
EXHIBIT F - FORM OF SECURITY RELEASE CERTIFICATION
EXHIBIT G - FORM OF NOTICE OF ASSIGNMENT AND DESIGNATION OF PAYEE
EXHIBIT H - FORM OF NOTICE OF INTENT TO PARTICIPATE

MASTER LOAN SALE AGREEMENT

This is a Master Loan Sale Agreement, dated January 1, 2009 ("2009 Master Loan Sale Agreement"), among the United States Department of Education ("Department") and an individual Eligible Lender (as defined below) or the holder of beneficial interests in Loans (such entity, "Seller"), and if the latter, the related Eligible Lender Trustee, in each case made party to this Master Loan Sale Agreement by executing an Adoption Agreement in the form attached hereto as Exhibit A.

WHEREAS, pursuant to Section 459A of the Higher Education Act of 1965, as amended, the Department has the authority to purchase Stafford Loans and PLUS Loans, on such terms as the Secretary of Education, the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States to encourage Eligible Lenders to provide students and parents access to Stafford Loans and PLUS Loans made under the Federal Family Education Loan Program for the 2009-2010 academic year;

WHEREAS, the Seller has an ownership interest in certain Stafford Loans and PLUS Loans guaranteed under the Higher Education Act;

WHEREAS, the Seller may desire to sell its interest in such loans from time to time and the Department may desire to purchase such loans from the Seller;

WHEREAS, to the extent that the Department, the Seller and the Eligible Lender Trustee (if applicable) enter into an Adoption Agreement, this Master Loan Sale Agreement shall provide for the Seller to sell to the Department certain of such loans by sale and transfer to the Department of all of the Seller's and the Eligible Lender Trustee's (if applicable) right, title and interest in, to and under such loans (including the right to service such loans) as authorized by the Higher Education Act, all on the terms and conditions set forth below; and

WHEREAS, by its execution of an Adoption Agreement to this 2009 Master Loan Sale Agreement, and upon each transfer hereunder, the Seller shall represent to the Department that it shall continue to participate in the Federal Family Education Loan Program and that at such time as funds become reasonably available to it from private sources, it will originate new FFELP loans or acquire FFELP loans made by other lenders after the Department's purchases of Loans from the Seller.

NOW, THEREFORE, in connection with the mutual promises contained herein, the parties hereto agree as follows:

Section 1. Terms. This 2009 Master Loan Sale Agreement establishes the terms under which the Seller, together with an Eligible Lender Trustee, if any, which holds legal title to Eligible Loans on behalf of the Seller and which is authorized to sell Eligible Loans on behalf of the Seller, may sell, and the Department shall purchase, the Eligible Loans (and all obligations of the Borrowers thereunder) specified on each Loan Schedule attached to each Bill of Sale as the parties may execute from time to time pursuant to this Master Loan Sale Agreement, subject to the terms of this Master Loan Sale Agreement. Each such Bill of Sale shall be substantially in the form of Exhibit E, attached hereto, incorporating by reference the terms of this Master Loan

Sale Agreement, and shall be a separate agreement among the Seller, the Eligible Lender Trustee (if applicable) and the Department with respect to the Loans covered by the terms of such Bill of Sale for all purposes. If the terms of a Bill of Sale conflict with the terms of this Master Loan Sale Agreement, the terms of this Master Loan Sale Agreement shall supersede and govern except to the extent that such conflict is specifically noted in the Bill of Sale and the parties acknowledge and agree that notwithstanding such conflict, the terms of the Bill of Sale shall govern.

In order to sell any Loans pursuant to this 2009 Master Loan Sale Agreement, the Seller must notify the Department that it will sell such Loan(s) no later than August 14, 2010, and must complete the sale on or before September 30, 2010. If an Eligible Lender fails to meet one or both of these dates, the right to sell Loans hereunder shall terminate and the Department will not honor any commitment to purchase loans.

No Loan will be eligible for sale hereunder to the Department if the first disbursement was made prior to the date on which the Department received a completed 2009 Notice of Intent to Participate from the Seller.

If an Eligible Lender wishes to sell a Loan to the Department that it did not originate, both the Eligible Lender and the originating Lender must each deliver a completed 2009 Notice of Intent to Participate to the Department prior to the date on which it originated or acquired the Loan, as the case may be.

Section 2. **Commitment to Lend Under the FFELP. By its execution of an Adoption Agreement, and upon each sale hereunder, the Seller represents to the Department that it shall continue to participate in the FFELP (either itself or through an Eligible Lender Trustee) and that at such time as funds become reasonably available to it from private sources, it will originate new FFELP loans or acquire FFELP loans made by other lenders after the date of the sale of the Loans to the Department hereunder.**

Section 3. Definitions. For purposes of this 2009 Master Loan Sale Agreement, the following capitalized terms shall have the respective meanings set forth below:

A. "Adoption Agreement" means an Adoption Agreement, substantially in the form of Exhibit A, attached hereto, of which this 2009 Master Loan Sale Agreement forms a part by reference, by and among the Department, a Seller and an Eligible Lender Trustee (if applicable) obligating each of the parties thereto to the terms of this Master Loan Sale Agreement. If the terms of an Adoption Agreement conflict with the terms of this Master Loan Sale Agreement, the terms of this Master Loan Sale Agreement shall govern except to the extent that such conflict is specifically noted in such Adoption Agreement and the parties acknowledge and agree that notwithstanding such conflict, the terms of the Adoption Agreement shall govern.

B. "Bill of Sale" means each document in the form of Exhibit E, attached hereto, executed by an authorized officer of the Seller and acknowledged by the Department, which shall (i) set forth the Loans offered by the Seller and accepted for purchase by the Department, (ii) sell, assign and convey to the Department and its assignees, all right, title and interest of the Seller, in the Loans listed on that Bill of Sale and (iii) certify that the representations and

warranties made by the Seller pursuant to Sections 6A and 6B of this Master Loan Sale Agreement are true and correct.

C. "Borrower" means the student or parent obligor on a Loan.

D. "Business Day" means any day other than (i) a Federal or applicable State holiday, or (ii) a Saturday or Sunday.

E. "Custodian" means the custodian of loans pursuant to Master Participation Agreement between the Department, a custodian bank, and, as applicable, an Eligible Lender or an Eligible Lender Trustee and a holder of a beneficial ownership interest in FFELP loans.

F. "Eligible Borrower Benefits" means only those borrower benefits for a Loan that are (i) unconditional upfront fee reductions which are accrued and paid or made prior to the date on which a Loan is sold hereunder, or (ii) permitted reductions in interest rates of not more than 0.25 percent that are contingent on the use of an automatic payment process by the Borrower for any payments due.

G. "Eligible Lender" means an entity that is an eligible lender under Section 435(d) of the Higher Education Act that holds Eligible Loans (whether directly or as an Eligible Lender Trustee).

H. "Eligible Lender Trustee" means an Eligible Lender that holds legal title to a Loan for the benefit or on behalf of the Seller which holds the related beneficial ownership interest in such Loan that is authorized to sell Eligible Loans on behalf of the Seller, and that executes an Adoption Agreement together with such Seller.

I. "Eligible Loan" means a Loan that meets the following criteria as of the applicable Purchase Date:

(i) the Loan was made for loan periods that include, or begin on or after, July 1, 2009, the first disbursement on the Loan is made on or after May 1, 2009 but no later than July 1, 2010, and the Loan is fully disbursed no later than September 30, 2010;

(ii) the Loan is owned by the Seller, together with the Eligible Lender Trustee (if applicable), and is fully disbursed;

(iii) the Loan has been originated and serviced in compliance with all requirements of applicable law, including the Higher Education Act and the implementing regulations, the Equal Credit Opportunity Act, Regulation B and other applicable consumer credit laws and equal credit opportunity laws, as applicable to such Loan;

(iv) the Loan is guaranteed at least 97% as to principal and interest by the applicable Guarantor and eligible for reinsurance by the Department in accordance with the Higher Education Act;

(v) the Loan bears interest at a stated rate equal to the maximum rate permitted under the Higher Education Act for such loan, except as the rate is modified by an Eligible Borrower Benefit;

(vi) the Loan is eligible for the payment of quarterly Special Allowance Payments;

(vii) if the Loan is not yet in repayment status, the Loan is eligible for payment of Interest Subsidy Payments, or if not eligible, has interest either billed quarterly to the Borrower or capitalized to the extent permitted by the applicable Guarantor (unless, by the Purchase Date, the Seller would not otherwise have billed the borrower quarterly for interest accrued on the Loan);

(viii) the Loan is evidenced by a signed Promissory Note in the form (including any required addenda) published by, and prescribed by, the Department, without change of any kind, and is not subject to any agreement not contained in the note that would bar, condition, or limit either transfer of the loan or the exercise by a transferee of the rights of the Lender under the terms of the note, except as such an agreement relates exclusively to borrower benefits on the loan;

(ix) the Seller, together with the Eligible Lender Trustee (if applicable), has good and marketable title to the Loan free and clear of any encumbrance, lien or security interest or any other prior commitment other than as may be granted in favor of the Department or that will be released pursuant to a Security Release Certification upon the transfer hereunder;

(x) the Loan has not been modified, extended or renegotiated in any way, except as required or permitted under the Higher Education Act or other applicable laws, rules and regulations, and the applicable Guarantee Agreement;

(xi) the Loan constitutes a legal, valid and binding obligation to pay on the part of the related Borrower enforceable in accordance with its terms and is not subject to a current bankruptcy proceeding;

(xii) the Loan is supported by the documents required under this Agreement;

(xiii) the Loan has no borrower benefits or other incentive programs other than Eligible Borrower Benefits;

(xiv) if the Loan is subject to a servicing agreement, such servicing agreement is terminable with respect to such Loan upon thirty (30) days' notice by the Department without the payment by the Department of any de-boarding, deconversion or related fees or expenses of the related servicer and without any liability on the part of the Department;

(xv) the sale or assignment of the Loan does not conflict with any law or require notice to or consent, approval, authorization or order of any Person or governmental authority, except for such consent, approval, authorizations or orders, if any, that have been obtained prior to the related Purchase Date, and for any notices to Borrowers and Guarantors required by the Higher Education Act;

(xvi) if the Loan is made under Section 428 (Subsidized Stafford Loans) or Section 428H (Subsidized Stafford Loans) of the Higher Education Act, such Loan shall have been sold to the Department together with all of the Borrower's other Subsidized Stafford Loans and Unsubsidized Stafford Loans that are Eligible Loans and that are held by or on behalf of the Seller; and

(xvii) the Loan has been originated or acquired by either an Eligible Lender or a lender that is not an Eligible Lender and the legal title of such Loan is held by an Eligible Lender Trustee, and pursuant to Section 1 above, the Department has timely received the Notices of Intent to Participate.

The following loans shall, without limitation, not be eligible for sale to the Department pursuant to the terms of this 2009 Master Loan Sale Agreement:

(i) loans which do not comply with the representations and warranties set forth in Section 6B of this Master Loan Sale Agreement;

(ii) FFELP consolidation loans or any other types of loans not specifically described in this Master Loan Sale Agreement;

(iii) loans disbursed for academic years other than 2009-2010;

(iv) loans on which the lender has committed to providing the Borrower with any borrower benefits other than Eligible Borrower Benefits, without regard to whether such a commitment purports to bind only the Lender;

(v) loans on which a default claim or other claim for payment on the loan has been filed with the related Guarantor; and

(vi) loans made by a guarantor or other lender as a Lender of Last Resort, pursuant to Section 428(j) of the Higher Education Act, whether made with Federal advances or other funds.

J. "Equal Credit Opportunity Act" means the Equal Credit Opportunity Act (15 U.S.C. Section 1691 *et seq.*) as amended.

K. "FFELP" means the Federal Family Education Loan Program authorized under title IV, Part B of the Higher Education Act.

L. "Guarantee Agreement" means an agreement between a Guarantor and the Seller or the Eligible Lender Trustee (if applicable) that provides for the payment by such Guarantor of amounts authorized to be paid pursuant to the Higher Education Act to holders of qualifying FFELP student loans guaranteed in accordance with the Higher Education Act.

M. "Guarantor" means any FFELP guaranty agency with which the Seller or the Eligible Lender Trustee (if applicable) has in place a Guarantee Agreement, and which guarantor is reinsured by the Department of Education for a percentage of claims paid for a given federal fiscal year.

N. "Higher Education Act" means the Higher Education Act of 1965, as amended, 20 U.S.C. Section 1001 et seq.

O. "Interest Subsidy Payments" means the interest subsidy payments on certain FFELP student loans authorized to be made by the Department pursuant to Section 428 of the Higher Education Act.

P. "Loan" means a FFELP Subsidized Stafford Loan or Unsubsidized Stafford Loan or FFELP PLUS Loan that was made to a student or in the case of a parent PLUS loan, made to a parent of a dependent student, evidenced by a Promissory Note and all related Loan Documents together with any guaranties and other rights relating thereto including, without limitation, Interest Subsidy Payments and Special Allowance Payments, together with the servicing rights related thereto.

Q. "Loan Documents" means with respect to each Loan, the following documents (except as otherwise specifically provided by the Department):

(i) a copy of the loan application if a separate application was provided to the Seller;

(ii) a copy of the signed Promissory Note;

(iii) the repayment schedule;

(iv) a record of each disbursement;

(v) notices of changes in a Borrower's address and status as at least a half-time student;

(vi) evidence of the Borrower's eligibility for a deferment;

(vii) the documents required for the exercise of forbearance;

(viii) documentation of the assignment of the loan, if any;

(ix) a payment history showing the date and amount of each payment received from or on behalf of the Borrower, and the amount of each payment that was attributed to principal, interest, late charges, and other costs;

(x) a collection history showing the date and subject of each communication between the Seller and the Borrower or endorser relating to collection of a delinquent Loan, each communication other than regular reports by the Seller showing that an account is current, between the Seller and a credit bureau regarding the loan, each effort to locate a Borrower whose address is unknown at any time, and each request by the Seller for default aversion assistance on the Loan;

(xi) documentation of any master promissory note confirmation process or processes;

(xii) any additional records that are necessary to document the validity of a claim against the guarantee or the accuracy of reports submitted by the Seller; and

(xiii) a statement identifying the name and location of the entity in possession of the original electronic promissory note and, if different, the name, company, address and contact information of the person who is able to provide the affidavit or certification described in 34 C.F.R. Section 682.414(a)(6)(i), including any necessary supporting documentation.

R. "Loan Schedule" means the schedule attached to each Bill of Sale (in the form provided by the Department) and completed by or on behalf of the Seller and the Eligible Lender Trustee (if applicable) that lists, by Borrower, (i) the Loans sold to the Department pursuant to such Bill of Sale, (ii) the name and address of such Borrower, the loan number, the qualifying institution attended by the Borrower, and the outstanding Principal Balance and accrued interest of such Loans as of the related Purchase Date, and (iii) any other information the Department may require including but not limited to certain identification numbers and dates relating to the Eligible Loans.

S. "Master Loan Sale Agreement" or "2009 Master Loan Sale Agreement" means this January 1, 2009 Master Loan Sale Agreement, of which the Adoption Agreement forms a part by reference.

T. "Master Participation Agreement" or "2009 Master Participation Agreement" means the Master Participation Agreement dated January 1, 2009, together with the related adoption agreement among the Department, the Seller, the Eligible Lender Trustee (if applicable) and the related Custodian.

U. "Notice of Intent to Participate" means the notice provided to the Department by an Eligible Lender or by an entity other than an Eligible Lender that holds a beneficial ownership interest in Eligible Loans and the Eligible Lender Trustee for that entity, of its intent to become a Seller hereunder, which shall be in the form attached hereto as Exhibit H.

V. "Person" means an individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

W. "PLUS Loan" means a Loan described in Section 428B of the Higher Education Act and shall include loans to parents, designated as "PLUS Loans" or loans to graduate or professional students, designated "Grad PLUS Loans."

X. "Principal Balance" means the outstanding principal amount of the Loan, plus interest capitalized through the Purchase Date (if any).

Y. "Promissory Note" means the master promissory note of the Borrower and any amendment thereto evidencing the Borrower's obligation with regard to a student loan guaranteed under the Higher Education Act, either in paper form or in the electronic records evidencing the same.

Z. "Purchase Date" means with respect to any purchase, the effective date of the related Bill of Sale by which the related Loans are sold to the Department and legal title to such Loans is conveyed to the Department. The latest Purchase Date hereunder shall be September 30, 2010.

AA. "Purchase Price" means with respect to each Loan sold to the Department hereunder, (1) the outstanding Principal Balance of the Loan as of the related Purchase Date, plus (2) accrued and unpaid interest on the Loan up to but not including the related Purchase Date, plus (3) a reimbursement of the one percent (1%) loan fee (as provided by Section 438(d) of the Higher Education Act) previously paid by the Seller to the Department, plus (4) $75.00 for such Loan.

BB. "Regulation B" means the federal regulations governing the Equal Credit Opportunity Act as it appears in Title 12, Code of Federal Regulations, Part 202.

CC. "Responsible Officer" means any director, vice president, assistant vice president, any associate or any other officer of the Sponsor, customarily performing functions similar to those performed by any of the above designated officers and with respect to a particular matter, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Agreement.

DD. "Secretary" means the Secretary of Education, and "Department" means the United States Department of Education, and either term includes any official of the Department duly authorized to perform any function with respect to the transactions under this Master Loan Sale Agreement.

EE. "Security Release Certification" means the certification executed by the Seller and a lienholder with respect to one or more Loans substantially in the form of Exhibit F hereto.

FF. "Seller" has the meaning set forth in the preamble hereof.

GG. "Special Allowance Payments" means special allowance payments on FFELP student loans authorized to be made by the Department pursuant to Section 438 of the Higher Education Act.

HH. "Stafford Loan" means a Subsidized Stafford Loan or an Unsubsidized Stafford Loan.

II. "Subsidized Stafford Loan" means a Loan described in Section 428(a) of the Higher Education Act.

JJ. "Unsubsidized Stafford Loan" means a Loan described in Section 428H of the Higher Education Act.

Section 4. Sale/Purchase.

A. Notices.

(i) The Seller shall notify the Department of its intent to sell loans under this Agreement by submitting to the Department a 45-Day Notice of Intent to Sell Loans And Projected Loan Schedule Summary of Loans to Be Sold Pursuant to the Master Loan Sale Agreement, in the form of Exhibit D to this Agreement, that describes the loans proposed for sale and the date the Seller proposes to have the sale consummated. The Seller shall submit this Notice at least forty-five (45) calendar days prior to the Purchase Date proposed by the Seller.

(ii) The Seller shall provide the Department, at least seven (7) Business Days before the requested Purchase Date, a list of all loans to be sold with information regarding each loan required by the Department.

B. Consummation of Sale and Purchase. The sale and purchase of Loans pursuant to a Bill of Sale shall be consummated upon (i) the Department's receipt from the Seller and the Eligible Lender Trustee (if applicable) of the related Bill of Sale together with a Loan Schedule attached thereto, (ii) the delivery of the related Promissory Notes and related Loan Documents to the Department, (iii) the payment by the Department to the Seller of the Purchase Price, and (iv) the satisfaction of all other conditions precedent set forth in Section 5B hereof in the manner set forth in this Agreement (or if unsatisfied, the Department has permitted such unsatisfied conditions to be cured within an acceptable period of time following the Purchase Date, in the Department's sole discretion).

Upon delivery of the executed Bill of Sale and payment by the Department of the Purchase Price with respect to the related Loans being sold on such Purchase Date, (x) if the Seller is an Eligible Lender, the Seller thereby sells, transfers, assigns, sets over and conveys to the Department, without recourse, but subject to the terms of the Agreement, all rights, title and interest of the Seller in and to the Loans listed on the Loan Schedule delivered in connection with the related Purchase Date, or (y) if the Seller is not an Eligible Lender, the Eligible Lender Trustee thereby sells, transfers, assigns, sets over and conveys to the Department, without recourse, but subject to the terms of the Agreement, all of its rights, title and interest in and to the related Eligible Loans, and the Seller thereby sells, transfers, assigns, sets over and conveys to the Department, without recourse, but subject to the terms of the Agreement, all of its beneficial interests in such Eligible Loans, and (iii) the Seller sells, transfers, assigns, sets over and conveys to the Department all of the related servicing files and servicing rights appurtenant to the related Loans, the related Promissory Notes and related Loan Documents (including, without limitation,

any rights of the Seller to receive from any third party any documents which constitute a part of the loan or servicing files) and all rights and obligations arising under the documents contained therein.

The Department and the Seller acknowledge and agree that the Purchase Price paid for each Loan includes consideration for release by the Seller of any claim it may otherwise have with respect to related servicing rights appurtenant to such Loan. Such sale and purchase shall be effective as of the date of the payment to the Seller. The Seller shall use its best efforts to perform promptly its obligations pursuant to such Bill of Sale with respect to each Loan.

Notwithstanding anything herein to the contrary, a lender providing interim financing to the Seller for Loans prior to the sale to the Department hereunder shall have the right to enforce the Seller's obligations to sell Loans to the Department on the Purchase Date and perform pursuant to the Bill of Sale, if (i) such lender presents to the Department a power of attorney that is duly executed by the Seller and the Eligible Lender Trustee (if applicable and to the extent necessary) and is enforceable in each applicable jurisdiction, (ii) the Loans are Eligible Loans (except that a Loan need not be fully disbursed in order to satisfy this clause (ii)) and (iii) such lender makes all of the representations and warranties with respect to the Loans as are set forth in Section 6B hereof. For the avoidance of doubt, except as provided in clause (iii) of the previous sentence, such lender, in exercising its rights under this Section 4B, shall not be obligated to perform any of the obligations of the Seller or the Eligible Lender Trustee (if applicable) hereunder, including any obligation to file a Notice of Intent to Participate with the Department, or to make any further disbursements with respect to any Loan sold to the Department by such lender.

C. Settlement of the Purchase Price; Remittance to Assignee of Seller. On the Purchase Date, the Department shall pay to the Seller or the assignee of the Seller the Purchase Price by electronic transfer in funds available by the next Business Day to the account specified by the Seller. A Seller may assign its right to payment to lender that provides financing to Seller to make or acquire loans. To assign its right to payment of proceeds of a sale, the Seller and the lender must execute a Notice of Assignment and Designation of Payee in form of Exhibit G attached to this Agreement for proceeds of the sale that have been assigned, and must submit that Notice to the Department with the Bill of Sale.

D. Purchase Frequency. The Seller may not sell Loans to the Department more frequently than weekly.

E. Interest Subsidy and Special Allowance Payments and Fees. The Seller shall be entitled to all Interest Subsidy Payments and Special Allowance Payments on the Loans up to but not including the related Purchase Date, and shall be responsible for the payment of fees, if any, applicable to Loans accruing up to but not including the related Purchase Date. The Department shall be entitled to all payments on a Loan which are received after the Purchase Date.

F. Transfer of Servicing. The Seller shall cause each related servicer of the Loans to transfer servicing in accordance with the directions of the Department and in accordance with industry standards related to the prudent servicing of FFELP loans.

G. Intent of the Parties. With respect to each sale of Loans pursuant to this Master Loan Sale Agreement and the related Bills of Sale, it is the express intention of the Seller and the Department, and the Seller hereby warrants that, the transfer and assignment constitute a valid sale of such Loans and the rights to service such Loans from the Seller to the Department, and that the legal and beneficial interest in and title to such Loans shall not be part of the Seller's estate in the event of the bankruptcy of the Seller or the appointment of a receiver with respect to the Seller. If such transfer and assignment is deemed to be a pledge to secure a loan and not a sale, then the parties also intend and agree that the Seller shall be deemed to have granted, and in such event does hereby grant, to the Department, a first priority security interest in all of its right, title and interest in, to and under such Loans, including the servicing rights appurtenant thereto, all payments of principal or interest on such Loans due after the related Purchase Date, all other payments made in respect of such Loans after the related Purchase Date and all proceeds thereof and that this Master Loan Sale Agreement shall constitute a security agreement under applicable law. If such transfer and assignment is deemed to be a pledge to secure a loan and not a sale, the Seller consents to the Department hypothecating and transferring such security interest in favor of Department's successors or assigns.

Section 5. Conditions Precedent to Purchase.

A. Initial Document Delivery. Not less than twenty (20) Business Days prior to the first Purchase Date hereunder, the Seller shall submit to the Department fully executed originals of the following documents:

(i) an Adoption Agreement, in substantially the form of Exhibit A hereto, duly executed by the Seller and the Eligible Lender Trustee (if applicable), in three counterparts;

(ii) if the Seller has not entered into the Master Loan Sales Agreement dated July 25, 2008 with the Department –

(1) an officer's certificate, in substantially the form of Exhibit B hereto, including all attachments thereto, and

(2) an opinion of counsel to the Seller, in substantially the form of Exhibit C hereto; and

(iii) such other documents as the Department may request.

B. Purchase Date Closing Conditions. Any purchase of Loans pursuant to this Master Loan Sale Agreement on any Purchase Date is subject to the following conditions precedent being satisfied (and the Seller, by accepting payment, shall be deemed to have certified that all such conditions are satisfied on such Purchase Date):

(i) Activities Prior to the Related Purchase Date. The Seller shall have provided any assistance requested by the Department in determining that all required documentation on the related Loans is present and correct.

(ii) Servicing Released. Each Loan subject to a servicing agreement shall have been released from such servicing agreement upon the sale to the Department hereunder. The Seller shall be responsible for, and shall have paid, any de-boarding, deconversion or related fees or expenses to the related servicer. The Department shall obtain all rights to service such Loan and may, in its sole discretion require deconversion of such Loan in order to service the loan itself or through a third-party servicer of its designation.

(iii) Bill of Sale/Loan Schedule/Loan Documents. The Seller shall deliver to the Department:

(1) A Bill of Sale that has been duly authorized and executed by an authorized officer of the Seller and the Eligible Lender Trustee (if applicable), covering the applicable Loans offered by the Seller and acknowledged and accepted by the Department as set forth thereon;

(2) The Loan Schedule attached to the Bill of Sale identifying each of the Eligible Loans proposed to be sold; and

(3) The Loan Documents for each Loan listed on the Loan Schedule.

(4) In the case of a purchase of Loans evidenced by electronically signed promissory notes, the Seller may, for all such Loans, satisfy its obligation to provide those Loan Documents included in section 3 Q (xi), (xii) and (xiii) by providing with the Bill of Sale, or not later than November 30, 2009 for any Bill of Sale submitted by that date, a "representative affidavit," with full supporting material, that describes the procedures the Lender used to make and hold a particular Loan and the procedures whereby that Seller will be able to meet any additional needs of the Department for records supporting that Loan, and a certification that such representative affidavit describes the procedures that have been and will be used respecting all other Loans sold to the Department (unless otherwise indicated respecting any such other Loans, in which case a separate representative affidavit shall be provided) under this Master Loan Sales Agreement. The Department shall consider a representative affidavit acceptable only if it contains each of the following elements:

(I) The name and location of the entity in possession of any original electronic promissory note.

(II) A description (such as a flow chart) of the steps followed by the borrower to execute the promissory note (including those relating to any applicable master promissory note confirmation process).

(III) A copy of each computer screen as it appeared to the borrower when signing the note electronically.

(IV) A description of the field edits and any other security measures used to ensure the integrity of the data submitted to the originator electronically.

(V) A description of how the executed promissory note has been preserved so as to ensure that it could not be altered after it was executed.

(VI) Documentation supporting the Seller's authentication and electronic signature process.

(VII) An indication of the Seller's capability and readiness to provide Loan-specific affidavits for particular Loans in the future, as may be requested by the Department.

(iv) Endorsement. At the direction of and in such form as the Department may designate, the Seller also agrees to individually endorse any Loan as the Department may request from time to time.

(v) Eligible Lender Trustee Sales. The Eligible Lender Trustee (if applicable) shall have delivered to the Department such additional documents and information as the Department shall have requested to evidence that the Eligible Lender Trustee is fully authorized to sell each related Loan on behalf of the Seller.

(vi) Security Release Certification. If any of the Loans is subject to any security interest, pledge or hypothecation for the benefit of any Person, the Seller shall annotate the Bill of Sale to disclose that interest, and shall deliver to the Department a Security Release Certification, in the form of Exhibit F attached hereto executed by such Person.

(vii) Additional Documents. The Seller shall have delivered to the Department such additional documents and information as the Department shall have requested.

(viii) Additional Notices of Loan Transfer. The Seller shall deliver to the Borrower such notices of loan transfer as may be required by the Higher Education Act and implementing regulations. The Seller agrees that the Department may use the related Bill of Sale, together with the related, attached Loan Schedule, as official notification to the Guarantor of the assignment by the Seller and the Eligible Lender Trustee (if applicable) on behalf of the Seller to the Department of the Loans listed on such Loan Schedule.

(ix) Independent Public Accountant Review. Upon the consummation of the initial purchase of Loans hereunder, and on any subsequent dates specified by the Department (but not more often than monthly), the Seller shall deliver an agreed upon procedures letter by an independent public accountant with respect to the Loans proposed to be sold on such Purchase Date, in form acceptable to the Department.

C. Power of Attorney. The Seller hereby grants to the Department an irrevocable power of attorney, which power of attorney is coupled with an interest, (i) to individually endorse or cause to be individually endorsed in the name of the Seller any Loan sold to the Department hereunder, (ii) to evidence the transfer of such Loan to the Department, (iii) to cause to be transferred physical possession from the Seller to the Department or any party on its behalf of any Promissory Note evidencing a Loan sold to the Department hereunder, and (iv) to perform all other acts which the Department deems appropriate to protect, preserve and realize upon the Loans sold hereunder, including, but not limited to, the right to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any Promissory Note, complete blanks in documents, transfer servicing and execute assignments and other instruments on behalf of the Seller as its attorney in fact.

Section 6. Representations and Warranties of the Seller and the Eligible Lender Trustee.

A. Representations as to the Seller and the Eligible Lender Trustee. The Seller, as to each matter referenced below, and to the extent expressly required below, the Eligible Lender Trustee (if applicable), represents and warrants to the Department, as of the date the Adoption Agreement is executed and as of the date of each Bill of Sale that:

(i) Each of the Seller and the Eligible Lender Trustee (if applicable) (1) is duly organized, validly existing and in good standing under the laws of the State of its formation or of the United States, as applicable, (2) has all licenses necessary to carry out its business as now being conducted or is otherwise exempt under applicable law from such licensing or qualification or is otherwise not required under applicable law to effect such licensing or qualification and no demand for such licensing or qualification has been made upon it by any such state, and (3) in any event is in compliance with the laws of any such state to the extent necessary to ensure the enforceability of each Loan. No licenses or approvals obtained by it have been suspended or revoked by any court, administrative agency, arbitrator or governmental body and no proceedings are pending which might result in such suspension or revocation;

(ii) The Seller or the Eligible Lender Trustee (if applicable) is an "eligible lender" as such term is defined in Section 435(d) of the Higher Education Act, has a lender identification number issued by the Department with respect to the Loans, and has in effect a Guarantee Agreement with a Guarantor with respect to each of the Loans;

(iii) With respect to each state or jurisdiction therein in which the Seller undertakes origination activities, Seller is in full compliance with such state's or jurisdiction's (as applicable) laws, rules, regulations, orders, settlement agreements and other standards and procedures, including those promulgated by agencies or officers thereof, applicable to it and pertaining to the conduct of participants in the student loan industry (including, without limitation, any applicable "code of conduct" for participants in the student loan industry that applies to the Seller as a matter of law, to the extent that non-compliance with such a code of conduct would adversely affect the Department's rights or interests with respect to the Loans that it purchases);

(iv) The Seller has administered, operated and maintained its FFEL program in such manner as to ensure that such program and the Loans will benefit, in all material respects, from the FFELP, the Guarantee Agreements related thereto and the federal program of reimbursement for FFELP loans pursuant to the Higher Education Act;

(v) The Seller has not, with respect to any Loan sold under any Bill of Sale executed pursuant to this Master Loan Sale Agreement, agreed to release any Guarantor from any of its contractual obligations as a guarantor of such Loan or agreed otherwise to alter, amend or renegotiate any material term or condition under which such Loan is guaranteed, except as required by law or rules and regulations issued pursuant to law, without the express prior written consent of the Department;

(vi) Each of the Seller and the Eligible Lender Trustee (if applicable) (1) has all requisite power and authority to hold each Loan, to sell each Loan, and to execute, deliver and perform, and to enter into and consummate, all transactions contemplated by this Master Loan Sale Agreement, (2) has duly authorized the execution, delivery and performance of this Master Loan Sale Agreement and (3) has duly executed and delivered this Master Loan Sale Agreement. This Master Loan Sale Agreement, assuming due authorization, execution and delivery by the other parties hereto, constitutes the legal, valid and binding obligation of the Seller and the Eligible Lender Trustee (if applicable), enforceable against each of them in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of rights of creditors generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law); provided, however, that if the Seller is not an Eligible Lender, the power and authority to hold and sell each Loan described in clause (1) shall refer, with respect to the Seller, to the beneficial interest of the Seller, and with respect to the Eligible Lender Trustee, to its interest as the legal title holder of the Loan;

(vii) The execution and delivery of this Master Loan Sale Agreement by each of the Seller and the Eligible Lender Trustee (if applicable) and the performance of and compliance with the terms of this Master Loan Sale Agreement will not violate its formation documents or constitute a default under or result in a breach or acceleration of, any material contract, agreement or other instrument to which it is a party or which may be applicable to it or its assets;

(viii) Neither the Seller nor the Eligible Lender Trustee (if applicable) is in violation of, and the execution and delivery of this Master Loan Sale Agreement by it and its performance and compliance with the terms of this Master Loan Sale Agreement will not constitute a violation with respect to, any order or decree of any court or any order or regulation of any federal, state, municipal or governmental agency having jurisdiction over it or its assets, which violation might have consequences that would materially and adversely affect the condition (financial or otherwise) or its operations or its assets or might have consequences that would materially and adversely affect the performance of its obligations and duties hereunder;

(ix) The Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Master Loan Sale Agreement;

(x) There are no actions or proceedings against, or investigations of, the Seller before any court, administrative agency or other tribunal (A) that might prohibit its entering into this Master Loan Sale Agreement, (B) that seeks to prevent the sale of the Loans or the consummation of the transactions contemplated by this Master Loan Sale Agreement or (C) that might prohibit or materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Master Loan Sale Agreement;

(xi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Seller or the Eligible Lender Trustee (if applicable) of, or compliance by it with, this Master Loan Sale Agreement or the consummation of the transactions contemplated by this Master Loan Sale Agreement, except for such consents, approvals, authorizations or orders, if any, that have been obtained prior to the related Purchase Date;

(xii) The transfer of the Loans shall be treated as a sale on the books and records of the Seller and the Eligible Lender Trustee (if applicable), and each of the Seller and the Eligible Lender Trustee (if applicable) will treat the disposition of the Loans pursuant to this Master Loan Sale Agreement for tax and accounting purposes as a sale. Each of the Seller and the Eligible Lender Trustee (if applicable) shall maintain a complete set of

books and records for each Loan which shall be clearly marked to reflect the ownership of each Loan by the Department;

(xiii) The consideration received by the Seller upon the sale of the Loans constitutes fair consideration and reasonably equivalent value for such Loans;

(xiv) The Seller is solvent and will not be rendered insolvent by the consummation of the transactions contemplated hereby. The Seller is not transferring any Loan with any intent to hinder, delay or defraud any of its creditors; and

(xv) The Seller has an internal quality control program that verifies, on a regular basis, the existence and accuracy of its legal documents, credit documents and underwriting decisions, including all such documents and decisions that would affect the validity of the representations and warranties required under this Section 6A. The program shall include evaluating and monitoring the overall quality of the Seller's loan production and the servicing of such loans. The program must use commercially-reasonable processes and procedures to ensure that the Loans are originated and serviced in accordance with applicable law, to prevent and detect dishonest, fraudulent, or negligent acts; and to guard against errors and omissions by officers, employees, or other authorized persons. At a minimum this program and processes must include maintenance of an errors and omissions insurance policy to the same extent that the Seller adopts this practice for its other credit transactions, or that it is required to do so under arrangements governing its financing. To the extent that the Seller uses, or is required to use, periodic independent auditor reviews of its transactions, these processes must include those reviews for transactions that include the activities of the Seller under this Agreement.

B. Loan Level Representations. The Seller, and to the extent expressly required below, the Eligible Lender Trustee (if applicable), represents and warrants to the Department as to each Loan purchased by the Department under a Bill of Sale, as of the related Purchase Date:

(i) The Seller or the Eligible Lender Trustee (as applicable) has good and marketable title to, and the Seller and Eligible Lender Trustee together are the sole owners of, the Loans, free and clear of any security interest or lien, charge, claim, offset, defense, counterclaim or encumbrance of any nature (including, without limitation, any circumstance or condition that could impair transfer of title to the Loans free and claim of the claim of any party), other than one that will be released simultaneously with the purchase of the Loan hereunder pursuant to the terms of a Security Release Certification. No right of rescission, offsets, defenses or counterclaims have been asserted or threatened with respect to any Loan. The sale of each Loan constitutes the absolute transfer of all right, title and

interests of the Seller and the Eligible Lender Trustee (if applicable) in such Loan to the Department free and clear of any lien or adverse claim;

(ii) Each Loan is an Eligible Loan and the description of and information regarding the Loans set forth in the Bill of Sale and the Loan Schedule is true, complete and correct;

(iii) The Seller or the Eligible Lender Trustee (as applicable) is authorized to sell, assign, transfer and reacquire the Loans; and the sale, assignment and transfer of such Loans is or, in the case of a Loan reacquisition by the Seller or the Eligible Lender Trustee (if applicable), will be made pursuant to and consistent with the laws and regulations under which each of the Seller and the Eligible Lender Trustee (if applicable) operates, and will not violate any decree, judgment or order of any court or agency, or conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which it is a party or by which the it or its property is bound, or constitute a default (or an event which could constitute a default with the passage of time or notice or both) thereunder;

(iv) Each Loan is in full force and effect in accordance with its terms and is the legal, valid and binding obligations of the respective Borrower thereunder subject to no defenses;

(v) No consents and approvals are required by the terms of any Loan for the consummation of the sale of such Loans hereunder to the Department;

(vi) Each Loan has been duly made and serviced in accordance with the provisions of the FFELP established under the Higher Education Act, and has been duly guaranteed by a Guarantor; the Guarantee Agreement is in full force and effect, and all premiums due and payable to such Guarantor as of the related Purchase Date shall have been paid in full;

(vii) Each Loan provides or, when the payment schedule with respect thereto is determined, will provide for payments on a periodic basis that fully amortize the Principal Balance thereof by its maturity, as such maturity may be modified in accordance with any deferral or forbearance granted in accordance with applicable law, including the Higher Education Act, Department regulations, or any applicable Guarantee Agreement;

(viii) Any payments on a Loan received by the Seller that have been allocated to the reduction of principal and interest on such Loan have been allocated on a simple interest basis;

(ix) Each Loan has been duly made and serviced in accordance with the provisions of the related program under which such Loan was originated and all applicable federal, state and local laws;

(x) Due diligence and reasonable care have been exercised in the making, administering, servicing and collecting on each Loan and, all disclosures of information required to be made pursuant to the Higher Education Act prior to the Purchase Date have been made;

(xi) Each Borrower is an eligible borrower under the terms of Section 428, 428B or 428H of the Higher Education Act, as applicable;

(xii) All borrower origination and loan fees required by Section 438 of the Higher Education Act have been paid to the Secretary or appropriately reserved by the Seller or the Eligible Lender Trustee (if applicable) for payment to the Secretary;

(xiii) Each Loan is denominated and payable only in Dollars in the United States;

(xiv) The transfer and assignment herein contemplated constitute a valid sale of the Loans from the Seller or the Eligible Lender Trustee (if applicable) to the Department, and the beneficial interest in and title to such Loans shall not be part of the Seller's or the Eligible Lender Trustee's (if applicable) estate in the event of its bankruptcy or the appointment of a receiver with respect to it;

(xv) There is only one originally executed Promissory Note evidencing each Loan, and such original Promissory Note (or a true and correct copy thereof) has been delivered to the Department. For Loans that were executed electronically, the Seller of such Loan (or its designee) has possession of the electronic records evidencing the Promissory Note, including all Loan Documents. The Promissory Notes that evidence the Loans have no marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Department or the Department's designee (other than a notation of an interest or lien that has already been released or will be released simultaneously with the purchase of the Loan hereunder pursuant to the terms of the Security Release Certification, or, if applicable, any lien in favor of the Department or any interest of the Custodian under the 2009 Master Participation Agreement or the July 25, 2008 Master Participation Agreement);

(xvi) To the extent any Loan is evidenced by an electronic Promissory Note or an electronic record, or to the extent the signature of the obligor on any Promissory Note is an electronic signature, the Sponsor has complied (and has caused any originator or servicer of the Loan to comply) with all regulations and other requirements provided by the applicable Guarantor or the Department relating to the validity and enforceability of such Promissory Note;

(xvii) Neither the Seller nor the Eligible Lender Trustee (if applicable) has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Loans (other than an interest or lien that has been released, or will be released simultaneously with the purchase of the Loan hereunder pursuant to a Security Release Certification or, if applicable, any lien in favor of the Department and any interest of the Custodian under the Master Participation Agreement). Neither the Seller nor the Eligible Lender Trustee (if applicable) has authorized the filing of or is aware of any financing statements against it that include a description of collateral covering the Loans hereunder (whether or not additional collateral is covered by such financing statements) or any other security interest that has not been terminated, or that will not be terminated upon purchase by the Department. Neither the Seller nor the Eligible Lender Trustee (if applicable) is aware of any judgment or tax lien filings against it; and

(xviii) No Borrower of a Loan as of the related Bill of Sale is noted in the related Loan File as being currently involved in a bankruptcy proceeding.

Section 7. Rescission of Purchase; Obligation to Reimburse and Indemnify. Upon the occurrence of any of the conditions set forth below in this Section 7, the Department may rescind its purchase of a Loan, and upon written demand by the Department, the Seller shall repay to the Department the Purchase Price for such Loan less any payments received by the Department on that Loan plus accrued and unpaid interest, and applicable negative Special Allowance Payments that would have been paid with respect to such Loan from the Purchase Date to and including the date of repayment, plus any amounts otherwise owed to the Secretary with respect to such Loan, plus any attorneys' fees, legal expenses, court costs, damages, servicing fees or other fees and expenses incurred by the Department in connection with such Loan by reason of the occurrence of such a condition, and the Department shall thereupon relinquish its interest in such Loan to the Seller:

A. Any representation or warranty made or furnished by the Seller or the Eligible Lender Trustee (if applicable) pursuant to Sections 6A and 6B of this Master Loan Sale Agreement shall prove to have been materially incorrect as of the applicable Purchase Date (except that the Department may allow the Seller or the Eligible Lender Trustee up to thirty (30) Calendar Days to cure an unfounded representation or warranty made or furnished under Section 6B);

B. On account of any circumstance or event that occurred prior the Purchase Date of the Loan, a defense is asserted by a Borrower of the Loan with respect to such Borrower's obligation to pay all or any part of the Loan, and the Department, in good faith, believes that the facts reported, if true, raise a reasonable doubt as to the legal enforceability of such Loan; or

C. The Loan is not, in fact, an Eligible Loan on its Purchase Date.

In addition to the obligation described above, the Seller shall indemnify the Department and any subsequent purchaser of the Loans and hold them harmless against liability for any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and other costs and expenses resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from, any of the circumstances described in Sections 7A through 7C above.

Section 8. Obligation to Remit Subsequent Payments and Forward Communications.

A. Any payment received by the Seller with respect to amounts accrued after the date of the related Bill of Sale for any Loan sold to the Department, which payment is not reflected in the related Loan Schedule, shall be held by the Seller in trust for the account of the Department and the Seller hereby disclaims any title to or interest in any such amounts. Within two (2) Business Days following the date of receipt, the Seller shall remit to the Department an amount equal to any such payments along with a listing on a form provided by the Department identifying the Loans with respect to which such payments were made, the amount of each such payment and the date each such payment was received.

B. Any written communication received at any time by the Seller or the Eligible Lender Trustee (if applicable) with respect to any Loan subject to this Master Loan Sale Agreement or the related Bill of Sale shall be transmitted to the Department, or its designated agent, within two (2) Business Days of receipt. Such communications shall include, but not be limited to, letters, notices of death or disability, notices of bankruptcy, forms requesting deferment of repayment or loan cancellation, and like documents.

Section 9. Continuing Obligation of the Seller. The Seller shall provide all reasonable assistance necessary for the Department to resolve account problems raised by any Borrower, the Guarantor or the Secretary provided such account problems are attributable to or are alleged to be attributable to (a) an event occurring during the period the Seller owned the related Loan, or (b) a payment made or alleged to have been made to the Seller.

Section 10. Liability of the Seller; Indemnities. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Master Loan Sale Agreement and each related Bill of Sale.

A. The Seller shall indemnify, defend and hold harmless the Department and its officers, employees and agents in their individual capacity from and against any taxes that may at any time be asserted against any such person with respect to the transactions contemplated herein and in the other documents related hereto, including any sales, gross receipts, general corporation, tangible and intangible personal property, privilege or license taxes and costs and expenses in defending against the same.

B. In addition to the indemnity of the Department set forth in Section 7 hereof, the Seller shall indemnify, defend and hold harmless the Department and its officers, employees and agents in their individual capacity, from and against liability for any and all costs, expenses (including, without limitation, costs and expenses of litigation and of investigation counsel fees, damages, judgments and amounts paid in settlement), losses, claims, damages and liabilities

arising out of, or imposed upon such person through, the Seller's or the Eligible Lender Trustee's (if applicable) willful misfeasance, bad faith or negligence in the performance of its respective duties under this Agreement, or by reason of its breach of any of its representations, warranties, covenants or other obligations or duties under this Agreement.

Indemnification under Section 7 and this Section 10 shall survive the termination of this Master Loan Sale Agreement, and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Seller shall have made any indemnity payments pursuant to this Section and the person to or on behalf of whom such payments are made thereafter shall collect any of such amounts from others, such Person shall promptly repay such amounts to the Seller, without interest.

Section 11. Transfer of Servicing. The Seller hereby agrees that the Loans are being purchased by the Department on a servicing-released basis. If the Loan is subject to a servicing agreement with any third party servicer, such agreement must be terminable with respect to such Loan upon thirty (30) Calendar Days' notice by the Department (which may be given at any time following the Department's receipt of the Seller's notice of intent to sell such Loan pursuant to Section 4A hereof; provided, however, that such termination shall in no event be effective prior to the consummation of the sale of such Loan to the Department), and the Seller shall be responsible for any de-boarding, deconversion or related fees or expenses of such servicer. Accordingly, upon purchase of any Loan, the Department shall obtain all rights to service such Loan and may, in its sole discretion require deconversion of such Loan in order to service the Loan itself or through a third-party servicer of its designation. The Seller shall deliver, or cause the servicer of the Loans to deliver, the servicing and all related servicing files and records with respect to the Loans to the designee specified by the Department in accordance with the servicing transfer provisions provided by the Department to the Seller or its designated servicer; provided, however, that the Seller and its designees may retain copies (in electronic or paper medium) of the servicing files related to the origination and servicing of the Loans sold to the Department hereunder.

Section 12. Merger or Consolidation of, or Assumption of the Obligations of, the Seller.

A. Except as provided in Section 12B, any Person (a) into which the Seller or the Eligible Lender Trustee (if applicable) may be merged or consolidated, (b) which may result from any merger or consolidation to which the Seller or the Eligible Lender Trustee (if applicable) shall be a party or (c) which may succeed to the properties and assets of the Seller or the Eligible Lender Trustee (if applicable) substantially as a whole, shall be the successor to the Seller or the Eligible Lender Trustee (if applicable) without the execution or filing of any document or any further act by any of the parties to this Master Loan Sale Agreement.

B. A surviving person described in Section 12A that is neither the Seller nor the Eligible Lender Trustee (if applicable), may be the successor to the Seller or Eligible Lender Trustee under this Agreement only if –

(i) Promptly following such merger or consolidation, the surviving person executes and delivers to the Department –

(I) An agreement of assumption to perform every obligation of the Seller or the Eligible Lender Trustee (if applicable) under this Master Loan Sale Agreement and each Bill of Sale, and

(II) An Officers' Certificate in the form of Exhibit B and an Opinion of Counsel in the form of Exhibit C each stating that such consolidation, merger or succession, and the agreement of assumption described in Section 12B(i)(I), comply with this Section, and that all conditions precedent, if any, provided for in this Master Loan Sale Agreement relating to such transaction have been complied with; and

(ii) Immediately after the merger, consolidation or succession took effect, no representation or warranty made pursuant to Section 6 shall have been breached.

Section 13. Expenses. The Department shall pay the legal fees and expenses of its attorneys. The Seller shall pay all other costs and expenses incurred in connection with preparation, execution and delivery of this Master Loan Sale Agreement and any Bill of Sale and the transactions contemplated herein or therein, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for any Seller with respect thereto, and all other costs and expenses incurred in connection with the transfer and delivery of the Loans to the Department, including, without limitation, any fees and expenses incurred in connection with transferring ownership of any Loans to the Department. The Seller is not required to pay for expenses related to the servicing of Loans after the Loans are transferred to the Department. The Seller is responsible for the costs it incurs for activities required under Section 8 and Section 9 of this Master Loan Sale Agreement.

Section 14. Survival of Covenants. All covenants, agreements, representations and warranties made herein and in or pursuant to any Bills of Sale executed pursuant to this Master Loan Sale Agreement shall survive the consummation of the acquisition of the Loans provided for in the related Bill of Sale. All covenants, agreements, representations and warranties made or furnished pursuant hereto by or on behalf of the Seller and the Eligible Lender Trustee (if applicable) shall bind and inure to the benefit of any successors or assigns of the Department and shall survive with respect to each Loan.

Section 15. Communication and Notice Requirements. All communications, notices and approvals provided for hereunder shall be in writing and mailed or delivered to the Seller, the Eligible Lender Trustee (if applicable), or the Department, as the case may be, at such address as either party may hereafter designate by notice to the other party. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed, by registered or certified mail, return receipt requested, or, if by other means, when received by the other party at the address as follows:

If to the Department:

By U.S. Postal Service mail:

United States Department of Education
400 Maryland Avenue, SW
UCP, Room 111G3
Washington, DC 20202-5402
Attention: FFEL Agreement Process Team

By courier or express mail:

United States Department of Education
830 First Street, N.E.
Room 111G3
Washington, DC 20202-5402
Attention: FFEL Agreement Process Team

If to the Seller or the Eligible Lender Trustee:

The address designated in the accompanying Adoption Agreement.

Section 16. Form of Instruments. All instruments and documents delivered in connection with this Master Loan Sale Agreement and any Bill of Sale, and all proceedings to be taken in connection with this Master Loan Sale Agreement and any Bill of Sale and the transactions contemplated herein and therein, shall be in a form as set forth in the attachments hereto, and the Department shall have received copies of such documents as it or its counsel shall reasonably request in connection therewith.

Section 17. Amendment; Waiver. This Master Loan Sale Agreement, any Bill of Sale and any document or instrument delivered in accordance herewith or therewith may be amended by the parties hereto and thereto with the written consent of all parties hereto or thereto. No term or provision of this Master Loan Sale Agreement may be waived or modified unless such waiver or modification is consistent with the requirements of Section 459A of the Higher Education Act, is in writing and signed by the party against whom such waiver or modification is sought to be enforced.

Section 18. Audits. Pursuant to Section 432(f) of the Higher Education Act, Seller hereby grants the Department and its agents (including but not limited to, legal counsel and internal or external auditors), the right at any time and from time to time during regular business hours, (i) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of Seller relating to Loans sold hereunder and (ii) to visit the offices of Seller for the purpose of examining such material described in clause (i) above, and to discuss matters relating to such Loans or Seller's performance hereunder with any officers and employees of Seller having knowledge of such matters.

Section 19. Severability Clause. Any part, provision, representation or warranty of this Master Loan Sale Agreement which is prohibited or which is held to be void or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any part, provision, representation or warranty of this Master Loan Sale Agreement which is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction shall be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as to any Loan shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part, provision, representation or warranty of this Master Loan Sale Agreement shall deprive any party of the economic benefit intended to be conferred by this Master Loan Sale Agreement, the parties shall negotiate, in good-faith, to develop a structure the economic effect of which is nearly as possible the same as the economic effect of this Master Loan Sale Agreement without regard to such invalidity.

Section 20. Governing Law. This Master Loan Sale Agreement and any Bill of Sale and the rights and obligations of the parties thereto shall be governed by and construed in accordance with Federal law. To the extent there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of this Master Loan Sale Agreement or the transactions governed thereby.

Section 21. Exhibits. The exhibits to this Master Loan Sale Agreement are hereby incorporated and made a part hereof and are an integral part of this Master Loan Sale Agreement.

Section 22. General Interpretive Principles. For purposes of this Master Loan Sale Agreement, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Master Loan Sale Agreement have the meanings assigned to them in this Master Loan Sale Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

B. Accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

C. References herein to "Articles," "Sections," "Subsections," "Paragraphs," and other Subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Master Loan Sale Agreement;

D. Reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

E. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Master Loan Sale Agreement as a whole and not to any particular provision; and

F. The term "include" or "including" shall mean without limitation by reason of enumeration.

Section 23. Reproduction of Documents. This Master Loan Sale Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by any party at the closing, and (c) financial statements, certificates and other information previously or hereafter furnished, may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 24. Further Agreements. Each of the Seller and the Eligible Lender Trustee (if applicable) agrees to execute and deliver to the other such reasonable and appropriate additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Master Loan Sale Agreement.

Section 25. Other Department Program. Separately, the Department is offering a Loan Participation Purchase Program (as referred to in the Notice of Intent to Participate) for eligible FFELP loans. This Master Loan Sale Agreement does not require, nor does it preclude, the participation of the Seller in that separate program.

Section 26. Adoption. This Master Loan Sale Agreement shall be effective with respect to any Seller and the Eligible Lender Trustee (if applicable) as of the day and year on which an Adoption Agreement, in the form attached hereto as Exhibit A, is entered into by both such Seller, the Eligible Lender Trustee (if applicable) and the Department.

Section 27. Integration. The Master Loan Sale Agreement, together with the related Adoption Agreement and the interpretive guidance published by the Department prior to November 1, 2008, embodies the entire agreement and understanding of the parties hereto and thereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein and therein.

[NO FURTHER TEXT ON THIS PAGE]

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement, dated as of the date set forth on the signature page, among the United States Department of Education ("Department") [, the Eligible Lender Trustee (as listed in Section 1A hereof) ("Eligible Lender Trustee")] and the Seller (as listed in Section 1 hereof) ("Seller") is made pursuant to the Master Loan Sale Agreement dated January 1, 2009, published by the Department ("Master Loan Sale Agreement"). Capitalized terms used but not otherwise defined herein, shall have the meanings set forth in the Master Loan Sale Agreement.

a) The Department desires to purchase and the Seller desires to sell to the Department, from time to time, certain Eligible Loans (as that term is defined in the Master Loan Sale Agreement).

b) The Department[, the Eligible Lender Trustee] and the Seller desire to set forth herein the terms and conditions of such purchase and sale arrangements.

c) This Adoption Agreement shall supersede and replace all prior agreements between the parties regarding the sale of Eligible Loans by the Seller [and the Eligible Lender Trustee] to the Department.

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Department and the Seller hereby agree as follows:

Section 1. "Seller" shall mean:

[SELLER]
[ADDRESS]
[LENDER ID]

The above address shall be the Seller's address for the purpose of receiving notices pursuant to the Master Loan Sale Agreement.

[Section 1A. "Eligible Lender Trustee" shall mean:

[ELIGIBLE LENDER TRUSTEE]
[ADDRESS]
[LENDER ID]

The above address shall be the Eligible Lender Trustee's address for the purpose of receiving notices pursuant to the Master Loan Sale Agreement.]

Section 2. Purchase and Sale of Loans. Following the date of this Adoption Agreement, the Seller agrees to participate in the Department's Purchase Program for Eligible Loans made pursuant to the Federal Family Education Loan Program under the Master Loan Sale Agreement and to deliver to the Department such Loans in the aggregate principal amounts as evidenced by

Bills of Sale executed by the Seller and acknowledged and accepted by the Department pursuant to the Master Loan Sale Agreement. The Seller agrees to sell to the Department and the Department agrees to purchase from the Seller such Loans on the terms and subject to the conditions of the Master Loan Sale Agreement as the same may be supplemented or amended from time to time. Each of the Seller and the Department hereby acknowledges and agrees to all terms and provisions of the Master Loan Sale Agreement which relate to the selling of Loans which are incorporated herein in their entirety as if such had been set forth herein in their entirety, as the same may be supplemented or amended from time to time.

Section 3. Incorporation of Master Loan Sale Agreement. [Each of] [T]he Seller [and the Eligible Lender Trustee] and the Department hereby acknowledges and agrees to all terms and provisions of the Master Loan Sale Agreement which are incorporated herein in their entirety as if such had been set forth herein in their entirety, as the same may be supplemented or amended from time to time.

Section 4. Governing Law. This Adoption Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with Federal law. Insofar as there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of this Adoption Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Adoption Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

United States Department of Education

By: _____
Name:
Title:

Date of Adoption Agreement: _____
(to be inserted by the Department)

[SELLER], as Seller

By: _____
Name:
Title:

[[ELIGIBLE LENDER TRUSTEE], as Eligible Lender Trustee

By: _____
Name:
Title:]

[May Be Used By Seller That Is Party To July 25, 2008 Master Loan Sales Agreement]

ADOPTION AGREEMENT

This Adoption Agreement, dated as of the date set forth on the signature page, among the United States Department of Education ("Department") [, the Eligible Lender Trustee (as listed in Section 1A hereof) ("Eligible Lender Trustee")] and the Seller (as listed in Section 1 hereof) ("Seller") is made pursuant to the Master Loan Sale Agreement 2007-2008, dated November 24, 2008, published by the Department ("Master Loan Sale Agreement"). Capitalized terms used but not otherwise defined herein, shall have the meanings set forth in the Master Loan Sale Agreement 2007-2008.

a) The Department desires to purchase and the Seller desires to sell to the Department, from time to time, certain Eligible Loans (as that term is defined in the Master Loan Sale Agreement).

b) The Department[, the Eligible Lender Trustee] and the Seller desire to set forth herein the terms and conditions of such purchase and sale arrangements.

c) This Adoption Agreement shall supersede and replace all prior agreements between the parties regarding the sale of Eligible Loans by the Seller [and the Eligible Lender Trustee] to the Department.

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Department and the Seller hereby agree as follows:

Section 1. "Seller" shall mean:

[SELLER]
[ADDRESS]
[LENDER ID]

The above address shall be the Seller's address for the purpose of receiving notices pursuant to the Master Loan Sale Agreement.

[Section 1A. "Eligible Lender Trustee" shall mean:

[ELIGIBLE LENDER TRUSTEE]
[ADDRESS]
[LENDER ID]

The above address shall be the Eligible Lender Trustee's address for the purpose of receiving notices pursuant to the Master Loan Sale Agreement.]

Section 2. Purchase and Sale of Loans. Following the date of this Adoption Agreement, the Seller agrees to participate in the Department's Purchase Program for Eligible Loans made pursuant to the Federal Family Education Loan Program under the Master Loan Sale Agreement

and to deliver to the Department such Loans in the aggregate principal amounts as evidenced by Bills of Sale executed by the Seller and acknowledged and accepted by the Department pursuant to the Master Loan Sale Agreement. The Seller agrees to sell to the Department and the Department agrees to purchase from the Seller such Loans on the terms and subject to the conditions of the Master Loan Sale Agreement as the same may be supplemented or amended from time to time. Each of the Seller and the Department hereby acknowledges and agrees to all terms and provisions of the Master Loan Sale Agreement which relate to the selling of Loans which are incorporated herein in their entirety as if such had been set forth herein in their entirety, as the same may be supplemented or amended from time to time.

Section 3. Incorporation of Master Loan Sale Agreement. [Each of] [T]he Seller [and the Eligible Lender Trustee] and the Department hereby acknowledges and agrees to all terms and provisions of the Master Loan Sale Agreement which are incorporated herein in their entirety as if such had been set forth herein in their entirety, as the same may be supplemented or amended from time to time.

Section 4. Governing Law. This Adoption Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with Federal law. Insofar as there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of this Adoption Agreement.

Section 5. Reaffirmation of Certification by Seller's Officer and Opinion of Counsel. On [mm/dd/yy], the Seller executed an Officer's Certification and provided an Opinion of Counsel supporting the Seller's Adoption Agreement for the July 25, 2008 Master Loan Sales Agreement. The Seller hereby reaffirms the representations made in that Certification as remaining true and correct as of the date on which the Seller executes this Adoption Agreement. The Seller further represents that it has requested and received confirmation from the Counsel who issued the Opinion of Counsel that nothing stated in the Opinion has changed in any material respect through the date on which the Seller executes this Adoption Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Adoption Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

United States Department of Education

By: _____
Name:
Title:

Date of Adoption Agreement: _____
(to be inserted by the Department)

[SELLER], as Seller

By: _____
Name:
Title:
Date executed by Seller:_____

[[ELIGIBLE LENDER TRUSTEE], as Eligible Lender Trustee

By: _____
Name:
Title:

EXHIBIT B

SELLER'S OFFICER'S CERTIFICATE

I, _____, hereby certify that I am the duly elected _____ of [SELLER], a _____ ("Seller"), and further certify, on behalf of the Seller as follows:

1. Attached hereto as Attachment I are a true and correct copy of the [Certificate of Incorporation and by-laws][certificate of limited partnership and limited partnership agreement][certificate of formation and limited liability company operating agreement] of the Seller as are in full force and effect on the date hereof.

2. No proceedings looking toward merger, liquidation, dissolution or bankruptcy of the Seller are pending or contemplated.

3. Each person who, as an officer or attorney-in-fact of the Seller, signed (a) the Adoption Agreement between the Department[, the Eligible Lender Trustee] and the Seller pursuant to the 2009 Master Loan Sale Agreement ("Agreement") dated January 1, 2009, by the Department of Education ("Department") and (b) any other document delivered prior hereto or on the date hereof in connection with the sale of the Loans in accordance with the Agreement and the related Bill of Sale was, at the respective times of such signing and delivery, and is as of the date hereof, duly elected or appointed, qualified and acting as such officer or attorney-in-fact, and the signatures of such persons appearing on such documents are their genuine signatures.

4. Attached hereto as Attachment II is a true and correct copy of the resolutions duly adopted by the board of directors of the Seller on _____, 200_ ("Resolutions") with respect to the authorization and approval of the sale of the Loans; said Resolutions have not been amended, modified, annulled or revoked and are in full force and effect on the date hereof.

5. Attached hereto as Attachment III is a Certificate of Good Standing of the Seller dated _____, 200_. No event has occurred since _____, 200_ which has affected the good standing of the Seller under the laws of the State of _____.

6. All of the representations and warranties of the Seller [and the Eligible Lender Trustee] contained in Section 6A of the Agreement were true and correct in all material respects as of the date hereof.

7. [Each of] [T]he Seller [and the Eligible Lender Trustee] will have performed all of its duties and satisfied all the material conditions on its part to be performed or satisfied prior to the related Purchase Date pursuant to the Agreement and the related Bill of Sale.

All capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Agreement.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of the Seller.

Dated: _____

[Seal]

[SELLER]
(Seller)

By:___
Name:_
Title: [Responsible Officer]

I, _____, Secretary of the Seller, hereby certify that _____ is the duly elected, qualified and acting [Responsible Officer] of the Seller and that the signature appearing above is his/her genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated:_____

[Seal]

[SELLER]
(Seller)

By:___
Name:_
Title: [Assistant] Secretary

EXHIBIT C

OPINION OF COUNSEL TO THE SELLER

_____
(Date)

United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Re: 2009 Master Loan Sale Agreement

Gentlemen:

I have acted as counsel to [SELLER], a _____ ("Seller"), in connection with the sale of certain Loans by the Seller to the Department of Education ("Department") pursuant to a 2009 Master Loan Sale Agreement dated January 1, 2009 and the related Adoption Agreement between the Seller, [the Eligible Lender Trustee] and the Department ("Agreement"). Capitalized terms not otherwise defined herein have the meanings set forth in the Agreement.

In connection with rendering this opinion letter, I, or attorneys working under my direction, have examined, among other things, originals, certified copies or copies otherwise identified to my satisfaction as being true copies of the following:

A. The Agreement;
B. The Seller's [Certificate of Incorporation and by-laws][certificate of limited partnership and limited partnership agreement][certificate of formation and limited liability company operating agreement], as amended to date;
C. Resolutions adopted by the Board of Directors of the Seller with specific reference to actions relating to the transactions covered by this opinion ("Board Resolutions"); and
D. Such other documents, records and papers as we have deemed necessary and relevant as a basis for this opinion.

For the purpose of rendering this opinion, I have made such documentary, factual and legal examinations as I deemed necessary under the circumstances. As to factual matters, I have relied upon statements, certificates and other assurances of public officials and of officers and other representatives of the Seller, and upon such other certificates as I deemed appropriate, which factual matters have not been independently established or verified by me. I have also assumed, among other things, the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to me as originals, and the conformity to original documents of all documents submitted to me as copies and the authenticity of the originals of such copied documents.

On the basis of and subject to the foregoing examination, and in reliance thereon, and subject to the assumptions, qualifications, exceptions and limitations expressed herein (if any), I am of the opinion that:

1. The Seller has been duly [incorporated][formed] and is validly existing and in good standing under the laws of the State of _____ with corporate power and authority to own its properties and conduct its business as presently conducted by it. The Seller has the corporate power and authority to service the Loans, and to execute, deliver, and perform its obligations under the Agreement.

2. The Agreement has been duly and validly authorized, executed and delivered by the Seller.

3. The Agreement constitutes valid the legal and binding obligation of the Seller, enforceable against the Seller in accordance with its terms.

4. No consent, approval, authorization or order of any state or federal court or government agency or body is required for the execution, delivery and performance by the Seller of the Agreement or the consummation of the transactions contemplated by the Agreement, except for those consents, approvals, authorizations or orders which previously have been obtained.

5. The fulfillment of the terms of or the consummation of any other transactions contemplated in the Agreement will not result in a breach of any term or provision of the [certificate of incorporation or by-laws][certificate of limited partnership or limited partnership agreement][certificate of formation and limited liability company operating agreement] of the Seller, or, to the best of my knowledge, will not conflict with, result in a breach or violation of, or constitute a default under, (i) the terms of any indenture or other agreement or instrument known to me to which the Seller is a party or by which it is bound, (ii) any State of _____ or federal statute or regulation applicable to the Seller, or (iii) any order of any State of _____ or federal court, regulatory body, administrative agency or governmental body having jurisdiction over the Seller, except in any such case where the default, breach or violation would not have a material adverse effect on the Seller or its ability to perform its obligations under the Agreement.

6. There is no action, suit, proceeding or investigation pending or, to the best of my knowledge, threatened against the Seller which, in my judgment, either in any one instance or in the aggregate, would draw into question the validity of the Agreement or which would be likely to impair materially the ability of the Seller to perform under the terms of the Agreement.

7. The sale of each Loan as and in the manner contemplated by the Agreement is sufficient fully to transfer to the Department all right, title and interest of the Seller thereto as noteholder.

[Assumptions and qualifications, if any]

I am admitted to practice law in the State of _____, and I render no opinion herein as to matters involving the laws of any jurisdiction other than the State of _____ and the Federal laws of the United States of America.

Very truly yours,

EXHIBIT D

45-DAY NOTICE OF INTENT TO SELL LOANS AND PROJECTED LOAN SCHEDULE SUMMARY OF LOANS TO BE SOLD PURSUANT TO THE MASTER LOAN SALE AGREEMENT

To: U.S. Department of Education [_____, 200__]

From: [Selling Lender]_____] [Selling Lender or Custodian ID (LID)] [1]

The Seller submits this "45-Day Notice of Intent to Sell Loans and Projected Loan Schedule Summary of Loans to be Sold" (45-Day Notice) to the U.S. Department of Education (the Department) to notify the Department that the Seller has identified FFEL Program loans that are Eligible Loans, under the Master Loan Sale Agreement (MLSA), that the Seller intends to sell to the Department under the Loan Purchase Commitment Program on **[Date of Sale_____]** at a total purchase price of **[$_____.00]**. The Seller provides with this 45-Day Notice data describing the characteristics of the loans scheduled to be sold.

By submitting this 45-Day Notice the Seller certifies that:

1. The Seller has submitted, and the Department of Education has acknowledged, receipt of the Sellers "Notice of Intent to Participate;"
2. The Seller has executed, or will execute, a Master Loan Sale Agreement (MLSA) with the Department and will comply with all provisions of that Agreement and other procedural and process directions provided by the Department;
3. The Seller will sell to the Department only those fully disbursed loans that the Seller identified in its preparation of this 45-Day Notice that are Eligible Loans, as defined in section (3)(I) of the MLSA, as of the date of the proposed sale to the Department;
4. With the Bill of Sale as defined in section (3)(B) of the MLSA and related Schedule of Loans submitted pursuant to this 45-Day Notice, and with respect to the identified loans noted above, the Seller –
    a. Will include the Eligible Loans described in paragraph 3, and no other loans;
    b. Will sell all Eligible Loans described in paragraph 3 except any that have been

[1] If these loans are currently held in a Participation Agreement with the Department, use Custodian's ID number.

fully cancelled or otherwise paid in full, or any that are not Eligible Loans by the date the Seller submits the Bill of Sale; and

c. Will adjust the selling price and loan level detail to account for removed loans and for changes to the outstanding principal balance and/or the accrued borrower interest on identified loans since the filing of this 45-Day Notice;

5. The Seller understands that submission of this 45-Day Notice to the Department as a PDF attachment to an e-mail sent by the Seller, or its agent, to the e-mail address indicated below meets the requirements of section (4)(A) of the MLSA; and

6. The Seller understands that upon receipt and review of this 45-Day Notice, the Department will send an e-mail to the Seller's contact e-mail address, as provided below, in which the Department will acknowledge the date on which the Department received this 45-Day Notice, the date on which the Department proposes as the projected date of sale, and the total projected purchase price to be paid by the Department.

Both pages of this completed, signed and dated "45-Day Notice of Intent to Sell Loans and Projected Loan Schedule Summary of Loans to be Sold" should be sent as a PDF attachment to an e-mail message addressed to ED.servicer@ed.gov. The e-mail message subject line should read "45 Day Notice."

Selling Lender/Holder Authority:

Signature of Authorized Official: _____

Typed Name of Authorized Official: _____

Title of Authorized Official: _____

Phone Number and E-mail Address of Authorized Official: _____

[_____, 200__]

Selling Lender [_____] Selling Lender or Custodian ID[2] [_____]

Requested Purchase Date: [MM/DD/CCYY] (May not be less than 45 calendar days from date this notice is submitted to the U.S Department of Education)

PROJECTED LOAN SCHEDULE SUMMARY OF LOANS TO BE SOLD

Loan Type	**Est'd Number of Loans**		**Est'd Outstanding Prin on Purchase Date**	**Est'd Borrower Int Acc'd On Purchase Date**
Stafford Sub'd		**$**	**$**	**$**
Stafford Unsub'd		**$**	**$**	**$**
PLUS		**$**	**$**	**$**
TOTAL		**$**	**$**	**$**

PURCHASE PRICE CALCULATION

Total Outstanding Principal at Purchase Date	$[.]
Total Borrower's Accrued/Unpaid Interest at Purchase Date	$[.]

[2] If these loans are currently held in a Participation Agreement with the Department, use Custodian's ID number.

1% fee reimbursement	Total Original Amt Disb'd $[.]	X .01	$[.]
$75 Fee per loan	Total number of loans [ ]	X $75	$[.]
(2) TOTAL FINAL PURCHASE PRICE	$[.]		

Seller to list all Originating Lender IDs (LIDs) and Department's Receipt Date of Notice of Intent (NOI) to Participate:

LID	NOI date: mm/dd/yy	LID	NOI date: mm/dd/yy
LID	NOI date: mm/dd/yy	LID	NOI date: mm/dd/yy
LID	NOI date: mm/dd/yy	LID	NOI date: mm/dd/yy

EXHIBIT E

(To Be Used For Loans With No Custodian)

BILL OF SALE

_____<Name of Selling Lender>_____ ("Seller") as the Seller [and _____<Name of Eligible Lender Trustee>_____ as the Eligible Lender Trustee] under that certain Master Loan Sale Agreement ("the Agreement"), dated January 1, 2009 and that certain Adoption Agreement executed in connection therewith by the Seller [, the Eligible Lender Trustee], and the Department of Education ("the Department") as of ____<Date of Execution of the Adoption Agreement of the MLSA>__] do[es] hereby sell, transfer, assign, set over and convey to the Department as purchaser under the Agreement all right, title and interest of the Seller [and the Eligible Lender Trustee] in and to the Loans included on the Loan Schedule attached hereto, together with the related servicing files and servicing rights appurtenant thereto, the related Promissory Notes and related Loan Documents (including, without limitation, any rights of the Seller to receive from any third party any documents which constitute a part of the loan or servicing files) and all rights and obligations arising under the documents contained therein, as of the date and time of receipt by the Seller of the Purchase Price of $_____ for such Loans. The Seller has requested that the purchase date be _____ ("Purchase Date"). This sale is without recourse but subject to the terms of the Agreement. Pursuant to the Agreement, the Seller has delivered to the Department or its designee, the documents for each Loan to be purchased as set forth in the Agreement.

On the Purchase Date, the ownership of each Loan and the related Promissory Note and the contents of the Loan file and servicing file shall vest in the Department and the ownership of all records and documents with respect to the related Loan prepared by or which come into the possession of the Seller shall vest in the Department, and the Seller shall have delivered such records as are required by the Department, or its designee, to the Department or its designee (except that copies thereof may be retained as provided in the Agreement). During any period that the related Loan files and servicing files are retained by the Seller, such files shall be retained and maintained, in trust, by the Seller for the benefit of the Department.

If any of the Loans were made under a Master Promissory Note, this Bill of Sale excludes an assignment of right[s] of the Seller [or Eligible Lender Trustee] to offer future loans under such Master Promissory Note, and the Seller [or Eligible Lender Trustee] expressly reserve[s] such right to offer future Loans under such Master Promissory Note. The Department agrees and warrants that it will not offer or make any future loans under such Note.

The Seller authorizes the Department to use a copy of this Bill of Sale, including the Loan Schedule attached, as official notification to the applicable Guaranty Agency(s) of assignment to the Department of the Loans purchased pursuant hereto on the Purchase Date.

[Each of] [T]he Seller [and the Eligible Lender Trustee] named below hereby certifies to the Department that with respect to the Loans included on the Loan Schedule attached here, as of the date of the Seller's signature below (Check one of the following) –

_____ No security interests of any kind have been granted that are now in effect.

_____ Security interests have been granted to ____<Name of Secured Lender>_____ ("Secured Lender") that will be released by that Secured Lender using the revised "Security Release Certification" (Exhibit F to the Master Loan Sales Agreement).

[Each of] [T]he Seller [and the Eligible Lender Trustee] confirms to the Department that the representations and warranties set forth in Section 6 of the Agreement are true and correct with respect to the Seller [and the Eligible Lender Trustee] and the Loans included on the Loan Schedule attached hereto as of the date hereof, and that all statements made in the Seller's Officer's Certificate (Exhibit B of the Agreement) or reaffirmed in the Adoption Agreement, and all attachments thereto remain complete, true and correct in all respects as of the date hereof, and that the Loan characteristics identified on the attached Loan Schedule are true and correct as of the date hereof.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

IN WITNESS WHEREOF, the undersigned Seller/Sponsor [and the Eligible Lender Trustee] have executed and delivered this Bill of Sale as of the latest date below written.

_____<Name of Seller>_____, as Seller
Signature_____
Typed Name: _____
Title:_____
Date: _____

_____<Name of Eligible Lender Trustee>_____, as Eligible Lender Trustee

Signature:_____

Name:_____

Title:_____

Date: _____

Acknowledged by the United States Department of Education:

BILL OF SALE
(To Be Used For Loans With a Custodian)

_____<Name of Custodian>_____ is the Custodian under that certain Master Participation Agreement ("the MPA") between the Custodian, _____<Name of Sponsor>_____, as Sponsor [,__ Name of Eligible Lender Trustee>____, as the Eligible Lender Trustee], and the Department of Education ("the Department") and under the Adoption Agreement executed in connection therewith dated ___<Date of Execution of Adoption Agreement of the MPA>__]. The Sponsor now as Seller and [the Eligible Lender Trustee] and the Custodian do hereby sell, transfer, assign, set over and convey to the Department all their right, title and interest in and to the Loans included on the Loan Schedule attached hereto, together with the related servicing files and servicing rights appurtenant thereto, the related Promissory Notes and related Loan Documents (including, without limitation, any rights of the Seller to receive from any third party any documents which constitute a part of the loan or servicing files) and all rights and obligations arising under the documents contained therein, as of the date and time of receipt by the Seller of the Purchase Price of $_____ for such Loans. The Seller has requested that the purchase date be _____ ("Purchase Date"). This sale is without recourse but subject to the terms of the Master Loan Sales Agreement ("MLSA") between the Sponsor, as Seller, [the Eligible Lender Trustee] and the Department adopted on ___<Date of Execution of Adoption Agreement of the MLSA>___. Pursuant to the MLSA the Seller or the Custodian has delivered to the Department or its designee, the documents for each Loan to be purchased as set forth in the Agreement.

On the Purchase Date, the ownership of each Loan and the related Promissory Note and the contents of the Loan file and servicing file shall vest in the Department and the ownership of all records and documents with respect to the related Loan prepared by or which come into the possession of the Seller shall vest in the Department, and the Seller or the Custodian shall have delivered such records as are required by the Department, or its designee, to the Department or its agent (except that copies thereof may be retained as provided in the MLSA). During any period that the related Loan files and servicing files are retained by the Seller, such files shall be retained and maintained, in trust, by the Seller for the benefit of the Department.

If any of the Loans were made under a Master Promissory Note, this Bill of Sale excludes an assignment of right[s] of the Seller [or Eligible Lender Trustee] to offer future loans under

such Master Promissory Note, and the Seller [or Eligible Lender Trustee] expressly reserve[s] such right to offer future Loans under such Master Promissory Note. The Department agrees and warrants that it will not offer or make any future loans under such Note.

The Seller authorizes the Department to use a copy of this Bill of Sale, including the Loan Schedule attached, as official notification to the applicable Guaranty Agency(s) of assignment to the Department of the Loans purchased pursuant hereto on the Purchase Date.

[Each of] [T]he Seller [and the Eligible Lender Trustee] confirm[s] to the Department that the representations and warranties set forth in Section 6 of the MLSA are true and correct with respect to the Seller [and the Eligible Lender Trustee] and the Loans included on the Loan Schedule attached hereto as of the date hereof, and that all statements made in the Seller's Officer's Certificate or reaffirmed in the Adoption Agreement, and all attachments thereto remain complete, true and correct in all respects as of the date hereof, and that the Loan characteristics identified on the attached Loan Schedule are true and correct as of the date hereof.

Capitalized terms used here and not otherwise defined have the meanings set forth in the MLSA.

IN WITNESS WHEREOF, the undersigned Seller/Sponsor [and the Eligible Lender Trustee] and the Custodian have executed and delivered this Bill of Sale as of the latest date below written.

_____<Name of Seller>_____, as Seller
By:_____
Signature
Name:_____
Typed
Title:_____
Typed
Date: _____

_____<Name of Eligible Lender Trustee>_____, as Eligible Lender Trustee
By:_____
Signature
Name:_____
Typed
Title:_____
Typed
Date: _____

_____<Name of Custodian>_____, as Custodian

By:_____

Signature

Name:_____

Typed

Title:_____

Typed

Date: _____

Acknowledged by the United States Department of Education:

BILL OF SALE ATTACHMENT
and FINAL Loan schedule Summary of loans sold

PURSUANT TO THE MASTER LOAN SALE AGREEMENT

To: U.S. Department of Education [_____, 200__]

From: [_____Seller_____] **[Seller's Lender or Custodian ID (LID)]**[3]

Scheduled Purchase Date: [MM/DD/CCYY]

(Must be submitted with the BILL OF SALE to the U.S Department of Education)

~~Section 27.~~Section 28.FINAL LOAN SCHEDULE SUMMARY OF LOANS SOLD

Loan Type	**Number**		**Outstanding Prin on Purchase Date**	**Borrower Int Acc'd On Purchase Date**
Stafford Sub'd		**$**	**$**	**$**
Stafford Unsub'd		**$**	**$**	**$**
PLUS		**$**	**$**	**$**
TOTAL		**$**	**$**	**$**

[3] If these loans are currently held in a Participation Agreement with the Department, use Custodian's ID number.

PURCHASE PRICE CALCULATION

Total Outstanding Principal at Purchase Date	$[.]		
Total Borrower's Accrued/Unpaid Interest at Purchase Date	$[.]		
1% fee reimbursement	Total Original Amt Disb'd $[.]	X .01	$[.]
$75 Fee per loan	Total number of loans [ ]	X $75	$[.]
(2) TOTAL FINAL PURCHASE PRICE	$[.]		

EXHIBIT F

SECURITY RELEASE CERTIFICATION

I. Release of Security Interest

_____<Name of Secured Lender>_____(the Secured Lender), hereby relinquishes any and all right, title and interest it may have in and to the Loans described on the Schedule of Loans attached hereto upon purchase thereof by the Department of Education ("the Department") from _____<Name of Seller>_____ ("Seller") pursuant to a Bill of Sale executed by the Seller on _____<Date Seller Signed Bill of Sale____> under that certain Master Loan Sale Agreement ("the MLSA") dated January 1, 2009, and the related Adoption Agreement between the Seller, [the Eligible Lender Trustee] and the Department dated as of __<Date Seller Signed the MLSA Adoption Agreement>__. This release is effective as of the date and time of receipt by the Secured Lender of $_____ from the purchase of such Loans ("Date and Time of Receipt"). The Secured Lender also certifies that, as of the Date and Time of Receipt, (i) all notes, assignments and other documents in its possession relating to such Loans will have been delivered and released to the Seller named below or its designees, other than copies thereof that are retained by the undersigned or its designee (in electronic or paper medium), and (ii) all appropriate Uniform Commercial Code termination statements will promptly be filed evidencing the release of its lien on the related Loans.

Secured Lender's Name: _____

Address: _____

_____

Signed Name: _____

Typed Name: _____

Title: _____

Date: _____

II. Certification of Release

The Seller hereby certifies to the Department of Education that, as of the date stated below, the security interests to be released by the above named Secured Lender in the Loans in the Schedule referred to above comprise all security interests relating to or affecting any and all such Loans. The Seller warrants that, as the date stated below, there are no other security interests affecting any or all of such Loans, and none will be created.

Seller's Name: _____

Signed Name: _____

Typed Name: _____

Title: _____

Date:

Schedule 1

Loan Schedule

EXHIBIT G

NOTICE OF ASSIGNMENT AND DESIGNATION OF PAYEE

_____<Name of Seller>_____ ("the Seller") provides notice to the U.S. Department of Education ("the Department") that the Seller has assigned to _____<Name of Creditor>_____, as the "Creditor" the right to receive any payments due the Seller, or to become due the Seller, from the Department pursuant to a certain Bill of Sale executed by the Seller on _____<Date Seller Signed Bill of Sale>____ under the Master Loan Sale Agreement ("the MLSA"), dated January 1, 2009, and the related Adoption Agreement between the Seller, [the Eligible Lender Trustee] and the Department dated as of __<Date Seller Signed the MLSA Adoption Agreement>__. The Seller and the Creditor intend this notice to meet any applicable requirements of the Assignment of Claims Act of 1940, as amended, 31 U.S.C. 3727, 41 U.S.C. 15. A true copy of the instrument of assignment executed by the Seller on __<Date Executed by Seller>_____, is attached to this notice.

The Seller and the Creditor further agree and notify the Department that payments due or to become due pursuant to the Bill of Sale noted above should be made to the Creditor and remitted to the following financial institution for deposit to the account listed here:

Name on Account: _____

Account Number: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

ABA Number of Financial Institution: _____

Name of Seller: _____

Signed Name: _____

Typed Name: _____

Title: _____

Date: _____

Name of Creditor: _____

Address: _____

_____

Phone and E-Mail Contact: _____

Signed Name: _____

Typed Name: _____

Title: _____

Date: _____

Acknowledged by the United States Department of Education:

EXHIBIT H

2009 NOTICE OF INTENT TO PARTICIPATE

[_____, 200_]

U.S. Department of Education
Washington, D.C.
By: E-mail: ffel.agreementprocess@ed.gov

Re: Loan Purchase Commitment Program and/or Loan Participation Purchase Program for Eligible FFELP Loans

Ladies and Gentlemen:

The undersigned, an eligible Federal Family Education Loan Program (FFELP) lender under Section 435(d)(1) of the Higher Education Act of 1965, as amended (HEA), eligible lender trustee, or holder of beneficial interests in FFELP Loans ("Undersigned"), hereby notifies the United States Department of Education that it intends to participate in one or both of the Loan Purchase Commitment Program or the Loan Participation Purchase Program for the 2009-2010 academic year. Both programs are authorized under Section 459A of the HEA, as amended. and described in the Notice of Terms and Conditions of Purchase of Loans under the Ensuring Continued Access to Student Loans Act of 2008 (Register Notice) published in the Federal Register, Vol. 73, No. 127, July 1, 2008. By signifying intent to participate in one or both of the programs offered the undersigned does not commit to actually participate in either program.

By signifying its intent to participate in such program(s), the Undersigned hereby certifies and agrees that:

If the Undersigned participates in either of the programs, it will continue to originate or acquire FFELP loans made to students and parents.

If the Undersigned participates in the Loan Participation Purchase Program, it will sell, from time to time, participation interests in FFELP loans to the Department of Education with an aggregate unpaid principal balance of not less than $50,000,000 in loans either held by such eligible lender or aggregated with other FFELP loans held by one or more eligible lenders. (The Undersigned recognizes that there is no minimum for the Loan Purchase Commitment Program)

The Undersigned acknowledges that it shall not be permitted to sell FFELP loans or participation interests therein to the Department of Education with respect to which the first disbursement was made prior to the date on which the Department of Education receives this 2009 Notice of Intent to Participate.

The Department of Education will return to the Undersigned, via electronic mail (e-mail), information indicating the date the 2009 Notice of Intent to Participate was received by the Department of Education.

The Department of Education will accept signed copies of this 2009 Notice of Intent sent as a PDF attachment via e-mail at the address below.

The Undersigned is aware that it must refer to the Federal Register Notice and to the agreements referred to therein for a complete description of the terms and conditions under which the Department of Education will administer the Loan Purchase Programs for the 2009-2010 academic year. The Undersigned also is aware that in order to participate in either of the Loan Purchase programs it must execute a Master Agreement for the respective program. If the Undersigned is a beneficial holder of FFELP loans, the Undersigned has included on this form the LID(s) under which it operates. If the Undersigned, as an eligible lender trustee, files this Notice on behalf of its beneficial holders of FFELP loans, the Undersigned has included the name and LID of each of those beneficial holders.

This 2009 Notice of Intent to Participate is hereby executed and dated as of the date first listed above.

By executing and delivering to the Department this 2009 Notice of Intent, the Undersigned now possesses an option to participate in the Loan Purchase Commitment Program and the Loan Participation Purchase Program.

The Undersigned asks that the Department of Education please direct all inquiries and correspondence relating to these programs to:

[UNDERSIGNED NAME AND LENDER ID NUMBER]
[ELIGIBLE LENDER TRUSTEE NAME OR BENEFICIAL HOLDER NAME, IF ANY AND LIDS]
[STREET ADDRESS]
[CITY], [STATE] [ZIP]
Attention of: [NAME], [TITLE]
By Phone - [XXX-XXX-XXXX]
By Fax – [XXX-XXX-XXXX]
By E-mail – [email address]

[NAME OF ENTITY]

By:_____
Name:
Title:

The completed, signed, and dated Notice of Intent to Participate should be sent as a PDF attachment to an e-mail message addressed to ffel.agreementprocess@ed.gov. The e-mail message subject line should read "Submission of Notice of Intent to Participate."

For questions concerning the submission and receipt of the email please call (202) 377-4401.

2009 MASTER PARTICIPATION AGREEMENT

UNITED STATES DEPARTMENT OF EDUCATION

JANUARY 1, 2009

PARTICIPATION INTERESTS IN ELIGIBLE LOANS MADE PURSUANT TO THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

TABLE OF CONTENTS

		Page
Section 1.	Terms	2
Section 2.	Commitment to Lend Under the FFEL Program	3
Section 3.	Definitions	3
Section 4.	Delivery of Loans to Custodian; Purchase and Sale of Participation Interests.	14
Section 5.	Participation Certificates; Loan Schedule and Custodial Certifications.	16
Section 6.	Security Interest.	19~~18~~
Section 7.	Subsequent Disbursements	20~~19~~
Section 8.	Reporting; Due Diligence.	20~~19~~
Section 9.	Conditions Precedent.	22~~21~~
Section 10.	Representations and Warranties of the Sponsor, the Eligible Lender Trustee and Custodian.	24~~23~~
Section 11.	Collections; Distributions.	32~~30~~
Section 12.	Servicing of Eligible Loans.	33~~32~~
Section 13.	Enforcement of the Servicing Agreements.	34~~33~~
Section 14.	Liability of the Sponsor and the Custodian; Indemnities	35~~33~~
Section 15.	Redemption; Put Option; Termination	36~~35~~
Section 16.	Sponsor Events of Default; Remedies	38~~37~~
Section 17.	Custodian Events of Default; Removal of Custodian.	39~~38~~
Section 18.	Delegation of Duties by the Custodian	40~~38~~
Section 19.	Custodian Not to Resign	40~~39~~
Section 20.	Merger of the Custodian	40~~39~~
Section 21.	No Transfer of Participation Certificates or Participation Interests	40~~39~~
Section 22.	Fees and Expenses.	41~~39~~
Section 23.	Tax Matters.	41~~40~~
Section 24.	Set-off	42~~41~~
Section 25.	Survival of Covenants	42~~41~~
Section 26.	Communication and Notice Requirements	43~~41~~
Section 27.	Form of Instruments	43~~42~~
Section 28.	Amendment; Waiver	43~~42~~
Section 29.	Severability Clause	44~~42~~

Section 30. Governing Law ..... 44~~43~~
Section 31. Exhibits ..... 44~~43~~
Section 32. General Interpretive Principles ..... 44~~43~~
Section 33. Reproduction of Documents ..... 45~~43~~
Section 34. Further Agreements ..... 45~~44~~
Section 35. Other Department Program ..... 45~~44~~
Section 36. Adoption ..... 45~~44~~
Section 37. Integration ..... 45~~44~~

EXHIBITS

Exhibit A FORM OF ADOPTION AGREEMENT
Exhibit B FORM OF OFFICER'S CERTIFICATE
Exhibit C FORM OF OPINION OF COUNSEL TO THE SPONSOR
Exhibit D FORM OF PARTICIPATION PURCHASE REQUEST
Exhibit E FORM OF CLASS A PARTICIPATION CERTIFICATE
Exhibit F FORM OF CLASS B PARTICIPATION CERTIFICATE
Exhibit G FORM OF SECURITY RELEASE CERTIFICATION
Exhibit H FORM OF NOTICE OF INTENT TO PARTICIPATE

MASTER PARTICIPATION AGREEMENT

This is a Master Participation Agreement, dated as of January 1, 2009 ("2009 Master Participation Agreement"), among the United States Department of Education ("Department"), an individual Eligible Lender or the holder of beneficial interests in Loans (such entity, "Sponsor"), and if the latter, the related Eligible Lender Trustee, each made party to this Master Participation Agreement by executing an Adoption Agreement in the form attached hereto as Exhibit A ("Adoption Agreement"), and the Sponsor's Custodian made party to this Master Participation Agreement by executing the Adoption Agreement ("Custodian").

WHEREAS, pursuant to Section 459A of the Higher Education Act of 1965, as amended, the Department has the authority to purchase Stafford Loans and PLUS Loans, on such terms as the Secretary of Education, the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States to encourage Eligible Lenders to provide students and parents access to Stafford Loans and PLUS Loans made under the Federal Family Education Loan Program for the 2009-2010 academic year;

WHEREAS, the Sponsor has an ownership interest in certain Stafford Loans and PLUS Loans guaranteed under the Higher Education Act;

WHEREAS, the Sponsor may desire to sell Participation Interests (as defined below) in such loans from time to time and the Department may desire to purchase such Participation Interests from the Sponsor;

WHEREAS, to the extent that the Department, the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian enter into an Adoption Agreement, this Master Participation Agreement shall provide for the Sponsor to sell to the Department certain Participation Interests in such loans by transfer to the Custodian as trustee for the benefit of the Department and the Sponsor, as applicable, of all of the Sponsor's right, title and interest in, to and under such loans (including the right to service such loans) and by the creation and conveyance to the Department and the Sponsor of the Participation Interests, all on the terms and conditions set forth below;

WHEREAS, upon the execution of the Adoption Agreement, the Custodian shall be appointed by the Sponsor and the Department to hold legal title to each such loan and to hold in its physical possession (either directly or through a delegee) the related promissory note and all documents and records related to each such loan and the Custodian shall agree, in its capacity as trustee, to accept the transfer of legal title to such loans from time to time, to hold such loans (including the right to service such loans) and such documents and records in trust for the benefit of the Sponsor or the Department, as applicable, and to issue the Participation Interests in such loans as provided herein; and

WHEREAS, by its execution of an Adoption Agreement to this Master Participation Agreement, and upon each transfer of Participation Interests to the Department hereunder, the Sponsor shall represent to the Department that it or the entities on whose behalf it holds FFELP loans as an aggregator of FFELP loans, shall continue to participate in the Federal Family Education Loan Program and that at such time as funds become reasonably available to it or to

those entities from private sources on affordable terms, it will originate new FFELP loans or acquire FFELP loans made by other lenders after the Department's purchases of Participation Interests in Loans from the Sponsor.

NOW, THEREFORE, in connection with the mutual promises contained herein, the parties hereto agree as follows:

Section 1. Terms. This 2009 Master Participation Agreement establishes the terms under which the Sponsor, together with any Eligible Lender Trustee that holds legal title to Eligible Loans on behalf of that Sponsor and that is authorized on behalf of that Sponsor to sell Eligible Loans, may sell, and the Department shall purchase, Participation Interests in the Eligible Loans specified on each Loan Schedule attached to each Participation Purchase Request as the parties may execute from time to time pursuant to this Master Participation Agreement, subject to the terms of this Master Participation Agreement. Each such Participation Purchase Request shall be substantially in the form of Exhibit D, attached hereto, incorporating by reference the terms of this Master Participation Agreement, and shall be a separate agreement among the Sponsor, an Eligible Lender Trustee (if applicable), the Custodian and the Department with respect to the Participation Interests covered by the terms of such Participation Purchase Request and the Eligible Loans underlying such Participation Interests covered by the terms of such Participation Purchase Request for all purposes.

If the terms of a Participation Purchase Request conflict with the terms of this Master Participation Agreement, the terms of this Master Participation Agreement shall supersede and govern except to the extent that such conflict is specifically noted in the Participation Purchase Request and the parties acknowledge and agree that notwithstanding such conflict, the terms of the Participation Purchase Request shall govern.

The Department will not execute an Adoption Agreement to enter into a Master Participation Agreement with any Sponsor after July 1, 2010. Further, in order to sell any Participation Interests pursuant to this Master Participation Agreement, the Sponsor must notify the Department no later than July 1, 2010 that it will sell such Participation Interests, and must exercise the option to sell Participation Interests in Eligible Loans on or before August 1, 2010. The Sponsor may sell a Participation Interest after August 1, 2010 only if that interest is in a Loan that is a Purchased Eligible Loan and the following conditions are met: (a) the first disbursement on the Purchased Eligible Loan was made by July 1, 2010, (b) such Loan became subject to a Participation Interest by August 1, 2010, (c) the final disbursement on such Loan is made no later than September 30, 2010, (d) the Sponsor notifies the Department that the Sponsor intends to redeem the Participation Interest in the fully-disbursed Loan and sell the loan to the Department under the Put Option, and (e) the Sponsor completes the sale of the Participation Interest in the fully-disbursed Loan no later than thirty (30) calendar days after the second disbursement. If a Sponsor fails to meet these deadlines, as applicable, the right to sell Participation Interests hereunder shall terminate and the Department will not honor any commitment to purchase Participation Interests.

No Loan will be eligible to become subject to a Participation Interest for sale hereunder to the Department if the first disbursement was made prior to the date on which the Department received the 2009 Notice of Intent to Participate from the Sponsor. Any Eligible Lender that

claims Special Allowance Payments at the rate payable for eligible not-for-profit holders of loans and that seeks to aggregate Eligible Loans to become subject to Participation Interests hereunder must do so through a Sponsor that aggregates only loans that qualify for Special Allowance Payments at that rate.

Section 2. **Commitment to Lend Under the FFEL Program. By its execution of an Adoption Agreement, and upon each sale hereunder, the Sponsor represents to the Department:**

(a) If the Sponsor acts on its own behalf, that it shall continue to participate in the FFELP (either itself or through an Eligible Lender Trustee) and that at such time as funds become reasonably available to it from private sources, it will originate new FFELP loans or acquire FFELP loans made by other lenders after the date of the sale of the Participation Interests to the Department hereunder, and

(b) If the Sponsor acts on behalf of any other entity as an aggregator of FFELP loans, that it is authorized to represent, and has received written assurance from each such entity, which assurance will be provided to the Department upon request, that at such time as funds become reasonably available to them from private sources, each of these entities will continue, as applicable, to originate or finance the origination of FFELP loans, or to acquire or finance the acquisition of FFELP loans made by other lenders, after the date of the sale of the Participation Interests to the Department hereunder.

Section 3. Definitions. For purposes of this Master Participation Agreement the following capitalized terms shall have the respective meanings set forth below:

"Adoption Agreement" means an Adoption Agreement, substantially in the form of Exhibit A, attached hereto, of which this 2009 Master Participation Agreement forms a part by reference, by and among the Department, a Sponsor, an Eligible Lender Trustee (if applicable), and a Custodian obligating each of the parties thereto the terms of this Master Participation Agreement.

"Adverse Event" shall mean the occurrence of any of the following with respect to a Person:

(1). a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against such Person and such decree or order shall have remained in force, undischarged or unstayed for a period of sixty (60) calendar days; or

(2). such Person shall consent to the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to such Person or relating to all or substantially all of such Person's property; or

(3). such Person shall admit in writing its inability to pay its debts as they become due, file a petition to take advantage of any applicable insolvency or reorganization

statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

"Agreement" shall mean, collectively, this Master Participation Agreement and the related Adoption Agreement and all amendments thereto.

"Borrower" means the student or parent obligor on a Loan.

"Business Day" means any day other than (i) a Federal holiday, (ii) a Saturday or Sunday, or (iii) any other day on which banking institutions or trust companies, operating in the state(s) or jurisdiction(s) in which either the Custodian or the Servicer is headquartered, are authorized or obligated by law, regulation or executive order to remain closed.

"Capital Account" has the meaning set forth in Section 23(c) hereof.

"Class A Participation Certificate" has the meaning set forth in Section 5(b) hereof.

"Class A Participation Interest" means a participation interest in one or more Eligible Loans, which consists of (A) a 100% beneficial ownership interest in the principal portion of such Eligible Loans, and (B) the right to receive the Participant's Yield in respect of such Eligible Loans.

"Class B Participation Certificate" has the meaning set forth in Section 5(b) hereof.

"Class B Participation Interest" means a participation interest in one or more Eligible Loans which consists of (A) the right to either redeem such Eligible Loans or to exercise the Put Option pursuant to Section 15 hereof and (B) the right to receive all Collections on such Eligible Loans other than (1) the Participant's Yield, and (2) principal collections on such Eligible Loans.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto.

"Collateral" has the meaning set forth in Section 6(a) hereof.

"Collection Account" means the segregated account established pursuant to Section 11(a) hereof.

"Collections" has the meaning set forth in Section 11(a) hereof.

"Commercial Paper Rate" means the commercial paper rate determined by the Department on a quarterly basis and published pursuant to Section 438(b)(2)(I)(i)(I) of the Higher Education Act or such substitute rate as may be authorized by applicable law.

"Custodian" means the custodian of Eligible Loans designated by the Sponsor (or a successor custodian appointed pursuant to Section 17 hereof), which is a party hereto pursuant to an Adoption Agreement executed and delivered pursuant to the terms hereof, and (i) which is a National or State-chartered bank, (ii) which is an Eligible Lender, and (iii) as to which the representations and warranties set forth in Section 10(c) of this Agreement are true and correct.

"Custodian Event of Default" means one or more of the following shall occur and be continuing with respect to the Custodian:

(1). if for any reason the Custodian is no longer an Eligible Lender; or

(2). any failure by the Custodian to remit to the Department or the Sponsor, as applicable, any Collections pursuant to Section 11 hereof; or

(3). any failure by the Custodian to duly observe or perform, in any material respect, any other covenants, obligations or agreements of the Custodian as set forth in the Agreement, which failure continues unremedied for a period of thirty (30) calendar days after the earlier of the date on which (i) the Custodian shall have actual knowledge of such failure, or (ii) written notice of such failure, requiring the same to be remedied, shall have been given to the Custodian by the Sponsor or the Department; or

(4). an Adverse Event with respect to the Custodian shall have occurred and be continuing beyond the expiration of any applicable grace period; or

(5). the Custodian attempts to sell or otherwise dispose of all or substantially all of its property or assets, or to assign any of its obligations hereunder or all or any portion of the Eligible Loans subject to a Participation Interest hereunder.

"Department" has the meaning set forth in the preamble hereto.

"Eligible Borrower Benefits" means only those borrower benefits for a Loan that are (i) unconditional upfront fee reductions which are accrued and paid or made prior to the date on which a Participation Interest is sold hereunder, or (ii) permitted reductions in interest rates of not more than 0.25 percent that are contingent on the use of an automatic payment process by the Borrower for any payments due.

"Eligible Lender" means any entity that is an eligible lender under Section 435(d) of the Higher Education Act.

"Eligible Lender Trustee" means an Eligible Lender that holds legal title to an Eligible Loan for the benefit or on behalf of the Sponsor which holds the related beneficial ownership interest in such Eligible Loan, that is authorized to sell Eligible Loans on behalf of the Sponsor, and that executes an Adoption Agreement together with such Sponsor.

"Eligible Loan" means a Loan that meets the following criteria as of the applicable Purchase Date:

(1). the Loan was made for a loan period that includes, or begins on or after, July 1, 2009 and on which the first disbursement is made on or after May 1, 2009 but no later than July 1, 2010 and, if not fully disbursed on the Purchase Date, is scheduled to be fully disbursed no later than September 30, 2010;

(2). the Loan has been originated and serviced in compliance with all requirements of applicable law, including the Higher Education Act and the implementing regulations, the Equal Credit Opportunity Act, Regulation B and other applicable consumer credit laws and equal credit opportunity laws, as applicable to such Loan;

(3). at least one disbursement has been made on the Loan;

(4). the Loan is guaranteed at least 97% as to principal and interest by the applicable Guarantor and eligible for reinsurance by the Department in accordance with the Higher Education Act;

(5). the Loan bears interest at a stated rate equal to the maximum rate permitted under the Higher Education Act for such loan, except as modified by an Eligible Borrower Benefit;

(6). the Loan is eligible for the payment of quarterly Special Allowance Payments;

(7). if the Loan is not yet in repayment status, the Loan is eligible for payment of Interest Subsidy Payments, or if not eligible, has interest either billed quarterly to the Borrower or capitalized to the extent permitted by the applicable Guarantor (unless, by the Purchase Date, the Seller would not otherwise have billed the borrower quarterly for interest accrued on the Loan);

(8). the Loan is evidenced by a signed Promissory Note in the form (including any required addenda) published by, and prescribed by, the Department, without change of any kind, and is not subject to any agreement not contained in the note that would bar, condition, or limit either transfer of the loan or the exercise by a transferee of the right of the Lender under the terms of the note, except as such an agreement relates exclusively to borrower benefits on the loan.

(9). immediately prior to the transfer of title to the Custodian, the Sponsor, together with the Eligible Lender Trustee (if applicable), had good and marketable title to, and was the sole owner of, the Loan, free and clear of any security interest, lien, charge, claim, offset, defense, counterclaim or encumbrance of any nature (other than one that will be released simultaneously with the purchase of the related Class A Participation Interest pursuant to a Security Release Certification), and no right of rescission, offsets, defenses or counterclaims have been asserted or threatened with respect to the Loan;

(10). the Loan has not been modified, extended or renegotiated in any way, except as required or permitted under the Higher Education Act or other applicable laws, rules and regulations, and the applicable Guarantee Agreement;

(11). the Loan constitutes a legal, valid and binding obligation to pay on the part of the related Borrower enforceable in accordance with its terms and is not subject to a current bankruptcy proceeding;

(12). the Loan has no borrower benefits or other incentive programs other than Eligible Borrower Benefits;

(13). if the Loan is subject to a servicing agreement, such servicing agreement is an Eligible Servicing Agreement and is terminable upon thirty (30) calendar days notice without any liability on the part of the Department;

(14). the sale or assignment of the Loan to the Custodian does not conflict with law or require notice to or consent, except for such consent, approval, authorizations or orders, if any, that have been obtained prior to the related Purchase Date, and for any notices to Borrowers and Guarantors required by the Higher Education Act;

(15). if the Loan is made under Section 428 (Subsidized Stafford Loans) or Section 428H (Unsubsidized Stafford Loans) of the Higher Education Act, Participation Interests in such Loan shall have been sold to the Department together with Participation Interests in all of the Borrower's other Subsidized Stafford Loans and Unsubsidized Stafford Loans that are Eligible Loans and that are held by or on behalf of the Sponsor; and

(16). the Loan is eligible to be sold to the Department under the Put Option, or, if not fully disbursed on the applicable Purchase Date, is scheduled to be fully disbursed by September 30, 2010 and upon such final disbursement eligible to be sold to the Department under the Put Option.

Without limitation, the following loans shall not be eligible for sale to the Department pursuant to the terms of this Agreement:

(1). loans which do not comply with the representations and warranties set forth in Section 10(b) of this Master Participation Agreement;

(2). FFELP consolidation loans or any other types of loans not specifically described in this Master Participation Agreement;

(3). loans disbursed for academic years other than the 2009-2010 academic year;

(4). loans that will not have at least one disbursement as of July 1, 2010;

(5). loans in which the Department has previously purchased a Participation Interest, whether or not that interest has been redeemed;

(6). loans on which the lender has committed to providing the Borrower with any borrower benefits other than Eligible Borrower Benefits, without regard to whether such a commitment purports to bind only the Lender;

(7). loans on which a default claim or other claim for payment on the loan has been filed with the related Guarantor; and

(8). loans made by a guarantor or other lender as a Lender of Last Resort, pursuant to HEA Section 428(j), 20 U.S.C. Section 1078(j), whether made with Federal advances or other funds.

"Eligible Servicing Agreement" means a servicing agreement that meets the criteria set forth in Section 12(c) hereof.

"Equal Credit Opportunity Act" means the Equal Credit Opportunity Act (15 U.S.C. Section 1691 et seq.) as amended.

"Exception Report" has the meaning set forth in Section 5(d) hereof.

"FFELP" means the Federal Family Education Loan Program authorized under title IV, Part B of the Higher Education Act.

"Guarantee Agreement" means an agreement between a Guarantor and the Sponsor or the Eligible Lender Trustee (if applicable), that provides for the payment by such Guarantor of amounts authorized to be paid pursuant to the Higher Education Act to holders of qualifying FFELP loans guaranteed in accordance with the Higher Education Act.

"Guarantor" means any FFELP guaranty agency with which the Sponsor or the Eligible Lender Trustee (if applicable) has in place a Guarantee Agreement, and which guarantor is reinsured by the Department of Education for a percentage of claims paid for a given federal fiscal year.

"Higher Education Act" means the Higher Education Act of 1965, as amended, 20 U.S.C. § 1001 et seq.

"Interest Subsidy Payments" means the interest subsidy payments on certain FFELP loans authorized to be made by the Department pursuant to Section 428 of the Higher Education Act.

"Loan" means a FFELP Subsidized Stafford Loan or Unsubsidized Stafford Loan or FFELP PLUS Loan made to a student (or in the case of a parent PLUS loan, made to a parent of a dependent student) evidenced by a Promissory Note and all related Loan Documents together with any guaranties and other rights relating thereto including, without limitation, Interest Subsidy Payments and Special Allowance Payments, together with the servicing rights related thereto.

"Loan Documents" means with respect to each Loan, the following documents (except as otherwise specifically provided by the Department):

(1). a copy of the loan application if a separate application was provided to the Sponsor;

(2). a copy of the signed Promissory Note;

(3). the repayment schedule;

(4). a record of each disbursement;

(5). notices of changes in a Borrower's address and status as at least a half-time student;

(6). evidence of the Borrower's eligibility for a deferment;

(7). the documents required for the exercise of forbearance;

(8). documentation of the assignment of the loan, if any;

(9). a payment history showing the date and amount of each payment received from or on behalf of the Borrower, and the amount of each payment that was attributed to principal, interest, late charges, and other costs;

(10). a collection history showing the date and subject of each communication between the Sponsor and the Borrower or endorser relating to collection of a delinquent Loan, each communication other than regular reports by the Sponsor showing that an account is current, between the Sponsor and a credit bureau regarding the loan, each effort to locate a Borrower whose address is unknown at any time, and each request by the Sponsor for default aversion assistance on the Loan;

(11). documentation of any master promissory note confirmation process or processes;

(12). any additional records that are necessary to document the validity of a claim against the guarantee or the accuracy of reports submitted by the Sponsor; and

(13). a statement identifying the name and location of the entity in possession of the original electronic promissory note and, if different, the name, company, address and contact information of the person who is able to provide the affidavit or certification described in 34 C.F.R. Section 682.414(a)(6)(i), including any necessary supporting documentation.

"Loan Schedule" means the schedule (in the form provided by the Department) attached to each Participation Purchase Request and completed by or on behalf of the Sponsor and the Eligible Lender Trustee (if applicable) that lists, by Borrower, (i) the Loans proposed to be subject to the related Participation Interests, (ii) the name and address of the Borrower, the loan number, the qualifying institution attended by the Borrower and the scheduled outstanding Principal Balance and accrued interest thereon as of the related Purchase Date and (iii) any other information the Department may require including but not limited to certain identification numbers and dates relating to the Eligible Loans.

"Loan Schedule and Custodial Certification" means the Loan Schedule in the form included with Exhibit E and Exhibit F attached to each Participation Certificate, and certified by the Custodian as a complete and accurate listing of all of the Eligible Loans subject to Participation Interests evidenced by each such Participation Certificate as to which the Custodian (i) holds legal title and (ii) has physical possession (either directly or through its delegee) of all required Loan Documents in trust for the benefit of holders of the Participation Interests.

"Master Loan Sale Agreement" or "2009 Master Loan Sale Agreement" means the Master Loan Sale Agreement dated January 1, 2009, together with the related adoption agreement among the Department, the Sponsor, and the Eligible Lender Trustee (if applicable).

"Master Participation Agreement" has the meaning set forth in the preamble hereto.

"Notice of Intent to Participate" or "2009 Notice of Intent to Participate" means the notice provided to the Department by an Eligible Lender or a lender other than an Eligible Lender, together with an Eligible Lender Trustee, of its intent to participate in the loan purchase programs, which shall be in the form attached hereto as Exhibit H.

"Participant's Yield" means with respect to each Participation Interest for each fiscal quarter during which the Department holds the related Class A Participation Interest, an amount equal to -

(a) (i) the daily average of the principal balance of such Class A Participation Interest multiplied by (ii) the product of (A) the Commercial Paper Rate plus the applicable Spread, and (B) the number of days in such fiscal quarter, and (iii) divided by 360,

(b) reduced by any amount of such Participant's Yield in respect of such fiscal quarter previously paid to the Department pursuant to Section 11(b) hereof, and

(c) increased by the amount of Participant's Yield remaining unpaid with respect to any prior fiscal quarters.

"Participation Interest" means a Class A Participation Interest or a Class B Participation Interest.

"Participation Purchase Request" means a request substantially in the form of Exhibit D attached hereto, executed by authorized officers of each of the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian and delivered to the Department, which shall (i) set forth the Eligible Loans for which Class A Participation Interests are offered for sale to the Department, (ii) certify that the representations and warranties made by the Sponsor in Section 10(a), and (b) of this Master Participation Agreement are true and correct, (iii) certify that the Custodian holds legal title to each Eligible Loan for which the Class A Participation Interests are offered for sale to the Department and (iv) certify that the Custodian or its designee holds all required Loan Documents for each Eligible Loan for which the Class A Participation Interests are offered for sale to the Department.

"Partner" has the meaning set forth in Section 23(b) hereof.

"Partnership" has the meaning set forth in Section 23(a) hereof.

"Permitted Investments" means overnight or short-term U.S. Treasury securities that will, in all cases, mature on or prior to the day immediately preceding the date such funds are required to be disbursed.

"Person" means an individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"PLUS Loan" means a Loan described in Section 428B of the Higher Education Act and shall include loans to parents, designated as "PLUS Loans" or loans to graduate or professional students, designated "Grad PLUS Loans."

"Principal Balance" with respect to a Loan means the outstanding principal amount of the Loan, plus capitalized interest.

"Promissory Note" means the master promissory note of the Borrower and any amendment thereto evidencing the Borrower's obligation with regard to a student loan guaranteed under the Higher Education Act, either in paper form or in the electronic records evidencing the same.

"Purchase Date" means the effective date on which the Custodian receives payment from the Department of the Purchase Price for Class A Participation Interests, which shall be as soon as practicable after the Department receives the related Participation Purchase Request.

"Purchase Price" has the meaning set forth in Section 4(c) hereof.

"Purchased Eligible Loan" means an Eligible Loan in which a Participation Interest has been purchased by the Department.

"Put Option" means, with respect to a Purchased Eligible Loan, the right of the Sponsor, through the Eligible Lender Trustee (if applicable), pursuant to Section 15, to sell such Purchased Eligible Loan to the Department against the Department's right to receive all future Collections under such Eligible Loans.

"Redemption Payment" means, with respect to a Purchased Eligible Loan to be redeemed pursuant to Section 15, an amount equal to the greater of (i) the proceeds of the sale or other transfer of such Purchased Eligible Loan, if any, including proceeds received subsequent to the redemption date, and (ii) the Purchase Price paid by the Department in exchange for the Class A Participation Interest in such Purchased Eligible Loan together with any Participant's Yield on such Purchase Price calculated through the date of the next scheduled distribution to the Department, less (with respect to (ii)) any amount that the Sponsor demonstrates to the satisfaction of the Department, in its sole discretion, was received with respect to such Purchased Eligible Loan and remitted to the Department pursuant to Section 11(b) in satisfaction of a portion of the Participant's Yield and Purchase Price with respect to such Purchased Eligible Loan.

"Regulation B" means the federal regulations governing the Equal Credit Opportunity Act as it appears in Title 12, *Code of Federal Regulations*, Part 202.

"Reporting Date" has the meaning set forth in Section 8(a) hereof.

"Responsible Officer" means any director, vice president, assistant vice president, any associate or any other officer of the Custodian or Sponsor, as applicable, customarily performing functions similar to those performed by any of the above designated officers and with respect to a particular matter, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Agreement.

"Secretary" means the Secretary of Education, and "Department" means the United States Department of Education, and either term includes any official of the Department duly authorized to perform any function with respect to the transactions under this Agreement.

"Security Release Certification" means the certification executed by the Sponsor and a lienholder with respect to one or more Loans substantially in the form of Exhibit G hereto.

"Servicer" means the Sponsor in its capacity as servicer or another servicer of FFELP loans that will service the Eligible Loans pursuant to an Eligible Servicing Agreement.

"Servicer Event of Default" means one or more of the following events that occurs and is continuing with respect to the Servicer:

(1). any failure by the Servicer to remit to the Custodian any Collections within two (2) Business Days following receipt, or any failure by the Servicer to pay any other amounts required to be paid by the Servicer hereunder or under any related Eligible Servicing Agreement, which failure continues unremedied for a period of one (1) Business Day following the Servicer becoming aware of such failure; or

(2). any failure by the Servicer to duly observe or perform, in any material respect, any other covenants, obligations or agreements of the Servicer as set forth in this Master Participation Agreement or in any Eligible Servicing Agreement, which failure continues unremedied for a period of thirty (30) calendar days after the date on which notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Sponsor, the Custodian or the Department; or

(3). a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Servicer and such decree or order shall have remained in force, undischarged or unstayed for a period of sixty (60) calendar days; or

(4). the Servicer shall consent to the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Servicer or relating to all or substantially all of the Servicer's property; or

(5). the Servicer shall admit in writing its inability to pay its debts as they become due, file a petition to take advantage of any applicable insolvency or reorganization

statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or

(6). any representation or warranty made by the Servicer under any Eligible Servicing Agreement shall prove to be untrue or incomplete in any material respect, which failure shall continue unremedied for a period of thirty (30) calendar days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Sponsor, the Custodian or the Department; or

(7). the Servicer attempts to sell or otherwise dispose of all or substantially all of its property or assets, or to assign its servicing responsibilities with respect to any Eligible Loans or any portion thereof, except with the consent of the Sponsor; or

(8). the Servicer fails to maintain its license to do business or service the Eligible Loans, or for any reason the Servicer is not qualified or eligible to service Eligible Loans.

"Special Allowance Payments" means special allowance payments on FFELP loans authorized to be made by the Department pursuant to Section 438 of the Higher Education Act.

"Sponsor" has the meaning set forth in the preamble hereto.

"Sponsor Event of Default" means one or more of the following shall have occurred and is continuing with respect to the Sponsor:

(1). if for any reason the Sponsor or the Eligible Lender Trustee (if applicable) is no longer an Eligible Lender; or

(2). any failure by the Sponsor to remit or cause to be remitted to the Custodian any Collections with respect to Purchased Eligible Loans within two (2) Business Days following receipt, or any failure by the Sponsor to pay when due any other amounts required to be paid by the Sponsor under this Agreement; or

(3). any failure by the Sponsor to duly observe or perform, in any material respect, any other covenant, obligation or agreement of the Sponsor as set forth in this Master Participation Agreement or in any Eligible Servicing Agreement, which failure continues unremedied for a period of thirty (30) calendar days after the earlier of the date on which (i) the Sponsor shall have actual knowledge of such failure, or (ii) written notice of such failure, requiring the same to be remedied, shall have been given to the Sponsor by the Department; or

(4). an Adverse Event with respect to the Sponsor shall have occurred and be continuing beyond the expiration of any applicable grace period; or

(5). any representation or warranty made by the Sponsor pursuant to Section 10(a) hereof shall prove to be untrue or incomplete in any material respect, which failure shall continue unremedied for a period of thirty (30) calendar days after the earlier

of the date on which (i) the Sponsor shall have actual knowledge of such failure, or (ii) written notice of such failure, requiring the same to be remedied, shall have been given to the Sponsor by the Department; or

(6). the Sponsor attempts to sell or otherwise dispose of all or substantially all of its property or assets.

"Spread" means fifty (50) basis points or, at the option of the Department following the occurrence of a Sponsor Event of Default, three hundred (300) basis points.

"Stafford Loan" means a Subsidized Stafford Loan or an Unsubsidized Stafford Loan.

"Subsidized Stafford Loan" means a Loan described in Section 428(a) of the Higher Education Act.

"Tax Liability" has the meaning set forth in Section 23(d) hereof.

"Termination Date" means earliest to occur of (i) the date on which the Sponsor notifies the Department that it will no longer be a participant under the Agreement and reduces the outstanding balance of the Class A Participation Interests to zero, (ii) at the option of the Department, upon the occurrence of a Sponsor Event of Default, (iii) July 1, 2010, if the Sponsor shall not have entered into a Master Loan Sale Agreement with the Department by such date, and (iv) September 30, 2010.

"Treasury Regulations" means the regulations promulgated by the United States Department of the Treasury under the Code.

"Unsubsidized Stafford Loan" means a Loan described in Section 428H of the Higher Education Act.

Section 4. Delivery of Loans to Custodian; Purchase and Sale of Participation Interests.

(a) The Sponsor shall request that the Department purchase Class A Participation Interests by delivering to the Department (i) a Participation Purchase Request, appropriately completed and executed by the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian, and (ii) a Loan Schedule setting forth the Eligible Loans proposed to be subject to such Class A Participation Interests and the scheduled Principal Balance of such Eligible Loans as of the requested Purchase Date. If the Department agrees that the Participation Purchase Request satisfies the requirements of this Agreement, the Department shall execute such Participation Purchase Request and return a copy to the Sponsor and the Eligible Lender Trustee (if applicable). Any such Participation Purchase Request delivered to the Department pursuant to this Section 4(a) shall be irrevocable and shall bind the Sponsor and the Eligible Lender Trustee (if applicable) to transfer the Eligible Loans set forth on the related Loan Schedule in accordance with Section 4(b) below. As a condition precedent to the Department's purchase of Participation Interests in Eligible Loans hereunder, both the originating lender and, if different from the related Sponsor, the related Sponsor, must each have provided to the Department a

timely 2009 Notice of Intent to Participate in the Loan Purchase Programs (as referred to therein).

(b) (1) With respect to any Eligible Loan for which the Department has executed and returned to the Sponsor and the Eligible Lender Trustee (if applicable) a Participation Purchase Request pursuant to Section 4(a) hereof, prior to the Purchase Date therefor, (i) if the Sponsor is an Eligible Lender, the Sponsor shall cause all of its right, title and interests in and to the related Eligible Loans, including the right to service such Eligible Loan, to be transferred to and held in the name of the Custodian, who shall hold all such rights, title and interests in trust for the Sponsor until the Purchase Date, or (ii) if the Sponsor is not an Eligible Lender, the Eligible Lender Trustee shall cause all of its right, title and interests in and to the related Eligible Loans, and the Sponsor shall cause all of its beneficial interests in such Eligible Loans and the right to service such Eligible Loan, to be transferred to and held in the name of the Custodian, who shall hold all such rights, title and interests in trust for the Sponsor, until the Purchase Date. The Sponsor shall cause all related Loan Documents to be delivered to the Custodian or its designee. From and after the Purchase Date for such Eligible Loans, the Custodian shall hold all such Eligible Loans and all related Loan Documents in a secure place in trust for the holders of the Participation Interests in accordance with the terms of this Master Participation Agreement until the Class A Participation Interests are redeemed in full; provided that if the Loan Documents relating to such Eligible Loans are delivered to the Custodian's designee, the Custodian shall cause such designee to hold all such Loan Documents in trust for the holders of the Participation Interests in accordance with the terms of this Master Participation Agreement.

(2) The Custodian shall not release, nor shall it permit its designee to release, any Loan Documents relating to Purchased Eligible Loans to any Person except (i) to the Sponsor upon receipt of the related Redemption Payment by the Custodian for the benefit of the Department, (ii) to the Department upon the Sponsor's exercise of the Put Option with respect thereto, (iii) in connection with servicing-related functions as may be required or permitted under the Higher Education Act, or (iv) as otherwise may be permitted in writing by the Department.

(c) (1) On the related Purchase Date, provided that all conditions precedent set forth in Section 9(a) and (b) hereof have been satisfied in the manner prescribed in this Agreement and in accordance with any guidance interpreting the provisions of this Agreement that the Department has published by November 1, 2008 (or if unsatisfied, the Department has permitted in the Department's sole discretion, such unsatisfied conditions to be cured within an acceptable period of time following the Purchase Date), the Department shall purchase the related Class A Participation Interests from the Sponsor by remitting to the Custodian, who shall in turn, simultaneously remit to the Sponsor, a purchase price equal to the Principal Balance of the related Eligible Loans to become subject to such Class A Participation Interests on such Purchase Date ("Purchase Price").

(2) All payments hereunder shall be made by electronic funds transfer in accordance with the payment process that the Department adopts and discloses to the recipient prior to receipt by the Department of a Participation Purchase Request related to that payment and with instructions provided by the recipient.

(3) As of the date of delivery of each Eligible Loan to the Custodian, the Sponsor hereby sells and assigns its interest in such Eligible Loan in exchange for the Participation Interests and the agreement of the Custodian to act as custodian and trustee pursuant to the Agreement.

(4) Upon receipt of the Purchase Price, the Sponsor shall cause the Custodian to deliver to the Department the Class A Participation Interests in such Eligible Loans, and the related updated Loan Schedule and Custodial Certification to be attached to the Class A Participation Certificate.

(d) Any Purchased Eligible Loans redeemed by the Sponsor pursuant to Section 15 shall cease to be subject to the Participation Interests upon such redemption.

(e) In the case of a single Purchased Eligible Loan evidenced by a separate Promissory Note, each such Promissory Note will be held in the name of the Custodian. If a Purchased Eligible Loan is evidenced together with other Loans that are not Purchased Eligible Loans by a Master Promissory Note, the Custodian shall indicate by book entry on its books and records that the Custodian, in its capacity as trustee, is the legal owner of the Loan that was sold under this Master Participation Agreement and that the Sponsor is the legal owner of those Loans evidenced by the Promissory Note that have not been sold hereunder.

(f) The Sponsor may not sell Class A Participation Interests to the Department more frequently than weekly.

(g) It is understood and agreed that a common law trust is hereby created into which Eligible Loans are transferred on the related Purchase Date thereof, and the Custodian shall hold legal title to such Eligible Loans, shall create the Participation Certificates and shall issue and deliver the Participation Interests, in each case as trustee for the benefit of the holders of the Participation Interests.

Section 5. Participation Certificates; Loan Schedule and Custodial Certifications.

(a) On or prior to the initial Purchase Date, the Custodian shall issue the Class A Participation Certificate and the Class B Participation Certificate, and shall deliver the same to the Department and the Sponsor, respectively. The Class A Participation Certificate shall evidence all Class A Participation Interests sold to the Department on a Purchase Date, and the Class B Participation Certificate shall evidence all Class B Participation Interests delivered to the Sponsor on a Purchase Date.

(b) Each Class A Participation Certificate shall be a definitive participation certificate substantially in the form of Exhibit E hereto, to be issued in the name of, or at the direction of, the Department (each, a "Class A Participation Certificate"). Each Class B Participation Certificate shall be a definitive participation certificate substantially in the form of Exhibit F

hereto, to be issued in the name of, or at the direction of, the Sponsor (each, a "Class B Participation Certificate"). The Class B Participation Certificate, and the Class B Participation Interests issued thereunder shall be subordinated to the Class A Participation Certificate and the Class A Participation Interests issued thereunder.

(c) Each Participation Certificate shall have attached thereto a Loan Schedule and Custodial Certification listing each of the Purchased Eligible Loans evidenced by such Participation Certificate and the current Principal Balance of each such Purchased Eligible Loan. Each Participation Certificate shall be executed on behalf of the Custodian, as trustee, by a Responsible Officer of the Custodian. The signature of any such Responsible Officer on the Participation Certificates may be manual or facsimile. Participation Certificates bearing the manual or facsimile signatures of individuals who were at any time the Responsible Officers of the Custodian shall bind the Custodian, notwithstanding the fact that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Participation Certificates or did not hold such offices at the date of issuance of such Participation Certificates.

(d) (1) On the initial Purchase Date, in exchange for the payment of the Purchase Price by the Department, the Custodian shall prepare and deliver to the Department (i) an initial Loan Schedule and Custodial Certification that lists the Eligible Loans transferred to the Custodian as of such date, which shall be attached to the Class A Participation Certificate, and (ii) a report listing all discrepancies from the Loan Documents that are required to be delivered to the Custodian or its designee with respect to such Eligible Loans (an "Exception Report").

(2) On each subsequent Purchase Date or on any date prior to the Termination Date on which Eligible Loans are redeemed by the Sponsor or the Put Option is exercised, the Custodian shall prepare and deliver to the Sponsor and the Department an updated Loan Schedule and Custodial Certification that reflects the addition or removal of any Eligible Loans as of such date. The Custodian will attach each updated Loan Schedule and Custodial Certification to the Class A Participation Certificate. Each subsequently delivered updated Loan Schedule and Custodial Certification replaces any previously delivered Loan Schedule and Custodial Certification, and any such previously delivered Loan Schedule and Custodial Certification shall automatically be cancelled. The Custodian shall provide to the Sponsor a copy of each Loan Schedule and Custodial Certification.

(e) (1) In connection with any delivery by the Custodian of a Loan Schedule and Custodial Certification, the Custodian shall be deemed to represent and warrant to the Sponsor and the Department that –

(i) the information set forth on each such Loan Schedule and Custodial Certification is complete, true and correct in all respects as of the date of such delivery and at all times until such Loan Schedule and Custodial Certification is canceled,

(ii) legal title to each Loan listed on the Loan Schedule and Custodial Certification is held by the Custodian in trust for the benefit of holders of the Participation Interests,

(iii) with respect to each Loan listed on the Loan Schedule and Custodial Certification, all related Loan Documents have been delivered to and are held by the Custodian or its designee in trust for the holders of the Participation Interests, and

(iv) with respect to each Loan listed on the Loan Schedule and Custodial Certification, all Loan Documents delivered to the Custodian have been reviewed by the Custodian and appear on their face to comply in all respects to the requirements of the Agreement and customary custodial procedures with respect to FFELP loans.

(2) Notwithstanding the foregoing, if the Custodian has delegated its obligation hereunder to hold and review Loan Documents to another party pursuant to Section 18 hereof, if a Custodian is in compliance with Section 18 hereof, that Custodian shall be protected against its good faith issuance of a Loan Schedule and Custodial Certification, and related Exception Report that is in reliance on a certification from such delegee as to any matters necessary for the Custodian to issue the Loan Schedule and Custodial Certification and the Exception Report.

(f) In the event that the Custodian receives evidence satisfactory to it that a Participation Certificate has been lost, mutilated, stolen or destroyed, the Custodian shall issue and authenticate a new Participation Certificate and shall deliver a replacement Participation Certificate of the same class, together with a replacement Loan Schedule and Custodial Certification. Any subsequently delivered Participation Certificate and Loan Schedule and Custodial Certification shall replace any previously delivered Participation Certificate and Loan Schedule and Custodial Certification and any replaced Participation Certificate and Loan Schedule and Custodial Certification shall be automatically cancelled. The applicant for any such new Participation Certificate may be required to pay any taxes and governmental charges and all expenses and charges of the Custodian in connection with the issuance of such Participation Certificate. All Participation Certificates shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, stolen or lost Participation Certificates.

(g) The outstanding principal balance of the Class A Participation Interests evidenced by the Class A Participation Certificate shall be equal to the aggregate Purchase Price paid with respect to the related Purchased Eligible Loans (including the Purchase Price for any related Subsequent Disbursement), reduced by the amount of any Redemption Payments or other payments allocable to principal received by the Custodian and remitted to the Department with respect to any such Loans and that have been applied to the outstanding principal balance of such Class A Participation Interest through the end of the most recent calendar month. Upon the purchase by the Department of additional Class A Participation Interests in Purchased Eligible Loans, the aggregate outstanding principal balance of the Class A Participation Interests

evidenced by the Class A Participation Certificate shall be increased by the Purchase Price with respect to each such additional Purchased Eligible Loans, and any Subsequent Disbursements.

Section 6. Security Interest.

(a) In the event, for any reason, any transfer of title to Loans and purchase of Participation Interests hereunder is construed by any court or regulatory authority as a loan rather than as a purchase, the Sponsor and the Eligible Lender Trustee (if applicable) hereby grants to the Custodian, and the Custodian hereby assigns the same to the Department, as security for the repayment of such loan and the performance of all other obligations of the Sponsor hereunder, a first priority security interest in all of their respective rights, title and interest in and to the following property, whether now existing or hereafter acquired: (i) the Purchased Eligible Loans; (ii) Collections and funds to be collected with respect to such Purchased Eligible Loans; (iii) any monies on deposit in accounts established hereunder (including the Collection Account), (iv) all proceeds thereon and related thereto, and (v) all related tangible and intangible rights and security with respect thereto (collectively, "Collateral"). Subject to Section 15(f), the lien on such Collateral granted hereunder shall be deemed to be released with respect to any Purchased Eligible Loan by Custodian and the Department upon the Sponsor's remittance of the Redemption Payment with respect to such Loan to the Department in accordance with Section 15 hereto, and the release of such Loan from the related Class A Participation Interest. The Department has the right to take all steps necessary to ensure perfection and priority in the Collateral, including filing one or more Uniform Commercial Code financing statements with the applicable filing office.

(b) Each of the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian hereby authorize the Department, at the Sponsor's expense, to perform all acts which the Department deems appropriate to protect, preserve and realize upon the Purchased Eligible Loans, including, but not limited to, the right to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any Promissory Note, complete blanks in documents, transfer servicing and execute assignments and other instruments on behalf of the Sponsor as its attorney in fact. This power of attorney is coupled with an interest and is irrevocable without Department's consent.

(c) This Master Participation Agreement creates a valid and continuing interest (as defined in the applicable Uniform Commercial Code) in the Purchased Eligible Loans in favor of the Department, which security interest is prior to all other liens, charges, security interests, mortgages or other encumbrances, and is enforceable as such as against creditors of and purchasers from the Sponsor.

(d) Pursuant to the Higher Education Act, a security interest in student loans is perfected in the same manner as an interest in "accounts" within the meaning of the applicable Uniform Commercial Code.

(e) This Master Participation Agreement constitutes a "financing statement" and a "security agreement" under Article 9 of the applicable Uniform Commercial Code.

Section 7. Subsequent Disbursements. To the extent of funds made available by or received from the Sponsor, the Custodian shall make any disbursements that are scheduled and due after the initial disbursement on a Purchased Eligible Loan (each, a "Subsequent Disbursement"). The Sponsor shall provide to or at the direction of the Custodian the funds necessary to make any such Subsequent Disbursements, and the Sponsor, if requested by the Custodian, hereby agrees make such disbursements directly to the applicable educational institution as the delegee of the Custodian. The Custodian shall issue to the Sponsor the related Participation Interests in such Subsequent Disbursements, and the Sponsor shall sell to the Department Class A Participation Interests in the Purchased Eligible Loan with respect to the initial disbursement and such Subsequent Disbursements. Consistent with the terms of Section 4, the Department shall only purchase a Class A Participation Interest in any Subsequent Disbursement of a Purchased Eligible Loan if such Subsequent Disbursement shall have been made by the Custodian or the Sponsor pursuant to the terms of this Section 7 prior to the related Purchase Date, and notice thereof shall have been provided to the Department.

Section 8. Reporting; Due Diligence.

(a) On a monthly basis on the day of the month specified by the Department ("Reporting Date") or as otherwise specified below, the Sponsor shall provide or cause the Custodian or the Servicer, as applicable, to provide to the Department, the following:

(1) on the date of execution of the Adoption Agreement and on each Reporting Date, a twelve (12) month rolling forecast, estimating the number of Loans and the Principal Balance thereof that the Sponsor reasonably believes, in good faith, that it will cause to become subject to Participation Interests and sold to the Department hereunder, and the number and Principal Balance of Purchased Eligible Loans that the Sponsor expects to redeem in each of the months following the date of such projection through September 2010;

(2) a listing of all principal and interest payments or other payments received on each Purchased Eligible Loan subject to a Participation Interest during the previous calendar month and the current amount of principal and interest due and owing on such Purchased Eligible Loans;

(3) information on Loans by schools, delinquencies, and other features as may be requested by the Department from the Sponsor or the Custodian;

(4) with respect to each Servicer, any audit reports or other annual compliance/operational audits performed on such Servicer relating to the servicing of FFELP loans;

(5) within 60 calendar days following the consummation of the initial Participation Purchase Request hereunder and on any subsequent dates specified by the Department, the Sponsor shall and shall cause each Servicer to provide to the Department a statement of compliance with respect to this Agreement and any related documents, Eligible Servicing Agreements and applicable law, together with an agreed upon procedures letter delivered by an independent public accountant with respect to this Agreement, all in forms acceptable to the Department; and

(6) such other information as requested by the Department shall be delivered to the Department, which may include Redemption Payment calculations as defined in clause (ii) of the definition of Redemption Payment, the calculation of other amounts due and owing to the Department or Sponsor upon exercise of the Put Option with respect to Purchased Eligible loans, and audited annual financial statements or unaudited quarterly financial statements of the Sponsor and any Servicer or their respective consolidated groups.

(b) On each Reporting Date, the Custodian shall provide to the Department the following:

(1) a monthly settlement date report with respect to each Loan subject to a Class A Participation Interest, which shall include all loan activity for the prior calendar month including loan disbursements, and an aggregation of the Participant's Yield and principal paid to the Department with respect to each Class A Participation Interest (a "Settlement Date Report"); and

(2) prior to the later of (i) 90 calendar days after the Termination Date, or (ii) the date on which the Department publishes audit guidance, an audit of the Custodian's activities under that Participation Interest conducted by an independent auditor selected by the Sponsor (which may be the same auditor that is performing audits on behalf of the Sponsor or the Servicer).

(c) The Department and its representatives have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, a due diligence/audit of the Servicer's operations, the Loan Documents, the Eligible Loans and the Settlement Date Reports. At any time and from time to time during a calendar year, the Department shall have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, additional due diligence of the Sponsor and the Custodian. The Sponsor and Custodian shall ensure that each and any delegated Servicer provide such access. All expenses incurred as a result of such due diligence shall be borne by the Sponsor.

(d) Pursuant to Section 432(f) of the Higher Education Act, the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian each hereby grants the Department and its agents (including but not limited to legal counsel and internal or external auditors), the right at any time and from time to time during regular business hours, (i) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Sponsor, the Eligible Lender Trustee or the Custodian relating to Participation Interests sold hereunder or the Loans subject to such Participation Interests and (ii) to visit the offices of the Sponsor, the Eligible Lender Trustee or the Custodian for the purpose of examining such material described in clause (i) above, and to discuss matters relating to such Participation Interests or Loans or the performance of the Sponsor, the Eligible Lender Trustee (if applicable) or the Custodian hereunder with any of their respective officers and employees having knowledge of such matters.

(e) The Custodian may, in good faith, prepare any of the reports, statements or other information to be delivered by the Custodian to the Department hereunder in reliance on

information provided to it by the Servicer or any other delegee so long as the Custodian is in compliance with Section 18 hereof with respect to such delegee.

Section 9. Conditions Precedent.

(a) On or prior to the initial Purchase Date, the Sponsor shall deliver or cause to be delivered the following documents to the Department:

(1) the Adoption Agreement, duly executed by the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian in four counterparts;

(2) a duly executed officer's certificate of the Sponsor, in substantially the form of Exhibit B hereto, together with all required attachments thereto;

(3) an opinion of counsel to the Sponsor, in substantially the form of Exhibit C hereto;

(4) certified copies of all agreements of the Sponsor, if any, with other Eligible Lenders or holders of beneficial interests in FFELP loans, to aggregate, transfer or cause the transfer of legal title to, and sell participation interests in Eligible Loans under the Agreement;

(5) tax lien, Uniform Commercial Code lien and judgment search reports with respect to the Sponsor and the Eligible Lender Trustee (if applicable) in all relevant jurisdictions;

(6) certified copies of all related Eligible Servicing Agreements;

(7) the Class A Participation Certificate representing the Class A Participation Interests purchased on such Purchase Date, which shall have attached thereto a Loan Schedule and Custodial Certification, certified by the Custodian as an accurate listing of all of the Eligible Loans as to which the Custodian (i) holds legal title and (ii) has physical possession (either directly or through its delegee) of all related Loan Documents in trust for the benefit of the holders of the Participation Interests; and

(8) such other documents as the Department may request.

(b) On or prior to each Purchase Date (including the initial Purchase Date), the Sponsor (or the Custodian, as applicable) shall be required to deliver each of the following to the Department or the Custodian, as applicable:

(1) Activities Prior to the Related Purchase Date. The Sponsor shall have provided any assistance requested by the Department in determining that all required documentation on the related Eligible Loans is present and correct.

(2) Participation Purchase Request/Loan Schedule. The Sponsor shall deliver to the Department:

(i) A Participation Purchase Request that has been duly authorized and executed by an authorized officer of each of the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian; and

(ii) The Loan Schedule, attached to the Participation Purchase Request, identifying each of the Eligible Loans proposed to become subject to Participation Interests.

(3) Loan Documents. The Sponsor shall deliver to the Custodian or its designee all Loan Documents related to each of the Eligible Loans proposed to become subject to Participation Interests.

(4) Loan Schedule and Custodial Certification. The Custodian shall have delivered to the Department an updated Loan Schedule and Custodial Certification reflecting each of the Eligible Loans proposed to become subject to Participation Interests and all other Eligible Loans then subject to Participation Interests hereunder, which shall replace the previous Loan Schedule and Custodial Certification.

(5) Exception Report. To the extent applicable, the Custodian shall have delivered to the Department (with a copy to the Sponsor) an Exception Report with respect to the Eligible Loans proposed to become subject to Participation Interests; provided that the Department shall not be obligated to purchase a Participation Interest in any Eligible Loan as to which a discrepancy shall be listed on such Exception Report unless in its sole discretion, the Department has either waived such discrepancy or given the Sponsor the opportunity to cure such discrepancy and the Sponsor shall have cured the same to the satisfaction of the Department.

(6) Eligible Lender Trustee. The Eligible Lender Trustee (if applicable) shall have delivered to the Department such additional documents and information as the Department shall have requested to evidence that the Eligible Lender Trustee is fully authorized to transfer title to each Eligible Loan to the Custodian on behalf of the Sponsor.

(7) Security Release Certification. If any of the Eligible Loans are subject to any security interest, pledge or hypothecation for the benefit of any Person, the Sponsor shall disclose that interest and deliver to the Department a fully executed Security Release Certification with respect to such Eligible Loans.

(8) List of Lockboxes. The Sponsor shall have delivered to the Department a list of lockboxes and copies of lockbox servicing instructions, to the extent not already provided.

(9) Additional Documents. The Sponsor shall have delivered to the Department such additional documents and information as the Department shall have requested, including any documents set forth under Section 9(a) not previously delivered to the Department.

Section 10. Representations and Warranties of the Sponsor, the Eligible Lender Trustee and Custodian.

(a) Representations as to the Sponsor and the Eligible Lender Trustee. The Sponsor, as to each matter referenced below, and to the extent expressly required below, the Eligible Lender Trustee (if applicable), represents and warrants to the Department and the Custodian, as of the date the Adoption Agreement is executed and as of each Purchase Date:

(1) Each of the Sponsor and the Eligible Lender Trustee (if applicable) (i) is duly organized, validly existing and in good standing under the laws of the State of its formation or of the United States, as applicable, (ii) has all licenses necessary to carry out its business as now being conducted or is otherwise exempt under applicable law from such licensing or qualification or is otherwise not required under applicable law to effect such licensing or qualification and no demand for such licensing or qualification has been made upon the it by any such state, and (iii) is in compliance with the laws of any such state to the extent necessary to ensure the enforceability of each Loan. No licenses or approvals obtained by it have been suspended or revoked by any court, administrative agency, arbitrator or governmental body and no proceedings are pending which might result in such suspension or revocation;

(2) The Sponsor or the Eligible Lender Trustee (if applicable) is an "eligible lender" as such term is defined in Section 435(d) of the Higher Education Act, it has a lender identification number issued by the Department with respect to the Loans;

(3) The Sponsor or the Eligible Lender Trustee (if applicable) has in effect a Guarantee Agreement with a Guarantor with respect to each of the Loans;

(4) The Sponsor intends to sell to the Department during the term of this Agreement Class A Participation Interests in Eligible Loans, that it estimates, in good faith, will have an aggregate Principal Balance of not less than $50,000,000;

(5) With respect to each state or jurisdiction therein in which the Sponsor undertakes origination activities, Sponsor is in full compliance with such state's or jurisdiction's (as applicable) laws, rules, regulations, orders, settlement agreements and other standards and procedures, including those promulgated by agencies or officers thereof, applicable to it and pertaining to the conduct of participants in the student loan industry (including, without limitation, any applicable "code of conduct" for participants in the student loan industry that applies to the Sponsor as a matter of law, to the extent that non-compliance with such a code of conduct would adversely affect the Department's right or interests with respect to the Loans in which it acquired participation interest);

(6) The Sponsor has administered, operated and maintained its student loan program in such a manner as to ensure that such program and the Loans will benefit, in all material respects, from the FFELP, the Guarantee Agreements

related thereto and the federal program of reimbursement for FFELP loans pursuant to the Higher Education Act;

(7) Neither the Sponsor nor the Eligible Lender Trustee (if applicable) has, with respect to any Purchased Eligible Loan, agreed to release any Guarantor from any of its contractual obligations as a guarantor of such Loan or agreed otherwise to alter, amend or renegotiate any material term or condition under which such Loan is guaranteed, except as required by law or rules and regulations issued pursuant to law, without the express prior written consent of the Department;

(8) Each of the Sponsor and the Eligible Lender Trustee (if applicable) (i) has, or, for Loans already transferred to the Custodian, had at the time of such transfer, all requisite power and authority to hold each Loan, to transfer each Loan, and to execute, deliver and perform, and to enter into and consummate, all transactions contemplated by this Agreement, (ii) has duly authorized the execution, delivery and performance of this Agreement, and (iii) has duly executed and delivered this Agreement. This Agreement, assuming due authorization, execution and delivery by the Department, constitutes a legal, valid and binding obligation of each of the Sponsor and the Eligible Lender Trustee (if applicable), enforceable against each of them in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of rights of creditors generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law); provided, however, that if the Sponsor is not an Eligible Lender, the power and authority to hold and sell each Loan described in clause (i) shall refer, with respect to the Sponsor, to the beneficial interest of the Sponsor, and with respect to the Eligible Lender Trustee, to its interest as the legal title holder of the Loan;

(9) The execution and delivery of this Agreement by each of the Sponsor and the Eligible Lender Trustee (if applicable) and the performance of and compliance with the terms of this Agreement will not violate its formation documents or constitute a default under or result in a breach or acceleration of, any material contract, agreement or other instrument to which it is a party or which may be applicable to it or its assets;

(10) Neither the Sponsor nor the Eligible Lender Trustee (if applicable) is in violation of, and the execution and delivery of this Agreement by it and its performance and compliance with the terms of this Agreement will not constitute a violation with respect to, any order or decree of any court or any order or regulation of any federal, state, municipal or governmental agency having jurisdiction over it or its assets, which violation might have consequences that would materially and adversely affect the condition (financial or otherwise) or its operations or its assets or might have consequences that would materially and adversely affect the performance of its obligations and duties hereunder;

(11) The Sponsor does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(12) There are no actions or proceedings against, or investigations of, the Sponsor or the Eligible Lender Trustee (if applicable) before any court, administrative agency or other tribunal (i) that might prohibit its entering into this Agreement, (ii) that seeks to prevent the transfer of the Loans to the Custodian or the creation and sale of the Participation Interests or the consummation of the transactions contemplated by this Agreement, or (iii) that might prohibit or materially and adversely affect the performance of its obligations under, or the validity or enforceability of, this Agreement;

(13) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Sponsor or the Eligible Lender Trustee (if applicable) of, or compliance by it with, this Agreement or the consummation of the transactions contemplated by this Agreement, except for such consents, approvals, authorizations or orders, if any, that have been obtained prior to the related Purchase Date;

(14) The consideration received by the Sponsor upon the sale of the Participation Interests constitutes fair consideration and reasonably equivalent value for such Participation Interests;

(15) The Sponsor is solvent and will not be rendered insolvent by the consummation of the transactions contemplated hereby. The Sponsor is not transferring any Participation Interests with any intent to hinder, delay or defraud any of its creditors;

(16) The Sponsor has an internal quality control program that verifies, on a regular basis, the existence and accuracy of its legal documents, credit documents and underwriting decisions, including all such documents and decisions that would affect the validity of the representations and warranties required under this Section 10(a). The program shall include evaluating and monitoring the overall quality of the Sponsor's loan production and the servicing of such loans. The program must use commercially-reasonable processes and procedures to ensure that Loans are originated and serviced in accordance with applicable law, to prevent and detect dishonest, fraudulent, or negligent acts; and to guard against errors and omissions by officers, employees, or other authorized persons. At a minimum this program and processes must include maintenance of an errors and omissions insurance policy to the same extent that the Sponsor adopts this practice for its other credit transaction, or that it is required to do so under arrangements governing its financing. To the extent that the Sponsor uses, or is required to use, periodic independent auditor reviews of its transactions, these processes must include those reviews for transactions that include the activities of the Sponsor under this Agreement.

(17) If the Sponsor is acting as an aggregator on behalf of any other entity, it has received a certification from such entity (which it will provide to the

Department upon request) that such entity has agreed to continue to participate in the FFEL program and that at such time as funds become reasonably available to it from private sources, it will originate new FFELP loans after the Department's purchases of Participation Interests from the Sponsor hereunder.

(b) Loan Level Representations. The Sponsor, and to the extent expressly required below, the Eligible Lender Trustee (if applicable), represents and warrants to the Department as to the Eligible Loans subject to any Class A Participation Interest as of each related Purchase Date and as of each date such Loans are subject to a Class A Participation Interest:

(1) At the time of transfer of title to the Custodian, the Sponsor or the Eligible Lender Trustee (as applicable) has good and marketable title to, and the Sponsor and Eligible Lender Trustee together are the sole owners of, the Loans, free and clear of any security interest or lien (other than an interest or lien that will be released simultaneously with the purchase of the related Class A Participation Interest pursuant to a Security Release Certification), charges, claims, offsets, defenses, counterclaims or encumbrances of any nature and no right of rescission, offsets, defenses or counterclaims have been asserted or threatened with respect to the Loans;

(2) Each Loan is an Eligible Loan and the description of and information regarding the Loans set forth in the Participation Purchase Request and the Loan Schedule is true, complete and correct;

(3) The Sponsor or the Eligible Lender Trustee (if applicable) is authorized to transfer the Loans to the Custodian, to cause the Participation Interests to be issued and to sell the Participation Interests to the Department; and the transfer of the Loans to the Custodian and issuance and sale of the Participation Interests will be made pursuant to and consistent with the laws and regulations under which the Sponsor or the Eligible Lender Trustee (if applicable) operates, and will not violate any decree, judgment or order of any court or agency, or conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which it is a party or by which it or its property is bound, or constitute a default (or an event which could constitute a default with the passage of time or notice or both) thereunder;

(4) The Loans are each in full force and effect in accordance with their terms and are legal, valid and binding obligations of the respective Borrowers thereunder subject to no defenses;

(5) No consents and approvals are required by the terms of the Loans for the consummation of the sale of the Participation Interests hereunder to the Department;

(6) Each Loan has been duly made and serviced in accordance with the provisions of the FFELP established under the Higher Education Act, and has

been duly guaranteed by a Guarantor; the Guarantee Agreement is in full force and effect and is freely transferable to the Custodian as trustee for the benefit of the Department as an incident to the purchase of each Participation Interest; and all premiums due and payable to such Guarantor as of the related Purchase Date shall have been paid in full;

(7) Each Loan provides or, when the payment schedule with respect thereto is determined, will provide for payments on a periodic basis that fully amortize the Principal Balance thereof by its maturity, as such maturity may be modified in accordance with any deferral or forbearance periods granted in accordance with applicable law, including, the Higher Education Act, Department regulations, or any applicable Guarantee Agreement;;

(8) Any payments on the Loans received by the Sponsor that have been allocated to the reduction of principal and interest on such Loans have been allocated on a simple interest basis;

(9) Due diligence and reasonable care have been exercised in the making, administering, servicing and collecting on the Loans and, with respect to any Loan for which repayment terms have been established, all disclosures of information required to be made pursuant to the Higher Education Act have been made;

(10) Each Borrower is an eligible borrower under the terms of Section 428, 428B or 428H of the Higher Education Act, as applicable;

(11) All Borrower origination fees and loan fees required pursuant to Section 438 of the Higher Education Act have been paid to the Secretary or appropriately reserved by the Sponsor or the Eligible Lender Trustee (if applicable) for payment to the Secretary;

(12) Each Loan is denominated and payable only in Dollars in the United States;

(13) Sponsor has delivered or caused to be delivered to the Custodian as the legal owner of the Loan and trustee for the Department or to the designee of the Custodian, each of the Loan Documents with respect to such Loan;

(14) The transfer and assignment herein contemplated constitute a valid sale of the Participation Interests from the Sponsor to the Department, and the beneficial interest in and title to such Participation Interests shall not be part of the Sponsor's estate in the event of the bankruptcy of the Sponsor or the appointment of a receiver with respect to the Sponsor;

(15) There is only one original executed copy of the Promissory Note evidencing each Loan. For Loans that were executed electronically, the Sponsor of such Loan (or its designee) has possession of the electronic records evidencing the Promissory Note, including all Loan Documents. The Promissory Notes that evidence the Loans have no marks or notations indicating that they have been

pledged, assigned or otherwise conveyed to any Person other than the Department (other than a notation of any interest or lien that has already been released or will be released simultaneously with the purchase of the participation interest in the Loan hereunder, or, if applicable, any lien in favor of the Department or any interest of the Custodian);

(16) To the extent any Loan is evidenced by an electronic Promissory Note or an electronic record, or to the extent the signature of the obligor on any Promissory Note is an electronic signature, the Sponsor has complied (and has caused any originator or servicer of the Loan to comply) with all regulations and other requirements provided by the applicable Guarantor or the Department relating to the validity and enforceability of such Promissory Note;

(17) Neither the Sponsor nor the Eligible Lender Trustee (if applicable) has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Loans other than the conveyance to the Custodian as trustee for the benefit of the Department (other than (i) the transfer of legal title to the Eligible Lender Trustee (if applicable), or (ii) a security interest or lien that has been or will be released simultaneously with the purchase of the related Class A Participation Interest pursuant to a Security Release Certification). Neither the Sponsor nor the Eligible Lender Trustee (if applicable) has authorized the filing of or is aware of any financing statements against either party that includes a description of collateral covering the Purchased Eligible Loans hereunder (whether or not additional collateral is covered by such financing statements) or any other security interest that has not been terminated, or that will not be terminated upon purchase of the related Class A Participation Interest by the Department. Neither the Sponsor nor the Eligible Lender Trustee (if applicable) is aware of any judgment or tax lien filings against it;

(18) No Borrower of a Loan is noted in the related loan file as being currently involved in a bankruptcy proceeding;

(19) Each grant of the Purchased Eligible Loans by the Sponsor pursuant to this Master Participation Agreement is not subject to the bulk transfer act or any similar statutory provisions in effect in any applicable jurisdiction; and

(20) Each grant of the Purchased Eligible Loans (including all payments due or to become due thereunder) by the Sponsor pursuant to this Master Participation Agreement is not subject to and will not result in any tax, fee or governmental charge payable by the Sponsor to any federal, state or local government.

(c) Representations and Warranties of the Custodian. The Custodian represents and warrants to the Department and the Sponsor, as of the date the Adoption Agreement is executed and at all times thereafter:

(1) The Custodian is duly organized, validly existing and in good standing under the laws of the State of its formation. The Custodian has all licenses necessary to carry out its business as now being conducted or is otherwise exempt under applicable law from such licensing or qualification or is otherwise not required under applicable law to effect such licensing or qualification and no demand for such licensing or qualification has been made upon the Custodian by any such state. No licenses or approvals obtained by the Custodian have been suspended or revoked by any court, administrative agency, arbitrator or governmental body and no proceedings are pending which might result in such suspension or revocation;

(2) The Custodian is an "eligible lender" as such term is defined in Section 435(d)(1)(A) of the Higher Education Act, and is a National or State-chartered bank;

(3) The Custodian has a long-term senior unsecured debt rating of not less than investment grade by at least one of Standard & Poor's, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. or Fitch Ratings, or any of their successors in interest;

(4) The Custodian has a combined capital and surplus of at least $50,000,000, as set forth in its most recent published annual report of condition;

(5) The Custodian has demonstrated, to the satisfaction of the Department, that it has the administrative capability and operating systems adequate to discharge faithfully the functions of the Custodian under this Agreement, and has allocated sufficient staff (including Responsible Officers of the corporation) to carry out such duties;

(6) The Custodian is not affiliated with the Sponsor or the Eligible Lender Trustee;

(7) The Custodian is not aware of any liens in existence with respect to any Purchased Eligible Loan held by the Custodian, other than the lien of the Department and any interest or lien that will be released simultaneously with the purchase of the related Class A Participation Interest pursuant to a Security Release Certification;

(8) The Custodian has all requisite power and authority to hold each Loan as trustee, and to execute, deliver and perform, and to enter into and consummate, all transactions contemplated by this Agreement. The Custodian has duly authorized the execution, delivery and performance of this Agreement, has duly executed and delivered the Adoption Agreement, and this Agreement, assuming due authorization, execution and delivery by

each of the Sponsor and the Department, constitutes a legal, valid and binding obligation of the Custodian, enforceable against it in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of rights of creditors generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law);

(9) The execution and delivery of the Adoption Agreement by the Custodian and the performance of and compliance with the terms of this Agreement will not violate the Custodian's formation documents or constitute a default under or result in a breach or acceleration of, any material contract, agreement or other instrument to which the Custodian is a party or which may be applicable to the Custodian or its assets;

(10) The Custodian is not in violation of, and the execution and delivery of this Agreement by the Custodian and its performance and compliance with the terms of this Agreement will not constitute a violation with respect to, any order or decree of any court or any order or regulation of any federal, state, municipal or governmental agency having jurisdiction over the Custodian or its assets, which violation might have consequences that would materially and adversely affect the condition (financial or otherwise) or the operation of the Custodian or its assets or might have consequences that would materially and adversely affect the performance of its obligations and duties hereunder;

(11) The Custodian does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(12) There are no actions or proceedings against, or investigations of, the Custodian before any court, administrative agency or other tribunal (i) that might prohibit its entering into this Agreement, (ii) seeking to prevent the transfer of the Loans to the Custodian or the creation and sale of the Participation Interests or the consummation of the transactions contemplated by this Agreement or (iii) that might prohibit or materially and adversely affect the performance by the Custodian of its obligations under, or the validity or enforceability of, this Agreement; and

(13) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Custodian of, or compliance by the Custodian with, this Agreement or the consummation of the transactions contemplated by this Agreement, except for such consents, approvals, authorizations or orders, if any, that have been obtained.

Section 11. Collections; Distributions.

(a) The Sponsor shall cause a Collection Account to be established at the Custodian for the purpose of holding all payments and other proceeds of any kind received on or with respect to the Purchased Eligible Loans and any funds received by reason of a Borrower cancellation of a Purchased Eligible Loan or a return of Title IV, HEA funds from the institution attended by such Borrower, and without the netting of any amounts ("Collections") for the benefit of the Department, as holder of the Class A Participation Interests. The Sponsor shall cause the Servicers, as defined below, to deposit all Collections as soon as possible, but in no event later than two (2) Business Days after receipt of funds, into the Collection Account. The Custodian hereby grants to the Department a first priority precautionary security interest in the Collection Account, all Collections at any time on deposit therein and all proceeds and products thereof. Amounts on deposit in the Collection Account may be invested only in Permitted Investments.

(b) On the first Business Day of each calendar month or such other date as agreed to between the Custodian and the Department, the Custodian shall distribute all funds then on deposit in the Collection Account to be applied in the following order of priority:

first, to the Department to pay the aggregate outstanding Participant's Yield then due and owing to the Department (together with all outstanding Participant's Yield not paid to the Department on any previous distribution date due to insufficient funds on deposit in the Collection Account);

second, to the Department to reduce the aggregate outstanding principal balance of the Class A Participation Interests held by the Department (calculated pursuant to Section 5(g) through the end of the most recent calendar month), until such balance is reduced to zero; and

third, to the Sponsor, any remaining amounts.

(c) Upon the request of the Sponsor, the Custodian may distribute funds then on deposit in the Collection Account to the Department on a regular basis, but not more frequently than weekly.

(d) Following the Termination Date, but on or before October 20, 2009, the Custodian shall distribute any funds remaining on deposit in the Collection Account, in the following order of priority:

first, to the Department, the aggregate outstanding Participant's Yield then due and owing;

second, to the Department to reduce the aggregate outstanding principal balance of the Class A Participation Interests (calculated pursuant to Section 5(g) through the end of the most recent calendar month) until such balance is reduced to zero; and

third, to the Sponsor, any remaining amounts.

(e) All distributions by the Custodian hereunder shall be made by electronic transfer in funds available on the next business day in accordance with the instructions provided by the recipient.

(f) The Custodian shall calculate any amounts due to the Department or the Sponsor hereunder and all such calculations shall be subject to verification by the Department.

Section 12. Servicing of Eligible Loans.

(a) Each Eligible Loan which is subject to a Participation Interest shall be serviced by a Servicer (which may be the Sponsor) at the direction of the Custodian pursuant to the terms of an Eligible Servicing Agreement, and in accordance with Department regulations. No such Servicer shall be subject to sanction by the Department. A Sponsor that services its own Loans and that proposes to service Purchased Eligible Loans for the Custodian must enter into an Eligible Servicing Agreement to perform that function.

(b) The Sponsor will be responsible for the payment of any servicing related fees and expenses incurred in connection with the servicing of the related Eligible Loans.

(c) A servicing agreement will be deemed to be an "Eligible Servicing Agreement" if the agreement:

(1) contains customary terms and conditions that reflect a negotiated, arms-length transaction;

(2) provides for not more than a fair market servicing fee;

(3) includes usual and customary representations, warranties, covenants and events of default;

(4) acknowledges or has been amended to acknowledge that the Department is an intended third-party beneficiary of such agreement entitling the Department to instruct the Servicer and exercise remedies with respect to the applicable Eligible Loans upon the occurrence of a Servicer Event of Default;

(5) provides that the Servicer will deposit all Collections into the Collection Account not later than two (2) Business Days after receipt;

(6) provides that upon notice of the exercise of the Put Option or other acquisition of an Eligible Loan by the Department, such agreement may be terminable by the Department, in its sole discretion, upon thirty (30) days' notice and the Eligible Loans deconverted and transferred to a designee of the Department without the payment by the Department of any de-boarding, deconversion or related costs, penalties or fees to the related Servicer and that the servicing shall be transferred as instructed by the Department; and

(7) provides that the Servicer shall deliver to the Custodian all documents and information necessary to enable the Custodian to oversee the Servicer as provided herein.

(8) The Custodian shall take all reasonable steps, actions and proceedings necessary to ensure that each Servicer will manage, service, administer, make collections and calculate any amounts owed to the Department with respect to the Eligible Loans (including collection of any Interest Subsidy Payments and Special Allowance Payments and calculate any negative Special Allowance Payments owing with respect to the Eligible Loans) in compliance with all applicable Federal and State laws, including all applicable rules, regulations and other requirements of the Higher Education Act and the applicable Guarantee Agreement. The Custodian shall ensure that each Servicer shall be responsible for segregating, marking each Eligible Loan as owned by the Custodian and remitting to the Custodian all payments received on the Eligible Loans for the benefit of the Department as the holder of the Class A Participation Certificate, including but not limited to, physical or electronic marking of relevant computer records.

Section 13. Enforcement of the Servicing Agreements.

(a) The Custodian shall take all reasonable steps, actions and proceedings necessary to enforce all terms, covenants and conditions of the Servicing Agreement, and shall cause the Servicer to specify whether Collections received by it and deposited into the Collection Account represent principal or interest.

(b) The Custodian shall not permit the release of the obligations of the Servicer under the Servicing Agreement except in conjunction with amendments or modifications permitted by Section 13(f) below.

(c) At all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Custodian and the Department under or with respect to the Servicing Agreement.

(d) The Custodian shall notify the Department in writing promptly upon becoming aware of any default or failure to perform any obligations on the part of the Servicer under the Servicing Agreement.

(e) The Custodian shall not waive any default by the Servicer under the Servicing Agreement without the written consent of the Department.

(f) The Custodian shall not consent or agree to or permit any amendment or modification of the Servicing Agreement which will in any manner materially adversely affect the rights or security of the Department. Pursuant to the Servicing Agreement, the Sponsor and the Custodian shall be entitled to receive and rely upon an opinion of outside counsel that any such amendment or modification will not materially adversely affect the rights or security of the Department.

Section 14. Liability of the Sponsor and the Custodian; Indemnities.

(a) The Sponsor shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Sponsor under this Agreement, and to the extent of any obligations delegated by the Custodian to the Sponsor pursuant to the terms hereof.

(1). The Sponsor shall indemnify, defend and hold harmless the Department and its officers, directors, employees and agents in their individual capacity from and against any taxes that may at any time be asserted against any such person with respect to the transactions contemplated herein and in the other documents related hereto, including any sales, gross receipts, general corporation, tangible and intangible personal property, privilege or license taxes and costs and expenses in defending against the same.

(2). The Sponsor shall indemnify, defend and hold harmless the Department and its officers, directors, employees and agents in their individual capacity, from and against any and all liability for any and all costs, expenses (including, without limitation, costs and expenses of litigation and of investigation counsel fees, damages, judgments and amounts paid in settlement), losses, claims, damages and liabilities that may be imposed on, incurred by, or asserted against the Department in any way relating to or arising out of this Agreement or, the Sponsor's, the Eligible Lender Trustee's (if applicable), or the Servicer's willful misfeasance, bad faith or negligence in the performance of its respective duties under this Agreement or the Servicing Agreement, as applicable, or by reason of a breach by the Sponsor, the Eligible Lender Trustee or the Servicer of any of their respective representations, warranties, covenants or other obligations or duties under this Agreement or the Servicing Agreement, as applicable.

(3). The Sponsor shall reimburse, indemnify, defend and hold harmless the Custodian and its directors, officers, agents and employees in their individual capacity from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, or out-of-pocket expenses of any kind or nature whatsoever, including reasonable attorney's fees, that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising out of this Agreement or the Custodian's ownership of legal title to the Purchased Eligible Loans.

(b) The Custodian shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Custodian under this Agreement, and with respect to those obligations delegated by it pursuant to the terms hereof, only to the extent the Custodian shall not have complied with Section 18. The Custodian shall indemnify, defend and hold harmless the Department and the officials, employees and agents of the Department in their individual capacity from and against liability for any and all costs, expenses (including, without limitation, costs and expenses of litigation and of investigation counsel fees, damages, judgments and amounts paid in settlement), losses, claims, damages and liabilities that may be imposed on, incurred by, or asserted against the Department in any way relating to or arising out of the

Custodian's willful misfeasance, bad faith or negligence in the performance of its duties under this Agreement, or by reason of its breach of any of its representations, warranties, covenants or other obligations or duties under this Agreement. Notwithstanding anything in this Agreement to the contrary, in no event shall the Custodian be liable for any special, consequential, punitive or indirect damages resulting from any action taken or omitted to be taken by it hereunder or in connection herewith. The foregoing sentence shall survive the removal of the Custodian and the termination of this Agreement. Except to the extent of losses, claims, damages and liabilities that arise out of the Custodian's willful misfeasance, bad faith or negligence in the performance of its duties under this Agreement, the amount of Custodian's liabilities to the Department and its officials, employees and agents under this Section 14(b) shall be limited to the amount of the aggregate fees paid to it for its services hereunder.

(c) Indemnification under this Section 14 shall survive the resignation or the termination of this Agreement, and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Sponsor or Custodian, as applicable, shall have made any indemnity payments pursuant to this Section and the person to or on behalf of whom such payments are made thereafter shall collect any of such amounts from others, such Person shall promptly repay such amounts to the Sponsor or Custodian, as applicable, without interest.

Section 15. Redemption; Put Option; Termination.

(a) On or at any time before the Termination Date with respect to each Purchased Eligible Loan, the Sponsor shall notify the Department and the Custodian of its election to either (i) pay to the Custodian for the benefit of the Department the related Redemption Payment, or (ii) exercise the Put Option with respect thereto. Upon receipt of such notification, the Custodian shall compute the calculation in clause (ii) of the definition of Redemption Payment based upon the data provided by the Sponsor in such notification.

(b) Upon receipt of the Redemption Payment with respect to a Purchased Eligible Loan, the Custodian shall promptly (i) remit such Redemption Payment to the Department, (ii) transfer legal title and release all of its interests in and to such Purchased Eligible Loan to the Sponsor or the Eligible Lender Trustee (if applicable), (iii) deliver or cause to be delivered all related Loan Documents to the Sponsor, and (iv) cancel the Class A Participation Interest and the Class B Participation Interest with respect to such Purchased Eligible Loan.

(c) (1) In order to exercise the Put Option with respect to a Purchased Eligible Loan, the Sponsor shall (i) together with its Eligible Lender Trustee, if applicable, have entered into a Master Loan Sale Agreement (which may be done at any time on or before July 1, 2009 notwithstanding any other document or agreement), (ii) comply with the requirements set forth in Sections 4A, 4D and 4F of the Master Loan Sale Agreement, (iii) comply with each of the conditions precedent set forth in Sections 5A and 5B(i) of the Master Loan Sale Agreement, (iv) prepare and deliver to the Custodian for execution the documents set forth in Sections 5B(iii) through (vii) and 5C of the Master Loan Sale Agreement, (v) make each of the representations and warranties set forth in Section 6 of the Master Loan Sale Agreement as they pertain to the Sponsor as of both the date of the Adoption Agreement and the date the

related Put Option is exercised, and as they pertain to such Purchased Eligible Loan as of the Purchase Date under this Agreement and as of the date the related Put Option is exercised, (vi) ensure the delivery of all related servicing rights with respect to such Purchased Eligible Loan to the Department, and (vii) cause the related Servicing Agreement with respect to such Purchased Eligible Loan to be terminated.

(2). Upon the Custodian's receipt of a request by the Sponsor to exercise the Put Option with respect to a Purchased Eligible Loan, the Custodian shall promptly (i) transfer legal title and release all of its interests in and to such Purchased Eligible Loan to the Department, (ii) deliver or cause to be delivered all related Loan Documents to the Department or its designee, and (iii) cancel the Class A Participation Interest and the Class B Participation Interest with respect to such Purchased Eligible Loan.

(3). The Sponsor and the Department may, at the discretion of the Department, net settle all amounts then due and owing to either party with respect to Purchased Eligible Loans with respect to which the Put Option has been exercised, and the Department will remit to the Custodian any net amount due to the Sponsor, which the Custodian will deposit into the Collection Account and remit to the Department or the Sponsor in accordance with the provisions of Section 11 of this Agreement. The Department will credit in the foregoing settlement process the amount of any Interest Subsidy Payments or Special Allowance Payments then due, owing, and payable with respect to the Eligible Purchased Loans for the most recently completed fiscal quarter, and deduct any negative Special Allowance Payments due and owing with respect to the Eligible Purchased Loans for the most recently completed fiscal quarter.

(4). Following the exercise of the Put Option with respect to a Purchased Eligible Loan, such Loan shall immediately become subject to the Master Loan Sale Agreement as though it had been sold thereunder and the Sponsor shall be bound by the terms of the Master Loan Sale Agreement in all respects with respect to such Loan.

(5). Notwithstanding anything herein to the contrary, and without regard to whether the Sponsor executed a 2009 Master Loan Sales Agreement, a lender providing interim financing to the Sponsor for Loans prior to the related Purchase Date therefor shall have the right to enforce the Sponsor's obligations to exercise the Put Option with respect to such Loans pursuant to this Section 15 if (i) such lender presents to the Department and the Custodian a power of attorney that is duly executed by the Sponsor and the Eligible Lender Trustee (if applicable and to the extent necessary) and is enforceable in each applicable jurisdiction, and (ii) the Loans are Eligible Loans. For the avoidance of doubt, such lender, in exercising its rights under this Section 15(c)(5), shall not be obligated to perform any of the obligations of the Sponsor or the Eligible Lender Trustee (if applicable) hereunder,

including any obligation to file a Notice of Intent to Participate with the Department, or to make Subsequent Disbursements with respect to any Loan put to the Department by such lender.

(d) Notwithstanding the foregoing, the following will apply with respect to the Sponsor's redemption or exercise of the Put Option with respect to Purchased Eligible Loans:

(1) Any Purchased Eligible Loan that becomes and remains delinquent must be redeemed by the Sponsor not later than the 255th day of such delinquency;

(2) Any redemption or exercise of the Put Option with respect to a particular Purchased Eligible Loan that is a Stafford Loan shall require the redemption or exercise of the Put Option, as applicable, by the Sponsor, with respect to any other Purchased Eligible Loan that is a Stafford Loan for which the Borrower is the same.

(3) If Sponsor determines that a Purchased Eligible Loan is not, or was not on the Purchase Date, an Eligible Loan, the Sponsor must redeem that loan.

(e) On the Termination Date, all Eligible Loans then subject to Participation Interests, and the related servicing rights attributable to such Eligible Loans, for which the Sponsor has not made the Redemption Payment shall become the property of the Department without any further action by the Department and the Participation Interests and the rights of the Department and the Sponsor under this Agreement shall be automatically terminated. Upon the termination of this Agreement, the Custodian shall remit to the Sponsor the excess (if any) of the aggregate amount of any Redemption Payments made under this Agreement over the obligations due and owing to the Department by the Sponsor.

(f) In no event shall the Custodian permit any Purchased Eligible Loans to be released from a Class A Participation Interest if, after giving effect to such release, the outstanding Principal Balance of the Purchased Eligible Loans that remain subject to the Class A Participation Interests is less than the aggregate outstanding principal balance of the Class A Participation Interests and Participant's Yield then due and owing to the Department.

Section 16. Sponsor and Servicer Events of Default; Remedies.

(a) (1) Upon the occurrence of a Sponsor or Servicer Event of Default that pertains to a loan level defect or noncompliance, or a breach of a warranty or representation, the Department will allow the Sponsor or Servicer not more than thirty (30) calendar days to cure that default.

(2) A Sponsor that determines that a Purchased Eligible Loan is not, or was not on the Purchase Date, an Eligible Loan, the Sponsor must redeem that loan and must notify the Custodian and the Department of that action. The Sponsor may do so either by disclosing the transaction through an updated Purchase Request, Loan Schedule, or Custodial Certification, or otherwise, if no subsequent Purchase Requests are planned. A Sponsor that timely redeems such a loan and reports or causes that action to be reported to the

Department shall not be considered to breach a representation or warranty regarding the eligibility of that loan.

(b) For any other Event of Default, and for loan-level events of default that remain uncured after this 30-day period, the Department, at its sole option, shall have the right to exercise any or all of the following rights and remedies:

(1) The Department may deem the Termination Date to immediately occur with respect to this Agreement or all or any portion of the Purchased Eligible Loans as it may determine in its sole discretion, whereupon the Sponsor shall remit the Redemption Payment to the Department and/or exercise the Put Option in accordance with Section 15 with respect to each Purchased Eligible Loan subject to such termination;

(2) The Department may increase the Spread to three hundred (300) basis points; and/or

(3) The Department may limit, suspend or terminate the eligibility of the Sponsor, if an Eligible Lender, with respect to participation as a FFELP lender, pursuant to 34 C.F.R. part 682 subpart G, or may suspend or debar the Sponsor pursuant to 34 C.F.R. Part 85, or both.

Section 17. Custodian Events of Default; Removal of Custodian.

(a) Upon the occurrence of any Custodian Event of Default, (i) either the Department or the Sponsor, with the consent of the Department, upon at least thirty (30) Calendar days' prior written notice to the Custodian, may remove and discharge the Custodian from the performance of its obligations hereunder, and (ii) the Department shall have the further right, exercisable at its sole discretion, to limit, suspend or terminate the eligibility of the Custodian with respect to participation as a FFELP lender, pursuant to 34 C.F.R. part 682 subpart G, or may suspend or debar the Custodian pursuant to 34 C.F.R. Part 85, or both.

(b) Promptly after the giving of notice of removal of the Custodian, the Sponsor shall appoint, by written instrument, a successor custodian that meets all of the criteria of eligibility of a custodian under this Master Participation Agreement, and the Sponsor shall cause such successor custodian to become a party to this Master Participation Agreement by executing a counterpart of the Adoption Agreement within thirty (30) Calendar days' of notice of removal to the Custodian.

(c) In the event of any removal of the Custodian pursuant to Section 17(a) hereof, the Custodian shall promptly transfer to the successor custodian, as directed in writing, legal title to all Eligible Loans and all Loan Documents being administered under this Agreement, and shall cooperate and comply with all other reasonable requests in connection with the transfer of the Purchased Eligible Loans and the Collection Account to the successor custodian. Any cost of shipment arising out of the removal of the Custodian shall be at the expense of the Sponsor.

(d) In the event a Custodian (or successor custodian) is removed, by any Person or for any reason permitted hereunder, such removal shall not become effective until (i) in the case of

removal by the Department, the Department by instrument or concurrent instruments in writing (signed and acknowledged by an authorized representative or an attorney-in-fact) filed with the Custodian removed have appointed a successor custodian or otherwise the Sponsor shall have appointed a successor, and (ii) the successor custodian has accepted appointment as such.

Section 18. Delegation of Duties by the Custodian. The Custodian may delegate to another Eligible Lender (including the Sponsor) or to the related Servicer certain of its obligations hereunder.

(a) Notwithstanding the foregoing, the Custodian must perform and shall not delegate its obligations to do the following: (i) hold legal title in its own name to each of the Purchased Eligible Loans, (ii) issue and authenticate the Participation Certificates, (iii) issue the Participation Interests, (iv) create and deliver each Loan Schedule and Custodial Certification and each of the reports required to be delivered by the Custodian under Section 8(b) hereof, and (v) hold and disburse all Collections, collect any Redemption Payments in accordance with the terms hereof, net settle any exercise of the Put Option, and perform any other collection and remittance functions ancillary to the transactions contemplated herein between the Sponsor and the Department (except as expressly permitted in Section 7 hereof).

(b) If the Custodian delegates any of its obligations to a delegee as permitted in this Section 18: (i) the Custodian shall exercise due care in its appointment of such delegee, (ii) if the Custodian performs any of its non-delegated obligations hereunder in reliance on such delegee's performance of delegated obligations, such reliance shall be reasonable under the circumstances, (iii) the Custodian shall take those steps that are reasonable under the circumstances to ascertain whether such delegee is properly performing the delegated obligations, and (iv) if such delegee has failed to perform any of its delegated obligations, the Custodian shall either assume the delegated obligations or promptly appoint a successor delegee to perform such obligations.

Section 19. Custodian Not to Resign. The Custodian may not resign from its duties and obligations as custodian hereunder unless such resignation is agreed to by the Department and the Sponsor.

Section 20. Merger of the Custodian. Any corporation into which the Custodian may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Custodian shall be a party, or any corporation succeeding to all or substantially all of the custodial or trust business of the Custodian, shall be the successor to the Custodian hereunder, provided that such corporation shall be otherwise qualified and eligible under this Master Participation Agreement, without the execution or filing of any paper or any further act on the part of any other parties hereto.

Section 21. No Transfer of Participation Certificates or Participation Interests. None of the Participation Certificates or any Participation Interest may be sold, assigned, transferred, pledged, or hypothecated by any party hereto without the prior written consent of each other party hereto; provided that the Sponsor may grant a security interest in any of the Class B Participation Interests to any Person providing interim financing to the Sponsor.

Section 22. Fees and Expenses.

(a) The Sponsor shall be required to pay (i) all of the costs and expenses which are incurred by it in connection with the negotiation, preparation, execution and delivery of this Agreement and any other related documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for such Sponsor, (ii) all costs and expenses of servicing the Eligible Loans, (iii) the cost of audits and reports required to be delivered under this Agreement by the Sponsor, the Custodian and the Servicer, (iv) all costs and expenses incurred in connection with the transfer and delivery of the Eligible Loans to the Custodian and (v) the fees of the Custodian and any fees and expenses incurred in connection with transferring ownership of any Eligible Loans to the Custodian or to the Department in connection with the exercise of the Put Option or any other acquisition of ownership of the Eligible Loans by the Department. The Sponsor is responsible for any fee or other charge owed to the Department or to the guaranty agency on a Purchased Eligible Loan after such Purchased Eligible Loan has been transferred to the Custodian, including amounts owed to the Department as a recapture of excess interest.

(b) The Custodian shall be required to pay all of the costs and expenses which are incurred by it in connection with the negotiation, preparation, execution and delivery of this Agreement and any or any other related documents, including, without limitation, the reasonable fees and out-of-pocket expenses of its counsel.

(c) The Department shall be required to pay all of the costs and expenses which are incurred by it in connection with the negotiation, preparation, execution and delivery of this Agreement and any or any other related documents, including, without limitation, the reasonable fees and out-of-pocket expenses of its counsel.

Section 23. Tax Matters.

(a) The parties hereto understand and agree that the economic arrangement related to the distribution provisions of Section 11, are intended to be treated as a partnership (the "Partnership") for tax purposes, and that the income, gain, loss, credit and expenses attributable to such arrangement shall be treated as items of income, gain, loss, credit and expenses of the Partnership. The parties agree to treat the Partnership as a partnership for tax purposes.

(b) The Partnership's fiscal year shall end on December 31 of each year unless otherwise required by Section 706 of the Code and the Treasury Regulations. As soon as practicable after the end of each fiscal year (but no later than six (6) months after the end of each fiscal year), the Custodian will prepare and mail, or cause to be prepared and mailed, to the Department and the Sponsor (each, a "Partner", and together, the "Partners") information on Schedule K-1 to Form 1065 and such additional information as shall enable each Partner to prepare its federal, state and local income tax returns in accordance with the laws then prevailing.

(c) The Custodian shall establish and maintain a separate capital account (a "Capital Account") for each Partner in accordance with the Treasury Regulations promulgated under Section 704(b) of the Code. The Capital Accounts of the Partners shall be adjusted and

maintained in a manner that as closely as possible gives economic effect to the provisions of this Agreement. No later than as of the end of each fiscal year of the Partnership, the Partnership's income, gains, losses and expenses for U.S. federal, state and local income tax purposes shall be allocated among the Capital Accounts in a manner that as closely as possible gives economic effect to the provisions of this Agreement. With respect to any fiscal period during which any Partner's economic interest in the Partnership changes by reason of any event described in Section 706(d)(1) of the Code and Treasury Regulations issued thereunder, allocations of the Partnership's income, gain, loss and expense shall be adjusted appropriately to take into account the varying interests of the Partners during such period. The Partnership shall select the method of making such adjustments, which method shall be used consistently thereafter. Items of income, gain, loss, deduction and credit, as determined for U.S. federal income tax purposes shall be allocated in a manner consistent with the requirements of Section 704(c) of the Code.

(d) If the Partnership incurs any obligation to pay directly any amount in respect of taxes, including but not limited to withholding taxes imposed on any Partner's share of the Partnership gross or net income and gains (or items thereof), income taxes, and any interest, penalties or additions to tax ("Tax Liability"), or the amount of cash or other property to which the Partnership otherwise would be entitled is reduced as a result of withholding by other parties in satisfaction of any such Tax Liability, all payments by the Partnership in satisfaction of that Tax Liability and all reductions in the amount of cash or fair market value of property to which – but for such Tax Liability – the Partnership would have been entitled shall be treated, pursuant to this Agreement, as distributed to those Partners or former Partners to which the related Tax Liability is attributable. Notwithstanding any other provision of this Agreement, subsequent distributions to the Partners shall be adjusted by the Partnership in an equitable manner so that, after all such adjustments have been made and to the extent feasible, the burden of taxes withheld at the source or paid by the Partnership is borne by those Partners to which such tax obligations are attributable. The Partnership shall determine the amount (if any) of any Tax Liability attributable to any Partner taking into account any differences in the Partner's status, nationality or other characteristics.

Section 24. Set-off. In addition to any rights and remedies of the Department provided in this Agreement and by law, the Department shall have the right, without prior notice to the Sponsor, any such notice being expressly waived by the Sponsor to the extent permitted by applicable law, upon any amount becoming due and payable to the Department by the Sponsor hereunder with respect to any Purchased Eligible Loan or otherwise, to set-off and appropriate and apply against such amount any and all Collections then on deposit in the Collection Account. The Department agrees to notify promptly the Sponsor after any such set-off and application made by the Department, and to provide, upon objection by the Sponsor, such review as may be required by applicable law regarding objections to the existence and amount of the claim enforced by such set-off. The review is to be conducted on written submissions, and failure to give such notice shall not affect the validity of such set-off and application.

Section 25. Survival of Covenants. All covenants, agreements, representations and warranties made herein and in or pursuant to any related documents or agreements executed pursuant to this Agreement shall survive the consummation of the acquisition of the Participation Interests by the Department. All covenants, agreements, representations and warranties made or furnished pursuant hereto by or on behalf of the Sponsor shall bind and inure to the benefit of

any successors or assigns of the Department and shall survive with respect to each Participation Interest and each Loan subject to a Participation Interest.

Section 26. Communication and Notice Requirements. All communications, notices and approvals provided for hereunder shall be in writing and mailed or delivered to the Sponsor, the Custodian or the Department, as the case may be, at such address as either party may hereafter designate by notice to the other party. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed, by registered or certified mail, return receipt requested, or, if by other means, when received by the other party at the address as follows:

If to the Department:

By U.S. Postal Service mail:

United States Department of Education
400 Maryland Avenue, SW
UCP, Room 111G3
Washington, DC 20202-5402
Attention: FFEL Agreement Process Team

By courier or express mail:

United States Department of Education
830 First Street, N.E.
Room 111G3
Washington, DC 20202-5402
Attention: FFEL Agreement Process Team

If to the Sponsor or the Eligible Lender Trustee:

The address designated in the Adoption Agreement.

If to the Custodian:

The address designated in the Adoption Agreement.

Section 27. Form of Instruments. All instruments and documents delivered in connection with this Agreement and any Class A Participation Certificate, and all proceedings to be taken in connection with this Agreement and any Class A Participation Certificate and the transactions contemplated herein and therein, shall be in a form as set forth in the attachments hereto, and the Department shall have received copies of such documents as it or its counsel shall reasonably request in connection therewith. Any instrument or document which is substantially in the same form as an attachment hereto or a recital herein will be deemed to be satisfactory as to form.

Section 28. Amendment; Waiver. This Agreement, any Class A Participation Certificate and any document or instrument delivered in accordance herewith or therewith may

be amended by the parties hereto and thereto with the written consent of all parties hereto or thereto. No term or provision of this Agreement may be waived or modified unless such waiver or modification is consistent with the requirements of Section 459A of the Higher Education Act, is in writing and is signed by the party against whom such waiver or modification is sought to be enforced.

Section 29. Severability Clause. Any part, provision, representation or warranty of this Agreement which is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction shall be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as to any Loan shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part, provision, representation or warranty of this Agreement shall deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate in good-faith, to develop a structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity.

Section 30. Governing Law. This Agreement and any Class A Participation Certificate and the rights and obligations of the parties thereto shall be governed by and construed in accordance with Federal law. To the extent there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law to the extent that to do so would not frustrate the purposes of any provision of the Agreement or the transactions governed thereby.

Section 31. Exhibits. The exhibits to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement.

Section 32. General Interpretive Principles. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(1). the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(2). accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

(3). references herein to "Articles," "Sections," "Subsections," "Paragraphs," and other Subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Agreement;

(4). reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

(5). the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision;

(6). the word "day" or "days" shall mean calendar day(s) unless expressly stated otherwise; and

(7). the term "include" or "including" shall mean without limitation by reason of enumeration.

Section 33. Reproduction of Documents. This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by any party at the closing, and (c) financial statements, certificates and other information previously or hereafter furnished, may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 34. Further Agreements. Each of the Sponsor and the Eligible Lender Trustee (if applicable) agrees to execute and deliver to the other such reasonable and appropriate additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

Section 35. Other Department Program. Separately, the Department is offering a Loan Purchase Commitment Program (as referred to in the Notice of Intent to Participate) for eligible FFELP loans. This Agreement does not require, nor does it preclude, the participation of an Eligible Lender in that separate program except to the extent specified in Section 15 hereof.

Section 36. Adoption. This Agreement shall be effective with respect to the Sponsor, the Eligible Lender Trustee (if applicable) and the Custodian as of the day and year on which an Adoption Agreement, in the form attached hereto as Exhibit A, is entered into by and among the Sponsor, the Eligible Lender Trustee (if applicable), the Custodian and the Department.

Section 37. Integration. The Master Participation Agreement, together with the related Adoption Agreement and the guidance interpreting the provisions of this Agreement published by the Department prior to November 1, 2008, embodies the entire agreement and understanding of the parties hereto and thereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein and therein.

[NO FURTHER TEXT ON THIS PAGE]

Exhibit A

ADOPTION AGREEMENT

This Adoption Agreement, dated as of the date set forth on the signature page, among the United States Department of Education ("Department"), the Sponsor (as listed in Section 1 hereof) ("Sponsor")[, the Eligible Lender Trustee (as listed in Section 1A hereof) ("Eligible Lender Trustee")] and the Custodian (as listed in Section 2 hereof) ("Custodian") is made pursuant to the 2009 Master Participation Agreement dated January 1, 2009, published by the Department ("Master Participation Agreement"). Capitalized terms used but not otherwise defined herein, shall have the meanings set forth in the Master Participation Agreement.

a) The Department desires to purchase from the Sponsor, and the Sponsor desires to sell to the Department, in each case through the Custodian, certain Participation Interests in Eligible Loans from time to time pursuant to the terms and conditions set forth in the Master Participation Agreement.

b) The Department and the Sponsor desire to set forth herein the terms and conditions of such purchase and sale arrangements.

c) [Each of] [T]he Sponsor [and the Eligible Lender Trustee] desires to transfer title to the Eligible Loans to the Custodian, and the Custodian hereby accepts such delivery and agrees to hold such Eligible Loans and all supporting documentation delivered in connection with such Eligible Loans in trust for the benefit of the holders of the Participation Interests.

d) This Adoption Agreement shall supersede and replace all prior agreements among the parties regarding the sale of Participation Interests in those Eligible Loans described in the Agreement by the Sponsor to the Department.

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Department and the Sponsor hereby agree as follows:

Section 1. "Sponsor" shall mean:

[NAME OF SPONSOR]
[ADDRESS]
[LENDER ID]

The above address shall be the Sponsor's address for the purpose of receiving notices pursuant to the Master Participation Agreement.

[Section 1A. "Eligible Lender Trustee" shall mean:

[NAME OF ELIGIBLE LENDER TRUSTEE]
[ADDRESS]
[LENDER ID]

The above address shall be the Eligible Lender Trustee's address for the purpose of receiving notices pursuant to the Master Participation Agreement.]

Section 2. "Custodian" shall mean:

[NAME OF CUSTODIAN]
[ADDRESS]

The above address shall be the Custodian's address for the purpose of receiving notices pursuant to the Master Participation Agreement.

Section 3. Purchase and Sale of Participation Interests. Following the date of this Adoption Agreement, [each of] the Sponsor [and the Eligible Lender Trustee] agrees to participate in the Department's Participation Purchase Program for Participation Interests in Eligible Loans made pursuant to the Federal Family Education Loan Program under the Master Participation Agreement and to deliver to the Department such Participation Interests in the aggregate principal amounts as evidenced by Participation Purchase Requests and related attachments entered into among the Sponsor, [the Eligible Lender Trustee], the Custodian holding legal title to the Eligible Loans in trust for the holders of the Participation Interests pursuant to the Master Participation Agreement. The Sponsor agrees to sell to the Department, and the Department agrees to purchase from the Sponsor such Participation Interests on the terms and subject to the conditions of the Master Participation Agreement as the same may be supplemented or amended from time to time. The Custodian agrees to hold each Eligible Loan and, either directly or through its designee, all supporting documentation and records in trust for the benefit of the holders of the Participation Interests, and to issue the Participation Interests pursuant to the terms and conditions of the Master Participation Agreement as the same may be supplemented or amended from time to time. Each of the Sponsor, [the Eligible Lender Trustee], the Department and the Custodian hereby acknowledges and agrees to all terms and provisions of the Master Participation Agreement which relate to the creation of and selling of Participation Interests which are incorporated herein in their entirety as if such had been set forth herein, as the same may be supplemented or amended from time to time.

Section 4. Incorporation of Master Participation Agreement. Each of the Sponsor, [the Eligible Lender Trustee], the Department and the Custodian hereby acknowledges and agrees to all terms and provisions of the Master Participation Agreement which are incorporated herein in their entirety as if such had been set forth herein in their entirety, as the same may be supplemented or amended from time to time.

Section 5. Governing Law. This Adoption Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with Federal law. To the extent that there may be no applicable Federal law, the internal laws of the State of New York

(without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law to the extent that to do so would not frustrate the purposes of any provision of this Adoption Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Adoption Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

United States Department of Education

By: _____
Name:
Title:

Date of Adoption Agreement: _____
(to be inserted by the Department)

[NAME OF SPONSOR], as Sponsor

By: _____
Name:
Title:

[[NAME OF ELIGIBLE LENDER TRUSTEE], as Eligible Lender Trustee

By: _____
Name:
Title:]

[NAME OF CUSTODIAN], as Custodian

By: _____
Name:
Title:

[May be used by Sponsor that is Party
To July 25, 2008 Master Participation Agreement]

ADOPTION AGREEMENT

This Adoption Agreement, dated as of the date set forth on the signature page, among the United States Department of Education ("Department"), the Sponsor (as listed in Section 1 hereof) ("Sponsor")[, the Eligible Lender Trustee (as listed in Section 1A hereof) ("Eligible Lender Trustee")] and the Custodian (as listed in Section 2 hereof) ("Custodian") is made pursuant to the 2009 Master Participation Agreement dated January 1, 2009, published by the Department ("Master Participation Agreement"). Capitalized terms used but not otherwise defined herein, shall have the meanings set forth in the Master Participation Agreement.

a) The Department desires to purchase from the Sponsor, and the Sponsor desires to sell to the Department, in each case through the Custodian, certain Participation Interests in Eligible Loans from time to time pursuant to the terms and conditions set forth in the Master Participation Agreement.

b) The Department and the Sponsor desire to set forth herein the terms and conditions of such purchase and sale arrangements.

c) [Each of] [T]he Sponsor [and the Eligible Lender Trustee] desires to transfer title to the Eligible Loans to the Custodian, and the Custodian hereby accepts such delivery and agrees to hold such Eligible Loans and all supporting documentation delivered in connection with such Eligible Loans in trust for the benefit of the holders of the Participation Interests.

d) This Adoption Agreement shall supersede and replace all prior agreements among the parties regarding the sale of Participation Interests in those Eligible Loans defined in the Agreement by the Sponsor to the Department.

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Department and the Sponsor hereby agree as follows:

Section 1. "Sponsor" shall mean:

[NAME OF SPONSOR]
[ADDRESS]
[LENDER ID]

The above address shall be the Sponsor's address for the purpose of receiving notices pursuant to the Master Participation Agreement.

[Section 1A. "Eligible Lender Trustee" shall mean:

[NAME OF ELIGIBLE LENDER TRUSTEE]
[ADDRESS]
[LENDER ID]

The above address shall be the Eligible Lender Trustee's address for the purpose of receiving notices pursuant to the Master Participation Agreement.]

Section 2. "Custodian" shall mean:

[NAME OF CUSTODIAN]
[ADDRESS]

The above address shall be the Custodian's address for the purpose of receiving notices pursuant to the Master Participation Agreement.

Section 3. Purchase and Sale of Participation Interests. Following the date of this Adoption Agreement, [each of] the Sponsor [and the Eligible Lender Trustee] agrees to participate in the Department's Participation Purchase Program for Participation Interests in Eligible Loans made pursuant to the Federal Family Education Loan Program under the Master Participation Agreement and to deliver to the Department such Participation Interests in the aggregate principal amounts as evidenced by Participation Purchase Requests and related attachments entered into among the Sponsor, [the Eligible Lender Trustee], the Custodian holding legal title to the Eligible Loans in trust for the holders of the Participation Interests pursuant to the Master Participation Agreement. The Sponsor agrees to sell to the Department, and the Department agrees to purchase from the Sponsor such Participation Interests on the terms and subject to the conditions of the Master Participation Agreement as the same may be supplemented or amended from time to time. The Custodian agrees to hold each Eligible Loan and, either directly or through its designee, all supporting documentation and records in trust for the benefit of the holders of the Participation Interests, and to issue the Participation Interests pursuant to the terms and conditions of the Master Participation Agreement as the same may be supplemented or amended from time to time. Each of the Sponsor, [the Eligible Lender Trustee], the Department and the Custodian hereby acknowledges and agrees to all terms and provisions of the Master Participation Agreement which relate to the creation of and selling of Participation Interests which are incorporated herein in their entirety as if such had been set forth herein, as the same may be supplemented or amended from time to time.

Section 4. Incorporation of Master Participation Agreement. Each of the Sponsor, [the Eligible Lender Trustee], the Department and the Custodian hereby acknowledges and agrees to all terms and provisions of the Master Participation Agreement which are incorporated herein in their entirety as if such had been set forth herein in their entirety, as the same may be supplemented or amended from time to time.

Section 5. Governing Law. This Adoption Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with Federal law. To the extent that there may be no applicable Federal law, the internal laws of the State of New York

(without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law to the extent that to do so would not frustrate the purposes of any provision of this Adoption Agreement.

Section 6. Reaffirmation of Certification by Sponsor's Officer and Opinion of Counsel. On [mm/dd/yy] the Sponsor executed an Officer's Certificate and provided an Opinion of Counsel supporting the Sponsor's Adoption Agreement for the July 25, 2008 Master Participation Agreement. The Sponsor hereby reaffirms the representations made in that Certificate as remaining true and correct as of the date on which the Sponsor executes this Adoption Agreement. The Sponsor further represents that is has requested and received confirmation from the Counsel who issued the Opinion of Counsel that nothing stated in the Opinion has changed in any material respect through the date on which the Sponsor executes this Adoption Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Adoption Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

United States Department of Education

By: _____
Name:
Title:

Date of Adoption Agreement: _____
(to be inserted by the Department)

[NAME OF SPONSOR], as Sponsor

By: _____
Name:
Title:

[[NAME OF ELIGIBLE LENDER TRUSTEE], as Eligible Lender Trustee

By: _____
Name:
Title:]

[NAME OF CUSTODIAN], as Custodian

By: _____
Name:
Title:

Exhibit B

OFFICER'S CERTIFICATE

I, _____, hereby certify that I am the duly elected _____ of [SPONSOR], a _____ ("Sponsor"), and further certify, on behalf of the Sponsor as follows:

1. Attached hereto as Attachment I are a true and correct copy of the [Certificate of Incorporation and by-laws][Certificate of limited partnership and limited partnership agreement] of the Sponsor as are in full force and effect on the date hereof.

2. No proceedings looking toward merger, liquidation, dissolution or bankruptcy of the Sponsor are pending or contemplated.

3. Each person who, as an officer or attorney-in-fact of the Sponsor, signed (a) the Adoption Agreement dated as of _____ between the Department[, the Eligible Lender Trustee] and the Sponsor pursuant to the Master Participation Agreement ("Agreement"), dated as of January 1, 2009, by the Department of Education ("Department") and (b) any other document delivered prior hereto or on the date hereof in connection with the sale of the Participation Interests in accordance with the Agreement was, at the time of such signing and delivery, and is as of the date hereof, duly elected or appointed, qualified and acting as such officer or attorney-in-fact, and the signatures of such persons appearing on such documents are their genuine signatures.

4. Attached hereto as Attachment II is a true and correct copy of the resolutions duly adopted by the board of directors of the Sponsor on _____, 200_ ("Resolutions") with respect to the authorization and approval of the sale of the Participation Interests; said Resolutions have not been amended, modified, annulled or revoked and are in full force and effect on the date hereof.

5. Attached hereto as Attachment III is a Certificate of Good Standing of the Sponsor dated _____, 200_. No event has occurred since _____, 200_ which has affected the good standing of the Sponsor under the laws of the State of _____.

6. All of the representations and warranties of the Sponsor contained in Section 10(a) of the Agreement were true and correct in all material respects as of the date hereof.

7. [Each of] [T]he Sponsor [and the Eligible Lender Trustee] has performed or will have performed all of its duties and has satisfied or will have satisfied all the material conditions on its part to be performed or satisfied prior to the related Purchase Date pursuant to the Agreement.

All capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Agreement.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of the Sponsor.

Dated: _____

[Seal]

[SPONSOR NAME]
(Sponsor)

By: _____
Name:_____
Title: [Responsible Officer]

I, _____, Secretary of the Sponsor, hereby certify that _____ is the duly elected, qualified and acting [Responsible Officer] of the Sponsor and that the signature appearing above is his/her genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated:_____

[Seal]

[SPONSOR NAME]
(Sponsor)

By: _____
Name:_____
Title: [Assistant] Secretary

Exhibit C

OPINION OF COUNSEL TO THE SPONSOR

_____
(Date)

United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202
Attention: [_____]

[Custodian]
[Address]
Attention: [_____]

Re: 2009 Master Participation Agreement,

Ladies and Gentlemen:

I have acted as counsel to [SPONSOR], a _____ ("Sponsor"), in connection with the sale of certain Participation Interests by the Sponsor to the Department of Education ("Department") pursuant to a 2009 Master Participation Agreement, dated as of January 1, 2009, and the related Adoption Agreement dated as of _____, between the Sponsor, [the Eligible Lender Trustee] and the Department ("Agreement"). Capitalized terms not otherwise defined herein have the meanings set forth in the Agreement.

In connection with rendering this opinion letter, I, or attorneys working under my direction, have examined, among other things, originals, certified copies or copies otherwise identified to my satisfaction as being true copies of the following:

A. The Agreement;
B. The Sponsor's [Certificate of Incorporation and by-laws][certificate of limited partnership and limited partnership agreement], as amended to date;
C. Resolutions adopted by the Board of Directors of the Sponsor with specific reference to actions relating to the transactions covered by this opinion ("Board Resolutions"); and
D. Such other documents, records and papers as we have deemed necessary and relevant as a basis for this opinion.

For the purpose of rendering this opinion, I have made such documentary, factual and legal examinations as I deemed necessary under the circumstances. As to factual matters, I have relied upon statements, certificates and other assurances of public officials and of officers and other representatives of the Sponsor, and upon such other certificates as I deemed appropriate, which factual matters have not been independently established or verified by me. I have also

assumed, among other things, the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to me as originals, and the conformity to

original documents of all documents submitted to me as copies and the authenticity of the originals of such copied documents.

On the basis of and subject to the foregoing examination, and in reliance thereon, and subject to the assumptions, qualifications, exceptions and limitations expressed herein (if any), I am of the opinion that:

1. The Sponsor has been duly [incorporated][formed] and is validly existing and in good standing under the laws of the State of _____ with corporate power and authority to own its properties and conduct its business as presently conducted by it. The Sponsor has the corporate power and authority to service the Loans, and to execute, deliver, and perform its obligations under the Agreement.

2. The Agreement has been duly and validly authorized, executed and delivered by the Sponsor.

3. The Agreement constitutes valid the legal and binding obligation of the Sponsor, enforceable against the Sponsor in accordance with its terms.

4. No consent, approval, authorization or order of any state or federal court or government agency or body is required for the execution, delivery and performance by the Sponsor of the Agreement or the consummation of the transactions contemplated by the Agreement, except for those consents, approvals, authorizations or orders which previously have been obtained.

5. The fulfillment of the terms of or the consummation of any other transactions contemplated in the Agreement will not result in a breach of any term or provision of the [certificate of incorporation or by-laws][certificate of limited partnership or limited partnership agreement] of the Sponsor, or, to the best of my knowledge, will not conflict with, result in a breach or violation of, or constitute a default under, (i) the terms of any indenture or other agreement or instrument known to me to which the Sponsor is a party or by which it is bound, (ii) any State of _____ or federal statute or regulation applicable to the Sponsor, or (iii) any order of any State of _____ or federal court, regulatory body, administrative agency or governmental body having jurisdiction over the Sponsor, except in any such case where the default, breach or violation would not have a material adverse effect on the Sponsor or its ability to perform its obligations under the Agreement.

6. There is no action, suit, proceeding or investigation pending or, to the best of my knowledge, threatened against the Sponsor which, in my judgment, either in any one instance or in the aggregate, would draw into question the validity of the Agreement or which would be likely to impair materially the ability of the Sponsor to perform under the terms of the Agreement.

7. The sale of each Participation Interest as and in the manner contemplated by the Agreement is sufficient fully to transfer to the Department all right, title and interest of the Sponsor thereto as the owner thereof.

8. The Agreement is effective to create, in favor of the Custodian and the Department, a valid security interest under the Uniform Commercial Code in all of the right, title and interest of the Sponsor in, to and under the Collateral. Upon the filing of financing statements on Form UCC-1 naming Sponsor as "Debtor", Custodian as "Secured Party", and the Department as "Assignee" describing the Collateral, with the [Secretary of State of _____], the security interests in the Collateral above will constitute fully perfected security interests under the Uniform Commercial Code in all right, title and interest of the Sponsor in, to and under such of the Collateral that can be perfected by filing under the Uniform Commercial Code.

[Assumptions and qualifications, if any]

I am admitted to practice law in the State of _____, and I render no opinion herein as to matters involving the laws of any jurisdiction other than the State of _____ and the Federal laws of the United States of America.

Very truly yours,

Exhibit D

PARTICIPATION PURCHASE REQUEST

[insert date]

United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202
Attention: _____

Participation Purchase Request Reference:_____

Ladies/Gentlemen:

Reference is made to the Master Participation Agreement dated January 1, 2009 ("2009 Master Participation Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings given them in the Master Participation Agreement), among the United States Department of Education ("Department"), the undersigned Sponsor ("Sponsor"), [the undersigned Eligible Lender Trustee ("Eligible Lender Trustee"),] and the undersigned Custodian ("Custodian"), each of which have been made party to the Master Participation Agreement by executing the Adoption Agreement ("Adoption Agreement").

In accordance with Section 4(a) of the Master Participation Agreement, the Sponsor hereby requests that you, the Department, agree to purchase participation interests that consist of (a) a 100% beneficial ownership interest in the principal portion of each Eligible Loan listed on the Loan Schedule attached hereto and (b) the right to receive the Participant's Yield in respect of such Eligible Loans ("Class A Participation Interests"), in connection with which we shall sell to you the Class A Participation Certificate representing such Class A Participation Interests. The Purchase Price shall be _____ [*insert applicable Purchase Price pursuant to the terms of the Master Participation Agreement*]. The Purchase Date shall be the date on which the Custodian receives payment of the Purchase Price from the Department in exchange for the Class A Participation Interests. The Sponsor hereby certifies to the Department and the Custodian that, as of the date hereof, it is in compliance with all of the representations and warranties set forth in Section 10(a) of the Master Participation Agreement.

The Custodian hereby certifies that upon the delivery of each Loan Schedule and Custodial Certification and the receipt of the Purchase Price from the Department, the Custodian shall hold the Loan Documents (either directly or indirectly through its designee) and legal title with respect to each such Eligible Loan continuously in trust for the benefit of the holders of the Participation Interests until such time as all Participation Interests in such Eligible Loans are redeemed or the Put Option is exercised and the Class A Participation Interests are terminated

Sincerely,

[SPONSOR], as Sponsor

By:_____
Name:
Title:

[[ELIGIBLE LENDER TRUSTEE], as Eligible Lender Trustee

By: _____
Name:
Title:]

[CUSTODIAN], as Custodian

By:_____
Name:
Title:

Acknowledged

UNITED STATES DEPARTMENT OF EDUCATION

By:_____
Name:
Title:

[Loan Schedule to be Attached]

Exhibit E

CLASS A PARTICIPATION CERTIFICATE

Date:_____, 200_

Reference is made to (i) the 2009 Master Participation Agreement dated January 1, 2009 and (ii) the Adoption Agreement, dated as of [___] by and among [____] as Sponsor ("Sponsor"), [[____] as Eligible Lender Trustee ("Eligible Lender Trustee"),] [____] as Custodian ("Custodian") and the Department of Education ("Department") pursuant to which the Sponsor[, the Eligible Lender Trustee] and the Custodian became parties to the Master Participation Agreement. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Master Participation Agreement.

This Class A Participation Certificate evidences the ownership of the Department of the Class A Participation Interests in the Eligible Loans listed on Schedule A hereto having an aggregate Principal Balance as set forth on Schedule A hereto.

The Custodian shall, and is hereby authorized to, record in accordance with its usual practice, the amount of additional Eligible Loan that becomes subject to the Class A Participation Interests represented by this Class A Participation Certificate, and the related Purchase Date, and the date and amount of each principal payment received hereunder on the schedule annexed hereto and any such recordation shall constitute prima facie evidence of the accuracy of the amount so recorded; provided, that the failure of the Custodian to make such recordation (or any error in such recordation) shall not affect the obligations of the Sponsor hereunder or under the Master Participation Agreement.

This Class A Participation Certificate is issued pursuant to, and is entitled to the benefits of, the Master Participation Agreement, to which reference is hereby made for a statement of the terms and conditions governing this Class A Participation Certificate, including the terms and conditions under which this Class A Participation Certificate may be prepaid or its maturity date accelerated. Repayment of the Purchase Price for the Class A Participation Interests is subject to the exercise of the Put Option as described in the Master Participation Agreement. This Class A Participation Certificate and the related Class A Participation Interests are secured by the Eligible Loans as more particularly described in the Master Participation Agreement.

THIS CLASS A PARTICIPATION CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), AND HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR REGULATORY AUTHORITY OF ANY STATE. THIS CLASS A PARTICIPATION CERTIFICATE IS NON-TRANSFERABLE EXCEPT AS OTHERWISE EXPRESSLY PERMITTED IN THE MASTER PARTICIPATION AGREEMENT.

No failure on the part of the Department to exercise, and no delay in exercising, any right hereunder or under the Master Participation Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies available to the

Department hereunder and under the Master Participation Agreement are cumulative and not exclusive of any remedies provided by law.

THIS CLASS A PARTICIPATION CERTIFICATE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL LAW. TO THE EXTENT THAT THERE MAY BE NO APPLICABLE FEDERAL LAW, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING REGARD TO CONFLICTS OF LAWS PRINCIPLES OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) SHALL BE DEEMED REFLECTIVE OF FEDERAL LAW INSOFAR AS TO DO SO WOULD NOT FRUSTRATE THE PURPOSES OF ANY PROVISION OF THE MASTER PARTICIPATION AGREEMENT OR THE TRANSACTIONS GOVERNED THEREBY.

[CUSTODIAN],
in its capacity as trustee

By:_____
Name:
Title:

Schedule A
to Class A Participation Certificate

LOAN SCHEDULE AND CUSTODIAL CERTIFICATION

Exhibit F

CLASS B PARTICIPATION CERTIFICATE

Date:_____, 200_

Reference is made to (i) the 2009 Master Participation Agreement dated January 1, 2009, and (ii) the Adoption Agreement, dated as of [___] by and among [____] as Sponsor ("Sponsor"), [[____] as Eligible Lender Trustee ("Eligible Lender Trustee"),] [____] as Custodian ("Custodian") and the Department of Education ("Department") pursuant to which the Sponsor[, the Eligible Lender Trustee] and the Custodian became parties to the Master Participation Agreement. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Master Participation Agreement.

This Class B Participation Certificate evidences the ownership of the Sponsor of the Class B Participation Interests in the Eligible Loans listed on Schedule A hereto having an aggregate Principal Balance as set forth on Schedule A hereto.

The Custodian shall, and is hereby authorized to, record in accordance with its usual practice, the amount of additional Eligible Loan that becomes subject to the Class B Participation Interests represented by this Class B Participation Certificate, and the related Purchase Date, and the date and amount of each principal payment received hereunder on the schedule annexed hereto and any such recordation shall constitute prima facie evidence of the accuracy of the amount so recorded; provided, that the failure of the Custodian to make such recordation (or any error in such recordation) shall not affect the obligations of the Sponsor hereunder or under the Master Participation Agreement.

This Class B Participation Certificate is issued pursuant to, and is entitled to the benefits of, the Master Participation Agreement, to which reference is hereby made for a statement of the terms and conditions governing this Class B Participation Certificate. This Class B Participation Certificate and the related Class B Participation Interests are subordinated to the Class A Participation Interests in Eligible Loans sold to the Department by the Sponsor under the Master Participation Agreement. This Class B Participation Certificate and the related Class B Participation Interests are secured by the Eligible Loans as more particularly described in the Master Participation Agreement and represent the right of the holder to either (i) redeem the Eligible Loans in exchange for payment of the Redemption Payment to the Department or (ii) exercise the Put Option with respect to the Eligible Loans, each as described in the Master Participation Agreement.

THIS CLASS B PARTICIPATION CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR REGULATORY AUTHORITY OF ANY STATE. THIS CLASS B PARTICIPATION CERTIFICATE IS NON-TRANSFERABLE EXCEPT AS OTHERWISE EXPRESSLY PERMITTED IN THE MASTER PARTICIPATION AGREEMENT.

No failure on the part of the Sponsor to exercise, and no delay in exercising, any right hereunder or under the Master Participation Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies available to the Sponsor hereunder and under the Master Participation Agreement are cumulative and not exclusive of any remedies provided by law.

THIS CLASS B PARTICIPATION CERTIFICATE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL LAW. TO THE EXTENT THAT THERE MAY BE NO APPLICABLE FEDERAL LAW, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING REGARD TO CONFLICTS OF LAWS PRINCIPLES OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) SHALL BE DEEMED REFLECTIVE OF FEDERAL LAW INSOFAR AS TO DO SO WOULD NOT FRUSTRATE THE PURPOSES OF ANY PROVISION OF THE MASTER PARTICIPATION AGREEMENT OR THE TRANSACTIONS GOVERNED THEREBY.

[CUSTODIAN],
in its capacity as trustee

By:_____
Name:
Title:

Schedule A
to Class B Participation Certificate

LOAN SCHEDULE AND CUSTODIAL CERTIFICATION

[TO BE PROVIDED BY THE DEPARTMENT]

Exhibit G

SECURITY RELEASE CERTIFICATION

I. Release of Security Interest

_____, hereby relinquishes any and all right, title and interest it may have in and to the Loans described on the schedule attached hereto upon purchase of a Participation Interest therein by the Department of Education from the Sponsor named below pursuant to that certain Master Participation Agreement dated January 1, 2009, and the related Adoption Agreement between the Sponsor, [the Eligible Lender Trustee] and the Department of Education dated as of _____, as of the date and time of receipt by _____ of $_____ for such Participation Interests in such Loans ("Date and Time of Sale"), and certifies that, as of the Date and Time of Sale all notes, assignments and other documents in its possession relating to such Loans have been delivered and released to the Sponsor named below or its designees other than copies thereof that are retained by the undersigned or its designee (in electronic or paper medium).

Name and Address of Financial Institution

(Name) _____
(Address)_____

By:_____

Title:

II. Certification of Release

The Sponsor named below hereby certifies to the Department of Education that, as of the Date and Time of Sale of the Participation Interests in the above mentioned Loans to the Department of Education, the security interests in the Loans released by the above named corporation comprise all security interests relating to or affecting any and all such Loans.

The Sponsor warrants that, as of such time, there are and will be no other security interests affecting any or all of such Loans.

Sponsor: _____

By: _____
Name: _____

Title:

III. Custodian Certification

The Custodian named below hereby certifies to the Department of Education that the Custodian has remitted the payment described in Section I of this Certification to the Financial Institution named there, and that the Custodian on mm/dd/yy received acknowledgement from the Financial Institution of its receipt of that payment.

Custodian

By: _____
Name:_____
Title:

Date: mm/dd/yy

Loan Schedule

Exhibit H

2009 NOTICE OF INTENT TO PARTICIPATE

[_____, 200_]

U.S. Department of Education
Washington, D.C.
By: E-mail: ffel.agreementprocess@ed.gov

Re: Loan Purchase Commitment Program and/or Loan Participation Purchase Program for Eligible FFELP Loans

Ladies and Gentlemen:

The undersigned, an eligible Federal Family Education Loan Program (FFELP) lender under Section 435(d)(1) of the Higher Education Act of 1965, as amended (HEA), eligible lender trustee, or holder of beneficial interests in FFELP Loans ("Undersigned"), hereby notifies the United States Department of Education that it intends to participate in one or both of the Loan Purchase Commitment Program or the Loan Participation Purchase Program for the 2009-2010 academic year. Both programs are authorized under Section 459A of the HEA, as amended, and described in the Notice of Terms and Conditions of Purchase of Loans under the Ensuring Continued Access to Student Loans Act of 2008 (Register Notice) published in the Federal Register, Vol. 73, No. 127, July 1, 2008. By signifying intent to participate in one or both of the programs offered the undersigned does not commit to actually participate in either program.

By signifying its intent to participate in such program(s), the Undersigned hereby certifies and agrees that:

If the Undersigned participates in either of the programs, it will continue to originate or acquire FFELP loans made to students and parents.

If the Undersigned participates in the Loan Participation Purchase Program, it will sell, from time to time, participation interests in FFELP loans to the Department of Education with an aggregate unpaid principal balance of not less than $50,000,000 in loans either held by such eligible lender or aggregated with other FFELP loans held by one or more eligible lenders. (The Undersigned recognizes that there is no minimum for the Loan Purchase Commitment Program)

The Undersigned acknowledges that it shall not be permitted to sell FFELP loans or participation interests therein to the Department of Education with respect to which the first disbursement was made prior to the date on which the Department of Education receives this 2009 Notice of Intent to Participate.

The Department of Education will return to the Undersigned, via electronic mail (e-mail), information indicating the date the 2009 Notice of Intent to Participate was received by the Department of Education.

The Department of Education will accept signed copies of this 2009 Notice of Intent sent as a PDF attachment via e-mail at the address below.

The Undersigned is aware that it must refer to the Federal Register Notice and to the agreements referred to therein for a complete description of the terms and conditions under which the Department of Education will administer the Loan Purchase Programs for the 2009-2010 academic year. The Undersigned also is aware that in order to participate in either of the Loan Purchase programs it must execute a Master Agreement for the respective program. If the Undersigned is a beneficial holder of FFELP loans, the Undersigned has included on this form the LID(s) under which it operates. If the Undersigned, as an eligible lender trustee, files this Notice on behalf of its beneficial holders of FFELP loans, the Undersigned has included the name and LID of each of those beneficial holders.

This 2009 Notice of Intent to Participate is hereby executed and dated as of the date first listed above.

By executing and delivering to the Department this 2009 Notice of Intent, the Undersigned now possesses an option to participate in the Loan Purchase Commitment Program and the Loan Participation Purchase Program.

The Undersigned asks that the Department of Education please direct all inquiries and correspondence relating to these programs to:

[UNDERSIGNED NAME AND LENDER ID NUMBER]
[ELIGIBLE LENDER TRUSTEE NAME OR BENEFICIAL HOLDER NAME, IF ANY AND LIDS]
[STREET ADDRESS]
[CITY], [STATE] [ZIP]
Attention of: [NAME], [TITLE]
By Phone - [XXX-XXX-XXXX]
By Fax – [XXX-XXX-XXXX]
By E-mail – [email address]

[NAME OF ENTITY]

By:_____
Name:
Title:

The completed, signed, and dated Notice of Intent to Participate should be sent as a PDF attachment to an e-mail message addressed to ffel.agreementprocess@ed.gov. The e-mail message subject line should read "Submission of Notice of Intent to Participate."

For questions concerning the submission and receipt of the email please call (202) 377-4401.

PUT AGREEMENT

UNITED STATES DEPARTMENT OF EDUCATION

AND

[CONDUIT ADMINISTRATOR],

AS CONDUIT ADMINISTRATOR

[_____], 200[__]

[STRAIGHT–A FUNDING, LLC CONDUIT PROGRAM]

[NOTE: DUE TO ONGOING DISCUSSIONS REGARDING THE UNDERLYING STRUCTURE AND ALLOCATION OF ROLES, APPROPRIATE CONFORMING CHANGES TO THIS AGREEMENT WILL BE MADE WHEN THOSE DISCUSSIONS ARE RESOLVED]

TABLE OF CONTENTS

		Page
Section 1.	Terms.	2
Section 2.	Commitment to Lend Under the FFELP.	2
Section 3.	Definitions.	3
Section 4.	Sale/Purchase.	16
Section 5.	Seller Closing Dates and Funding Dates; Put Conditions.	19
Section 6.	Power of Attorney.	21
Section 7.	Representations and Warranties of the Conduit Administrator.	22
Section 8.	Representations of the Eligible Seller, the Eligible Lender Trustee and the Eligible SPV.	24
Section 9.	Repurchase; Obligation to Reimburse and Indemnify.	34
Section 10.	Obligation to Remit Subsequent Payments and Forward Communications.	35
Section 11.	Continuing Obligation of the Conduit Administrator.	35
Section 12.	Liability of the Conduit Administrator; Indemnities.	35
Section 13.	Transfer of Servicing.	36
Section 14.	Merger or Consolidation of, or Assumption of the Obligations of, the Conduit Administrator.	36
Section 15.	Expenses.	37
Section 16.	Survival of Covenants.	37
Section 17.	Communication and Notice Requirements.	37
Section 18.	Form of Instruments.	38
Section 19.	Amendment; Waiver.	38
Section 20.	Audits; Independent Public Accountant Review and Annual Reports.	38
Section 21.	Severability Clause.	39
Section 22.	Governing Law.	40
Section 23.	Exhibits.	40
Section 24.	General Interpretive Principles.	40
Section 25.	Reproduction of Documents.	40
Section 26.	Further Agreements.	41

EXHIBITS

EXHIBIT A	-	FORM OF PURCHASE AGREEMENT
EXHIBIT B	-	FORM OF PUT NOTICE
EXHIBIT C	-	FORM OF BILL OF SALE
EXHIBIT D	-	FORM OF NOTICE OF INTENT TO PARTICIPATE
EXHIBIT E	-	FORM OF TRUST RECEIPT

PUT AGREEMENT

This is a Put Agreement, dated [_____], 200[_] (this "Agreement"), between the United States Department of Education (the "Department") and [CONDUIT ADMINISTRATOR], acting as agent on behalf of Straight–A Funding, LLC (the "Conduit") [and each Eligible Seller (as defined below)] in its capacity as conduit administrator (the "Conduit Administrator") [UNDER REVIEW/DISCUSSION].

WHEREAS, pursuant to Section 459A of the Higher Education Act of 1965, as amended, the Department has the authority to purchase, or enter into forward commitments to purchase, Stafford Loans and PLUS Loans (each, as defined below), on such terms as the Secretary of Education, the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States to encourage Eligible Lenders (as defined below) to provide students and parents access to Stafford Loans and PLUS Loans made under the Federal Family Education Loan Program ("FFELP") authorized under title IV, Part B of the Higher Education Act (as defined below);

WHEREAS, pursuant to the terms and provisions of certain student loan purchase agreements in the form of Exhibit A attached hereto with such changes as maybe approved by the Department (each, a "Student Loan Purchase Agreement"), from time to time, certain Eligible Lenders or holders of beneficial interests in Loans, and if the latter, the related Eligible Lender Trustee (as defined below), may sell and transfer to individual bankruptcy remote special purpose vehicles (each, an "Eligible SPV") their right, title and interest in Eligible Loans (as defined below) for a purchase price consisting of cash and certain subordinated interests in such Eligible SPV;

WHEREAS, pursuant to the terms and provisions of the note and security purchase agreements (each, a "Funding Note Purchase Agreement"), from time to time, the Eligible SPVs, or, in the case of Eligible Direct Issuers (as defined below), the Eligible Sellers, may issue to the Conduit, variable funding notes ("Funding Notes") secured by a first priority security interest in Loans owned by such Eligible SPV or Eligible Direct Issuer, as the case may be;

WHEREAS, [pursuant to the terms and provisions of the Master Indenture and any Supplement related thereto (each, a "Supplement" and, together with the Master Indenture, as amended, modified or supplemented from time to time, the "Indenture"), from time to time, the Conduit may issue commercial paper ("Commercial Paper") and/or medium term notes ("MTNs" and, together with Commercial Paper, "Securities");]

[WHEREAS, the Conduit will transfer the Funding Notes issued from time to time to **[SL Funding Note Trust]**, a Delaware statutory trust, formed by the Conduit pursuant to the Amended and Restated Trust Agreement dated as of [_____], 200[__], between the Conduit and [_____], as owner trustee, and will receive a trust certificate (the "Trust Certificate") representing the entire beneficial interest in the Funding Notes;]

[WHEREAS, the Conduit will pledge the Trust Certificate to the Conduit Administrator on behalf of the holders of the Securities;]

WHEREAS, pursuant to the terms and provisions of [a liquidity purchase agreement (as may be amended, modified or supplemented from time to time, the "Liquidity Purchase Agreement"), dated as of the date hereof, by and among the Conduit, the Conduit Administrator and certain liquidity providers (each, a "Liquidity Bank" and collectively, the "Liquidity Banks"), the Liquidity Banks will agree, in the event that the Conduit is unable to meet its obligations to pay amounts owed on the Commercial Paper on the applicable maturity date thereof, to advance funds ("Liquidity Fundings") to the Conduit, either directly or through an account at the Federal Reserve Discount Window];

WHEREAS, in order to encourage or enable Eligible Lenders to participate in FFELP, the Department is willing to provide its commitment to purchase Putable Loans (as defined below) from the Conduit Administrator, as agent for the Conduit and Eligible Sellers, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in connection with the mutual promises contained herein, the parties hereto agree as follows:

Section 1. Terms.

A. Grant of Put Option. Subject to the terms and conditions of this Agreement, the Department hereby grants to the Conduit Administrator, as agent for the Conduit and Eligible Sellers, an option ("Put Option") to require the Department to purchase, from time to time on any Business Day prior to the Put Expiration Date, at a price equal to the Put Price, the Putable Loans specified on the Final Loan Schedule (as defined below) attached to each Bill of Sale (as defined below) securing the Funding Notes as of the occurrence of a Put Event (as defined below). This Agreement establishes the terms under which the Conduit Administrator shall sell, and the Department shall purchase, Putable Loans specified on the Final Loan Schedule attached to each Bill of Sale (each, as defined below). Each Bill of Sale shall be substantially in the form of Exhibit C attached hereto, incorporating by reference the terms of this Agreement, and shall be a separate agreement among the Conduit Administrator and the Department with respect to the Loans covered by the terms of such Bill of Sale for all purposes.

B. Put Expiration Date. On the Put Expiration Date (as defined below), the Put Option will expire and the Department shall not thereafter be obligated to purchase Putable Loans from the Conduit Administrator under this Agreement.

C. Put Fee. In consideration of the grant of the Put Option, the Department shall be entitled to receive the Put Fee on each Put Payment Date, and the Conduit Administrator, solely in its capacity as agent for the Conduit and Eligible Sellers, hereby agrees to pay the Put Fee on each Put Payment Date from funds available for such payment in accordance with the Indenture.

Section 2. Commitment to Lend Under the FFELP.

(a) By its execution of a Purchase Agreement, and upon each sale or pledge thereunder, the applicable Eligible Seller shall represent to the Department that: (i) during a twenty four (24) month period commencing with the month in which it sells or pledges Loans pursuant to a Purchase Agreement, it will originate and disburse Stafford Loans or PLUS Loans,

or will, within the same twenty-four (24) month period, acquire Stafford Loans or PLUS Loans made by other lenders, and that the combined amount of such originated and acquired Loans, excluding any Loans (A) sold or pledged pursuant to a Purchase Agreement, (B) sold to the Department in connection with the Loan Purchase Commitment Program, and (C) with respect to which participation interests are sold to the Department in connection with the Loan Participation Purchase Program, shall equal the Commitment Amount for such month; (ii) within the twelve (12) months following the month in which it sells and/or pledges Loans pursuant to a Purchase Agreement, it will conduct activities constituting a continued participation in FFELP, including but not limited to servicing a pre-existing FFELP loan portfolio, purchasing additional FFELP loans, or maintaining a platform from which the Eligible Seller may originate FFELP loans; and (iii) not later than twenty-seven (27) months following the month in which it sells and/or pledges Loans pursuant to a Purchase Agreement, it will provide a report to the Department certifying that it has originated and disbursed, or acquired FFELP loans in an amount equal to or exceeding its Commitment Amount;

provided, that, the applicable Eligible Seller may satisfy the commitment set forth in this Section 2 by arranging to have another Eligible Lender assume such commitment as evidenced by a commitment letter, in form satisfactory to the Department, between such Eligible Lender and the Department.

For the purposes of confirming compliance with the Eligible Seller's commitment above, the Eligible Seller must, on an annual basis, provide a report to the Department setting forth the activities conducted by the Eligible Seller with the funds provided through the sale of Loans or issuance of Funding Notes under the applicable Purchase Agreement and must, at a minimum, detail the amounts received through the sale of Loans or issuance of Funding Notes under the applicable Purchase Agreement, the dollar value and number of loans originated and disbursed or acquired, and the detailing any other uses of funds received through the sale of Loans or issuance of Funding Notes under the applicable Purchase Agreement and the amounts expended on such "other uses".

Section 3. Definitions. For purposes of this Agreement, the following capitalized terms shall have the respective meanings set forth below:

"Accrual Period" means, with respect to the Put Fee and any Put Fee Payment Date, the period commencing on and including the Put Fee Payment Date preceding such Put Fee Payment Date (or, in the case of the initial Accrual Period, the date hereof) and ending on and including the day preceding such Put Fee Payment Date.

"Administration Agreement" means the Administration Agreement, dated as of January [__], 2009, between the Conduit and the Conduit Administrator.

"Applicable UCC" means the Uniform Commercial Code, as amended from time to time, as in effect in the applicable jurisdiction.

"Approved Borrower Benefits" means **[INSERT]**; provided that any borrower benefit that requires the lender to pay or rebate any amount to the Borrower or provide the Borrower

with any gift or item of property, in any such case that has not been paid in full or delivered prior to the Grant Date, shall not be considered an Approved Borrower Benefit.

"Auction" means a foreclosure auction of Pledged Loans by the Conduit Administrator conducted in accordance with the applicable Funding Note Purchase Agreement and the Applicable UCC.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. Section 101 et. seq.), as amended from time to time, and any successor statute.

"Bill of Sale" means each document in the form of Exhibit C attached hereto, executed by an authorized officer of the Conduit Administrator, which shall (i) set forth the Putable Loans sold by the Conduit Administrator to the Department pursuant thereto; (ii) sell, assign and convey to the Department and its assignees, all right, title and interest of the Conduit Administrator, the Conduit and the applicable Eligible Sellers in the Putable Loans listed on such Bill of Sale and the related Final Loan Schedule; and (iii) sell, assign and convey all rights of the Conduit and the Conduit Administrator under the related Purchase Agreements with respect to the Putable Loans sold thereunder.

"Blackout Date" means **[INSERT]**.

"Borrower" means the student or parent obligor on a Loan.

"Business Day" means any day other than (i) a Federal holiday, (ii) a Saturday or Sunday, or (iii) [insert re Conduit Administrator].

"Collection Account" means, with respect to each Funding Note Issuer, the "Collection Account" as defined in each Funding Note Purchase Agreement.

"Commercial Paper" shall have the meaning set forth in the recitals hereof.

"Commitment Amount" means, with respect to an Eligible Seller and all sales and/or pledges of Loans to the Conduit Program during a calendar month, an amount equal to the product of (a) the Net Cash Proceeds received by the Eligible Seller in such month, multiplied by (b) the Market Adjustment for such month.

"Conduit" shall have the meaning set forth in the recitals hereof.

"Conduit Administrator" shall have the meaning set forth in the recitals hereof.

"Conduit Cost of Funds Rate" **[OPEN]** means a rate equal to the per annum rate equivalent to the daily average for the related Accrual Period of the weighted average daily costs of the Conduit (such costs as reasonably determined by the Conduit Administrator and including, but not limited to: (i) the discount on the Commercial Paper and interest on the MTNs; (ii) interest on any Liquidity Fundings; (iii) any fees and commissions owed to dealers of Securities; (iv) any fees and premiums owed to the Liquidity Banks pursuant to the terms and provisions of the Liquidity Purchase Agreement and, if applicable, to the Conduit Administrator; (v) any accrued interest on Liquidity Fundings; (vi) the standardized startup costs of the Conduit and

each Funding Note issuance amortized over five years; [and] (vii) [the portion of the Put Fee set forth in clause (i) of the definition thereof; and (viii)] ongoing rating agency, legal, audit and administrative costs; and any other costs associated with the issuance of the Securities or the operation of the Conduit); provided, that, if any component of such per annum rate is a discount rate, in calculating the "Conduit Cost of Funds Rate" such discount rate shall be converted to an interest bearing equivalent rate per annum.

"Deemed Liabilities" means, with respect to an Eligible Seller and Loans not pledged to secure indebtedness of the Eligible Seller, an amount equal to the product of (a) the Cash Proceeds for such Loans and (b) the percentage equivalent of a fraction, the numerator of which equals the total liabilities and the denominator of which equals the total liabilities and stockholder's equity, in each case calculated in accordance with GAAP and reflected in the most recent consolidated quarterly financial statements for the Eligible Seller (or the Eligible Seller's ultimate parent to the extent financial statements are not available for the Eligible Seller).

"Department" shall have the meaning set forth in the preamble hereof and includes any official of the Department duly authorized to perform any function with respect to the transactions under this Agreement or the other Program Documents.

"Eligible Borrower Benefits" means only those borrower benefits for a Loan that are (i) unconditional upfront fee reductions which are accrued and paid or made prior to the date on which such Loan is sold pursuant to a Purchase Agreement, or (ii) permitted reductions in interest rates of not more than 0.25 percent that are contingent on the use of an automatic payment process by the related Borrower for any payments due.

"Eligible Direct Issuer" means any state agency or non-for-profit organization that is either (i) not eligible to be a "debtor" under Chapter 9 of the Bankruptcy Code or (ii) not eligible to be subject to an involuntary bankruptcy petition under Section 303 of the Bankruptcy Code. **[OTHER?]**

"Eligible Lender" means an entity that is an eligible lender under Section 435(d) of the Higher Education Act that holds Loans (whether directly or as an Eligible Lender Trustee).

"Eligible Lender Trustee" means an Eligible Lender that holds legal title to a Loan for the benefit or on behalf of an entity which holds the related beneficial ownership interest in such Loan that is authorized to sell Loans on behalf of such entity.

"Eligible Loan" means a Loan that meets the following criteria as of the applicable Grant Date:

(i) the Loan is a Putable Loan and satisfies the representations and warranties set forth in Section 8B of this Agreement as of the applicable Grant Date;

(ii) the Loan is fully disbursed;

(iii) the Loan has been originated and serviced in compliance with all requirements of applicable law, including the Higher Education Act and the implementing regulations, the Equal Credit Opportunity Act,

Regulation B and other applicable consumer credit laws and equal credit opportunity laws, as applicable to such Loan;

(iv) the Loan is guaranteed at least 97% as to principal and interest by the applicable Guarantor and eligible for reinsurance by the Department in accordance with the Higher Education Act;

(v) the Loan bears interest at a stated rate equal to the maximum rate permitted under the Higher Education Act for such loan (except as the rate is modified by an Approved Borrower Benefit);

(vi) the Loan is eligible for the payment of quarterly Special Allowance Payments;

(vii) if the Loan is not yet in repayment status, the Loan is eligible for payment of Interest Subsidy Payments, or if not eligible, has interest either billed quarterly to the Borrower or capitalized to the extent permitted by the applicable Guarantor;

(viii) the Loan is evidenced by a signed Promissory Note in the form (including any required addenda) published by, and prescribed by, the Department, without change of any kind, and is not subject to any agreement not contained in that note that would bar, condition, or limit either transfer or pledge of the Loan or the exercise by a transferee of the rights of the Eligible Lender under terms of the note, except as such an agreement relates exclusively to Eligible Borrower Benefits or Approved Borrower Benefits on the Loan;

(ix) the Loan has not been modified, extended or renegotiated in any way, except as required under the Higher Education Act or other applicable laws, rules and regulations, and the applicable Guarantee Agreement;

(x) the Loan constitutes a legal, valid and binding obligation to pay on the part of the related Borrower enforceable in accordance with its terms and is not subject to a current bankruptcy proceeding;

(xi) the Loan is supported by the Loan Documents required under this Agreement;

(xii) if the Loan is subject to a servicing agreement, such servicing agreement shall automatically terminate with respect to such Loan on or prior to the purchase of such Loan by the Department, unless the Department otherwise notifies the related Servicer prior to the Put Date, without the payment by the Department of any de-boarding, deconversion or related fees or expenses of the related servicer and without any liability on the part of the Department;

(xiii) the sale, pledge or assignment of the Loan does not conflict with any law or require notice to or consent, approval, authorization or order of any Person or governmental authority, except for such consents, approvals, authorizations or orders, if any, that have been obtained prior to the related Grant Date, and for any notices to Borrowers and Guarantors required by the Higher Education Act;

(xiv) if the Loan is made under Section 428 (Subsidized Stafford Loans) or Section 428H (Unsubsidized Stafford Loans) of the Higher Education Act, all of the Borrower's other Subsidized Stafford Loans and Unsubsidized Stafford Loans that are Eligible Loans and that are held by or on behalf of the related Eligible Seller are being sold to the related Eligible SPV (if applicable) and will become Pledged Loans on the applicable Grant Date;

(xv) the Loan has been originated or acquired by either an Eligible Lender, or a lender that is not an Eligible Lender and the legal title of such Loan is held by an Eligible Lender Trustee, and the Department has timely received the applicable Notice of Intent to Participate; and

(xvi) the Loan was selected in accordance with the loan allocation criteria set forth in Section 4E.

FFELP consolidation loans or any other types of loans not specifically described above will not be considered "Eligible Loans"; provided, however, that, any proceeds received from a consolidation of a Loan subsequent to its sale or pledge pursuant to a Purchase Agreement shall be used to decrease the Principal Balance of such Loan to zero.

"Eligible Seller" means (i) an Eligible Lender or (ii) a holder of beneficial interest in Loans, together with the Eligible Lender Trustee holding legal title to such Loans on its behalf or (iii) an Eligible Direct Issuer.

"Eligible Servicing Agreement" means, with respect to any Pledged Loan, an agreement pursuant to which the related Servicer is servicing such Loan that (i) contains customary terms and conditions, including representations, warranties, covenants and events of default, that reflect a negotiated, arms-length transaction; (ii) includes an acknowledgement by the Servicer that the Department and the Conduit are the intended third-party beneficiaries thereof and entitles the Department, upon the purchase of such Loan by the Department hereunder, to instruct such Servicer and exercise remedies with respect to such Loan serviced thereunder; and (iv) provides that, upon the occurrence of a Put Event with respect to such Loan, such agreement shall automatically terminate with respect to such Loan on or prior to the purchase thereof by the Department, unless the Department otherwise notifies such Servicer prior to the Put Date, without any payment by the Department of any de-boarding, deconversion or related costs, penalties or fees to the related Servicer and that the servicing shall be transferred as instructed by the Department.

"Eligible SPV" shall have the meaning set forth in the recitals hereof.

"Eligible Sub-custodian" means any sub-custodian retained by the Conduit Administrator in connection with the obligations of the Conduit Administrator under the Funding Note Purchase Agreements that meets the eligibility criteria set forth in the Funding Note Purchsae Agreements.

"FFELP" shall have the meaning set forth in the recitals hereof.

"Final Loan Schedule" means the schedule attached to each Bill of Sale (in the form provided by the Department) and completed by the Conduit Administrator that lists, by Borrower, (i) the Loans sold to the Department pursuant to such Bill of Sale, (ii) the name and address of such Borrower, the loan number, the qualifying institution attended by the Borrower, and the Principal Balance and accrued interest of such Loans as of the related Put Date, (iii) the applicable Eligible Seller and (iv) any other information the Department may reasonably require including but not limited to certain identification numbers and dates relating to the Putable Loans.

"Funding Note Issuer" means each Person that enters into a Funding Note Purchase Agreement as "Funding Note Issuer" thereunder.

"Funding Note Purchase Agreement" shall have the meaning set forth in the recitals hereof.

"Funding Notes" shall have the meaning set forth in the recitals hereof.

"Grant Date" means, with respect to any Loan, the date on which such Loan is sold by the Eligible Seller to the related Eligible SPV, if applicable, and pledged by the Eligible SPV or Eligible Direct Issuer to the Conduit pursuant to the Funding Note Purchase Agreement.

"Guarantee Agreement" means an agreement between a Guarantor and the Eligible Seller or the Eligible Lender Trustee (if applicable) that provides for the payment by such Guarantor of amounts authorized to be paid pursuant to the Higher Education Act to holders of qualifying FFELP student loans guaranteed in accordance with the Higher Education Act.

"Guarantor" means any FFELP guaranty agency with which the Eligible Seller or the Eligible Lender Trustee (if applicable) has in place a Guarantee Agreement, and which guarantor is reinsured by the Department for a percentage of claims paid for a given federal fiscal year.

"Higher Education Act" means the Higher Education Act of 1965, as amended, 20 U.S.C. Section 1001 et seq.

"Indenture" shall have the meaning set forth in the recitals hereof.

"Interest Subsidy Payments" means the interest subsidy payments on certain FFELP student loans authorized to be made by the Department pursuant to Section 428 of the Higher Education Act.

"Issuing and Paying Agent" means the issuing and paying agent for the Conduit Commercial Paper Notes.

["LIBOR" means, with respect to any date of determination, the rate for United States dollar deposits, rounded, if necessary, to the nearest 0.00001%, appearing on Reuters Screen LIBOR01 Page as the London interbank offered rate for one-month United States dollar deposits at approximately 11:00 a.m., London time, on such date of determination, or, if that day is not a LIBOR Business Day, the next succeeding LIBOR Business Day. If, on any date of determination, such rate does not appear on Reuters Screen LIBOR01 Page, LIBOR shall be the arithmetic mean of the offered quotations of the reference banks to prime banks in the London interbank market for one-month United States dollar deposits in Europe by reference to requests for quotations to the reference banks as of approximately 11:00 a.m. (London time) on such date of determination. If, on any date of determination, at least two (2) of the reference banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any date of determination, only one (1) or none of the reference banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York are quoting on such date of determination for such one-month United States dollar deposits in Europe. The [Conduit Administrator] shall determine LIBOR on each applicable date of determination and the determination of LIBOR by the [Conduit Administrator] shall be binding absent manifest error.][DOE TO CONFIRM]

"LIBOR Business Day" means any day on which commercial banks are open in New York, New York and London, England for international business (including dealings in United States dollar deposits).

"Liquidity Banks" shall have the meaning set forth in the recitals hereof.

"Liquidity Funding" shall have the meaning set forth in the recitals hereof.

"Liquidity Purchase Agreement" shall have the meaning set forth in the recitals hereof.

"Loan" means a Stafford Loan or PLUS Loan (and not a FFELP consolidation loan) that was made to a student or, in the case of a parent PLUS loan, made to a parent of a dependent student, evidenced by a Promissory Note and all other related Loan Documents together with any guaranties and other rights relating thereto including, without limitation, Interest Subsidy Payments and Special Allowance Payments, together with the servicing rights related thereto.

"Loan Data Schedule" means the schedule completed by an Eligible Seller and delivered to the Department (in the form provided by the Department) that lists, by academic year and, if the loan portfolio of such Eligible Seller for such academic year contains any Restricted Loans, with respect to the Loans held by the Eligible Seller that are not Restricted Loans, by Servicer and by [securitization or other financing arrangement], as applicable, (i) the number of Loans issued by such Eligible Seller for each applicable academic year, (ii) the aggregate Principal Balance of such Loans, (iii) the average Principal Balance of such Loans, (iv) the payment status of each such Loan (i.e. repayment, grace period, deferment or forbearance), (v) the type of each such Loan (i.e. Subsidized Stafford Loan, Unsubsidized Stafford Loan or PLUS Loan), (vi) the type of school with respect to which each such Loan was made (i.e. two-year, four-year or proprietary institution), (vii) the geographic concentration of the related Borrowers (by region), and (viii) the delinquency status of each such Loan.

"Loan Documents" means with respect to each Loan, the following documents:

(i) a copy of the loan application if a separate application was provided to the Eligible Seller;

(ii) a copy of the signed Promissory Note;

(iii) the repayment schedule;

(iv) a record of each disbursement;

(v) notices of changes in a Borrower's address and status as at least a half-time student;

(vi) if applicable, evidence of the Borrower's eligibility for any current period of deferment;

(vii) if applicable, the documents required for any current exercise of forbearance;

(viii) copies of any prior endorsements and/or assignments of such loan showing a complete chain of title from the originator to the related Eligible Seller, together with an assignment of such loan to the Conduit or in blank;

(ix) if applicable, a payment history showing the date and amount of each payment received from or on behalf of the Borrower, and the amount of each payment that was attributed to principal, interest, late charges, and other costs;

(x) a collection history showing the date and subject of each communication between the Eligible Seller and the Borrower or endorser relating to collection of a delinquent Loan, each communication other than regular reports by the Eligible Seller showing that an account is current, between the Eligible Seller and a credit bureau regarding the loan, each effort to

locate a Borrower whose address is unknown at any time, and each request by the Eligible Seller for default aversion assistance on the Loan;

(xi) documentation of any master promissory note confirmation process or processes;

(xii) any additional records that are necessary to document the validity of a claim against the guarantee or the accuracy of reports submitted by the Eligible Seller; and

(xiii) a statement identifying the name and location of the entity in possession of the original electronic Promissory Note (if applicable) and, if different, the name, company, address and contact information of the person who is able to provide the affidavit or certification described in 34 C.F.R. Section 682.414(a)(6)(i), including any necessary supporting documentation.

"Loan Participation Purchase Program" The program enacted pursuant to Section 459A of the Higher Education Act under which the Department purchases participation interests in FFELP loans held by Eligible Lenders, acting as sponsors, that have elected to participate in such program pursuant to a master participation agreement.

"Loan Purchase Commitment Program" The program enacted pursuant to Section 459A of the Higher Education Act under which the Department purchases FFELP loans from Eligible Lenders that have elected to participate in such program, pursuant to a master loan sale agreement.

"Market Adjustment" means, as of any date of determination, the lesser of (a) one (1) and (b) the percentage equivalent of a fraction, (i) the numerator of which is the aggregate original principal balance of all Loans originated by all Eligible Lenders (as shown on the Department's NSLDS system) during the twenty-four month period ending with the month immediately preceding the month of such determination, divided by two, and (ii) the denomination of which is the aggregate original principal balance of all Loans originated by all Eligible Lenders (as shown on the Department's NSLDS system) during the twelve month period ending with the month immediately preceding the month of the applicable sale and/or pledge of Loans to the Conduit Program.

"Master Indenture" shall have the meaning set forth in the preamble hereof.

"MTN" shall have the meaning set forth in the recitals hereto.

"Negative Special Allowance Payments" means any special allowance payments rebate on FFELP student loans required to be made by the holder of any such loan pursuant to Section 438 of the Higher Education Act.

"Net Cash Proceeds" means an amount equal to (a) the cash proceeds received by an Eligible Seller from the sale and/or pledge of Loans to the Conduit Program (including cash proceeds received from the sale and/or pledge of Securities other than Commercial Paper)

("Cash Proceeds"), minus (b) the amount paid by the Eligible Seller in connection with such sale and/or pledge of the Loans to repay indebtedness secured by the Loans [or, with respect to any Loans that are not pledged to secure indebtedness of the Eligible Seller, the Deemed Liabilities allocated to such Loans.]

"Notice of Intent to Participate" means the notice provided to the Department by an Eligible Seller of its intent to enter into a Purchase Agreement, which shall be in the form attached hereto as Exhibit D.

"Person" means an individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Pledged Loan" means a Loan pledged by an Eligible SPV or Eligible Direct Issuer to secure a Funding Note.

"PLUS Loan" means a Loan described in Section 428B of the Higher Education Act and shall include loans to parents, designated as "PLUS Loans" or loans to graduate or professional students, designated "Grad PLUS Loans."

"Principal Balance" means, with respect to any Loan and date of determination, the outstanding principal amount of such Loan plus interest capitalized through such date of determination.

"Program Documents" means [this Agreement, the Administration Agreement, the Liquidity Purchase Agreement, the Indenture, each Student Loan Purchase Agreement, each Funding Note Purchase Agreement and the Administration Agreement][TO BE UPDATED AS APPLICABLE].

"Promissory Note" means the master promissory note of the Borrower and any amendment thereto evidencing the Borrower's obligation with regard to a student loan guaranteed under the Higher Education Act, whether in hardcopy or electronic form, and that contains the terms required by the Higher Education Act and implementing regulations.

"Purchase Agreement" means (i) with respect to an Eligible SPV, the related Student Loan Purchase Agreement and the related Funding Note Purchase Agreement, as applicable, or (ii) with respect to an Eligible Direct Issuer, the Funding Note Purchase Agreement.

"Putable Loan" means any Loan (i) sold and/or pledged by an Eligible Seller pursuant to a Purchase Agreement prior to the earlier of July 1, 2010 and the declaration of a "termination event" (as defined in the applicable Purchase Agreement); (ii) that is a Stafford Loan or a PLUS Loan (and not a FFELP consolidation loan); and (iii) with respect to which the first disbursement thereon has been made on or after October 1, 2003 but no later July 1, 2009.

"Put Date" means the date (or, if such day is not a Business Day, the following Business Day or, if such day is a Blackout Date, the following Business Day that is not a Blackout Date) forty-five (45) days after delivery of a Put Notice to the Department, on which the Conduit

Administrator sells and the Department purchases Putable Loans in accordance with this Agreement. The latest Put Date hereunder shall be the Put Expiration Date.

"Put Event" means the occurrence of any of the following:

(i) the failure to make a Liquidity Funding when due; provided, that, a Put Event shall not be deemed to occur under this clause (i) if the related Liquidity Funding shall have been made by any other Person; or

(ii) any Liquidity Funding shall remain unpaid for more than forty-five (45) days after the date on which such Liquidity Funding was made in accordance with the Liquidity Purchase Agreement; or

(iii) the date that is 45 days prior to the Put Expiration Date; or

(iv) the declaration or automatic occurrence of a Funding Note "event of default" (as defined in any Funding Note Purchase Agreement); or

(v) with respect to any Pledged Loan, such Loan shall have become 210 days delinquent.

"Put Expiration Date" means, with respect to all Loans, the earlier of (i) the date five years from the date hereof and (ii) September 30, 2014.

"Put Fee" means, with respect to each Put Fee Payment Date and the related Accrual Period, a fee payable to the Department in consideration for its commitment to purchase Putable Loans under this Agreement equal to the sum of (i) a per annum rate on the average daily balance of the outstanding Principal Balance of the Funding Notes outstanding as of each day of such Accrual Period equal to (A) with respect to each Put Fee Payment Date during the 2009 and 2010 calendar years, 0.05%, (B) with respect to each Put Fee Payment Date during the 2011 calendar year, 0.15% and (C) with respect to each Put Fee Payment Date during the 2012 and 2013 calendar years, 0.25%, plus (ii) 80% of the product of (A) the excess, if any, of the Target Rate over the Conduit Cost of Funds Rate times (B) the average daily outstanding Principal Balance of the Funding Notes outstanding as of each day of such Accrual Period, in each case calculated and payable on a [quarterly] basis in arrears. [Pursuant to Section [___] of the Indenture, the [portion of the] Put Fee [calculated pursuant to clause (i) above will be payable senior to the Securities and the portion of the Put Fee calculated pursuant to clause (ii) above] will be payable subordinate to the Securities and pari passu with the fees payable to the Liquidity Banks.]

"Put Fee Payment Date" means any date upon which any portion of the Put Fee is due and payable to the Department pursuant to the terms and provisions of the Indenture.

"Put Notice" shall have the meaning set forth in Section 4A.

"Put Option" shall have the meaning set forth in Section 1A.

"Put Price" means, as of any Put Date (i) with respect to Putable Loans (A) with respect to which the first disbursement was made on or after May 1, 2008; (B) subject to only Eligible Borrower Benefits; and (C) less than 255 days delinquent as of the related Put Date, 100% of the sum of the Principal Balance of such Loans on the related Put Date plus accrued and unpaid interest on such Loans through the day immediately preceding such Put Date or (ii) with respect to all other Putable Loans not more than 255 days delinquent as of the related Put Date, 97% of the sum of the Principal Balance of such Loans on the related Put Date plus accrued and unpaid interest on such Loans through the day immediately preceding such Put Date.

"Random Sample" means (i) with respect to Loans being selected for sale or pledge under a Purchase Agreement, a sample of Loans, that, in the aggregate, possesses characteristics having no more than a five percent variance from each data field set forth on the related Loan Data Schedule with respect to the entire Loan portfolio of the applicable Eligible Seller or (ii) with respect to Pledged Loans securing a Funding Note the lien of which an Eligible Direct Issuer or Eligible SPV has elected for release, a sample of Loans that, in the aggregate, possesses characteristics having no more than a five percent variance from the characteristics of the pool of Loans securing such Funding Note as of the date of such contemplated release and as of the time during such date that the aggregate Principal Balance of such Loans reached it highest dollar value.

"Repurchase Condition" means, the occurrence of any of the following events or circumstances as determined by the Department in its sole, good faith discretion:

[(i) any representation of warranty made or furnished by the Eligible Seller pursuant to the related Purchase Agreement shall prove to have been materially incorrect as of the applicable Grant Date; or

(ii) a Loan is not an Eligible Loan on its Grant Date.]

"Repurchase Price" shall have the meaning set forth in Section 9A.

"Responsible Officer" means any director, vice president, assistant vice president, any associate or any other officer of the Conduit Administrator, customarily performing functions similar to those performed by any of the above designated officers and with respect to a particular matter, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Agreement.

"Restricted Loan" means any Loan that may not be sold or pledged pursuant to a Purchase Agreement because (i) the servicing agreement under which such Loan is serviced provides that the servicing rights created thereunder are not transferrable or (ii) such Loan is included in a securitization or other financing arrangement the program documents of which contain restrictions on transferability of individual assets included therein.

"Revocation Date" shall have the meaning set forth in Section 4A.

"Secretary" means the Secretary of Education, and includes any official of the Department duly authorized to perform any function with respect to the transactions under this Agreement or the other Program Documents.

"Securities" shall have the meaning set forth in the recitals hereof.

"Securitization Criteria Allocation Notice" means, with respect to a pool of Loans to be released from the lien of the related Funding Note pursuant to Section 4A and the terms and provisions of the related Funding Note Purchase Agreement, a notice (in the form provided by the Department) completed by an Eligible Direct Issuer or Eligible SPV and provided to the Department, the Custodian Bank and **[VERIFYING ENTITY]** that sets forth the composition of such pool of Loans designated by specific percentages with respect to (i) the date of disbursements of each related Loan, (ii) the type of each related Loan (i.e. Subsidized Stafford Loan, Unsubsidized Stafford Loan or PLUS Loan), (iii) the type of school with respect to which each related Loan was made (i.e. two-year, four-year or proprietary institution), (iv) the payment status of each related Loan (i.e. repayment, grace period, deferment or forbearance), and (v) **[OTHER?]**.

"Security Agreement" means the Security Agreement, dated as of the date hereof, among the Conduit and the Trustee thereunder, as amended, supplemented or otherwise modified from time to time.

"Security Release Certification" means any release of lien documentation executed by the applicable lienholder with respect to one or more Loans in a form reasonably acceptable to the Department.

"Seller Closing Date" shall have the meaning set forth in Section 5A.

"Servicer" shall have the meaning set forth in Section 4H.

"Special Allowance Payments" means special allowance payments on FFELP student loans authorized to be made by the Department pursuant to Section 438 of the Higher Education Act.

"Stafford Loan" means a Subsidized Stafford Loan or an Unsubsidized Stafford Loan.

"Subsidized Stafford Loan" means a Loan described in Section 428(a) of the Higher Education Act.

"Supplement" shall have the meaning set forth in the recitals hereto.

"Target Rate" means LIBOR.

"Trust Certificate" shall have the meaning set forth in the recitals hereto.

"Trust Receipt" means a trust receipt and certification issued by the Conduit Administrator (or an Eligible Sub-custodian on its behalf) in the form of Exhibit E hereof.

"Unsubsidized Stafford Loan" means a Loan described in Section 428H of the Higher Education Act.

Section 4. Sale/Purchase.

A. Put Notice. Upon the occurrence of a Put Event, the Conduit Administrator shall deliver to the Department a notice (a "Put Notice") in the form of Exhibit B attached hereto; provided, however, that, (i) with respect to Put Event under clause (iv) of the definition thereof, with respect to a Put Event set forth clause (v) of the definition thereof, the Conduit Administrator may deliver the Put Notice immediately on or on a later date, so that the Put Date corresponds with the maturity of the Securities and (ii) Conduit Administrator shall deliver a Put Notice on the [_____day] of the calendar week following the occurrence of such Put Event.

Subject to Section 4B hereof, a Put Notice shall become irrevocable on the date (the "Revocation Date") (a) with respect to a Put Event under clauses (i) through (iv) of the definition thereof, fifteen (15) days after the delivery to the Department of such Put Notice and (b) with respect to a Put Event under clause (v) of the definition thereof, thirty (30) days after the date upon which such Put Event shall have occurred. On the Revocation Date, the Conduit Administrator shall deliver to the Department the Final Loan Schedule.

Prior to the Revocation Date, an Eligible Direct Issuer or Eligible SPV may repay all or a portion of the Funding Note issued by such Eligible Direct Issuer or Eligible SPV and obtain a release of an appropriate portion of the Loans from the lien of the related Funding Note selected as described in Section 4E (provided no obligations to the Department or the Conduit which are then due from such Eligible Direct Issuer or Eligible SPV (or the related Eligible Seller) remain unpaid).

B. Auction. To the extent required under the applicable Funding Note Purchase Agreement, not later than the Revocation Date with respect to any Put Event under clauses (i) through (iv) of the definition thereof, the Conduit Administrator, on behalf of the Conduit, shall conduct an Auction of the Putable Loans identified in the applicable Put Notice for a sale price not less than the related Put Price and in accordance with the procedures set forth in the Funding Note Purchase Agreement.

C. Consummation of Sale and Purchase. The sale and purchase of Putable Loans pursuant to a Bill of Sale as of any Put Date shall be consummated upon (i) the Department's receipt from the Conduit Administrator of the related Bill of Sale in the form attached hereto as Exhibit C, together with a Final Loan Schedule attached thereto, (ii) the delivery of the related Promissory Notes and other related Loan Documents to the Department or its designee, (iii) the payment by the Department to the Conduit Administrator of the Put Price and (iv) the satisfaction of all other conditions precedent set forth in Section 5C hereof in the manner set forth in this Agreement (or if unsatisfied, the Department has permitted such unsatisfied conditions to be cured within an acceptable period of time following the Put Date, as evidenced in writing and in the Department's sole and absolute discretion). The Department and the Conduit Administrator acknowledge and agree that the Put Price paid for each Loan sold to the Department hereunder includes consideration for release by the Conduit Administrator and the Conduit of any claim it may otherwise have with respect to related servicing rights appurtenant

to such Loan. Upon consummation, such sale and purchase shall be effective as of the date of the Bill of Sale.

D. Settlement of the Put Price. On the Put Date, the Department shall pay to the Conduit Administrator the Put Price by electronic transfer in funds available on such Business Day to the applicable Collection Accounts. The Department's obligation to pay the Put Price with respect to the Putable Loans on a Put Date will not be subject to set-off by the Department with respect to amounts owed to the Department by any Eligible Seller, any Eligible SPV, the Conduit or any Eligible Lender Trustees. Upon payment to the Conduit Administrator of the Put Price, the Conduit Administrator does hereby sell, transfer, assign, set over and convey to the Department, without recourse, but subject to the terms of this Agreement, all of its rights, title and interest in and to the related Putable Loans, and all of the related servicing files and servicing rights appurtenant to the related Loans, the related Promissory Notes and other related Loan Documents (including, without limitation, any rights of the Conduit Administrator to receive from any third party any documents which constitute a part of the loan or servicing files) and all rights and obligations arising under the documents contained therein and the rights of the Funding Note Issuer under the applicable Purchase Agreements with respect to such Putable Loans.

E. Loan Allocation.

(i) Each Purchase Agreement shall require that, within [__] days prior to the effectiveness thereof, the Eligible Seller shall deliver to the Department a Loan Data Schedule with respect to its entire portfolio of Loans and, if the Eligible Loans selected by the Eligible Seller to be sold or pledged under such Purchase Agreement represent an amount of Eligible Loans that is less than the Eligible Seller's entire portfolio of Loans with respect to the applicable academic year, the Eligible Loans sold or pledged pursuant thereto shall consist of a Random Sample; provided, that, if the Eligible Seller's portfolio of Loans relating to any such academic year contains any Restricted Loans, the Eligible Seller shall provide to the Department a Loan Data Schedule that lists the information contained thereon by academic year as well as by (i) securitization or other financing arrangement and (ii) Servicer, as applicable.

Each Purchase Agreement shall further require that, if the [Department]**[OTHER?]** determines that the sample of Eligible Loans proposed by the Eligible Seller to be sold or pledged pursuant to a Purchase Agreement does not represent a Random Sample, (i) with respect to an Eligible Seller whose portfolio does not contain Restricted Loans, such proposed sample shall be modified by the Eligible Seller and a new sample of Eligible Loans shall be submitted to the [Department]**[OTHER?]** for approval or (ii) with respect to an Eligible Seller whose portfolio does contain Restricted Loans, the Department may deem the proposed sample ineligible for sale or pledge; provided, however, that, Eligible Sellers may sell or pledge Loans deemed ineligible for sale or pledge by the Department on an individual basis so long as any such Loan possesses characteristics having no more than a five percent variance from each data field set forth on the portion of the applicable Loan Data Schedule relating to the Eligible Seller's entire Loan portfolio; provided, further, that, the pool of Loans sold or pledged pursuant to a Purchase Agreement must include either all or none of the Loans made by the Eligible Seller to any related Borrower.

(ii) Each Funding Note Purchase Agreement shall require that, pursuant to the terms and provisions of Section 4A, in the event that an Eligible Direct Issuer or Eligible SPV elects to repay a portion of the related Funding Note, such Eligible Direct Issuer or Eligible SPV shall identify the dollar amount of the portion of the Funding Note that it has elected to repay and submit to the Department and the [Custodian Bank] a Securitization Criteria Allocation Notice. Upon its receipt of a Securitization Criteria Allocation Notice, the [Custodian Bank] shall select for release, from the entire pool of Loans then securing the related Funding Note, a pool of Loans (i) with an aggregate Principal Balance in an amount equal to the dollar amount of the portion of the Funding Note elected to be repaid by the Eligible Direct Issuer or Eligible SPV, (ii) that conforms to the percentages set forth on such Securitization Criteria Allocation Notice, and (iii) that is a Random Sample; provided, that, such pool of Loans must include either all or none of the Pledged Loans with respect to any related Borrower.

F. Daily/Weekly Put Limit. Notwithstanding anything contained herein to the contrary, the Department shall not be required to purchase Loans hereunder for an aggregate Put Price (not including the Put Price related to Loans purchased hereunder with respect to which a Put Event set forth in clause (v) of the definition thereof has occurred) in excess of (i) $500,000,000 per week during any calendar week prior to July 20, 2009 or (ii) $10,000,000,000 on any Put Date on or after July 20, 2009. In addition, the Department will not be required to purchase Putable Loans on any Blackout Date.

G. Interest Subsidy and Special Allowance Payments and Fees. The Eligible SPV or Eligible Direct Issuer, as applicable, shall be entitled to all Interest Subsidy Payments and Special Allowance Payments on the Loans sold hereunder up to but not including the related Put Date, and shall be responsible for the payment of fees and other amounts due to the Department, if any, including, but not limited to, Negative Special Allowance Payments, applicable to Loans sold hereunder accruing from the date upon which the applicable Loans were sold and/or pledged pursuant to a Purchase Agreement, up to but not including the related Put Date. The Department shall be entitled to all interest and other payments on the Loans sold hereunder that accrues on and after the related Put Date.

H. Transfer of Servicing. With respect to all Loans sold hereunder, the Conduit Administrator shall, unless otherwise instructed by the Department prior to the applicable Put Date, cause the related Eligible Seller of such Loans or other servicer thereof (such entity, the "Servicer") to transfer servicing in accordance with Section 13 and with industry standards related to the prudent servicing of FFELP loans on and as of the applicable Put Date.

I. Intent of the Parties. With respect to each sale of Loans pursuant to this Agreement and the related Bills of Sale, it is the express intention of the Conduit Administrator and the Department that the transfer and assignment constitute a valid sale of such Loans and the rights to service such Loans from the Conduit Administrator to the Department, and that the legal and beneficial interest in and title to such Loans shall not be part of the Conduit's or the Conduit Administrator's estate in the event of the bankruptcy of the Conduit or the Conduit Administrator or the appointment of a receiver with respect to the Conduit or the Conduit Administrator. If such transfer and assignment is deemed to be a pledge to secure a loan and not a sale, then the parties also intend and agree that the Conduit Administrator shall be deemed to have granted, and in such event does hereby grant, to the Department, a first priority security interest in all of its

right, title and interest in, to and under such Loans, including the servicing rights appurtenant thereto, all payments of principal or interest on such Loans due after the related Put Date, all other payments made in respect of such Loans after the related Put Date and all proceeds thereof and that this Agreement shall constitute a security agreement under applicable law. If such transfer and assignment is deemed to be a pledge to secure a loan and not a sale, the Conduit Administrator consents to the Department hypothecating and transferring such security interest in favor of Department's successors or assigns.

Section 5. Seller Closing Dates and Funding Dates; Put Conditions.

A. Closing Dates. In order to participate in the Conduit Program, an Eligible Seller must execute and deliver a Purchase Agreement to the Conduit Administrator, with a copy to the Department. In addition, on or prior to the effective date of such Purchase Agreement (each, a "Seller Closing Date"), the applicable Eligible Seller shall deliver or cause to be delivered to the Conduit Administrator the documents required pursuant to such Purchase Agreement, including the following:

(i) an officer's certificate from the Eligible Seller, in the form approved by the Department, and all attachments thereto including, but not limited to, the applicable formation documents, corporate resolutions and good standing certificates;

(ii) incumbency certificates and specimen signatures of each officer authorized to execute the Program Documents on behalf of the Eligible Seller;

(iii) opinions of counsel to the Eligible Seller, in the form and substance approved by the Department, relating to corporate matters, legality, validity and enforceability of the related Purchase Agreement and other related documents, no-conflicts, true sale and nonconsolidation issues (except with regard to Eligible Direct Issuers) creation of a valid security interest and such other matters as the Department may request;

(iv) financing statements relating to the Eligible Loans to be initially sold or pledged under such Purchase Agreement in form sufficient for filing pursuant to the Applicable UCC, naming the Eligible Seller as debtor and the Conduit Administrator as secured party, as in effect in the relevant jurisdiction and any other similar instruments or documents as may be necessary under the Applicable UCC of all appropriate jurisdictions to perfect the transfers (including grants of security interests) under the Program Documents;

(v) Applicable UCC lien search reports with respect to the related Eligible Seller;

(vi) executed copies of each of the Program Documents in form and substance acceptable to the Department (including, but not limited to, the related Purchase Agreement);

(vii) a copy of the Notice of Intent to Participate in the form of Exhibit D hereto submitted by or on behalf of the Eligible Seller to the Department;

(viii) officer's certificates from the Eligible SPV that each of the Guarantee Agreements that have been provided to the Conduit Administrator are true and correct copies thereof and remain in full force and effect;

(ix) a release of lien from any applicable secured party and financing statement terminations on Form UCC-3, if necessary to release any adverse claims on the Pledged Loans;

(x) evidence of establishment of the trust accounts in the name of the Eligible SPV;

(xi) an irrevocable power of attorney, which power of attorney is coupled with an interest, from such Eligible Seller to the Conduit Administrator and assignable to the Department granting the rights and powers specified in Section C with respect to the applicable Loans;

(xii) copies of all documentation relating to any applicable lockbox arrangements;

(xiii) a copy of the fully executed Eligible Servicing Agreement(s) relating to such Loans; and

(xiv) **[OTHER?].**

B. Funding Dates. On or prior to any sale and/or pledge of Eligible Loans by an Eligible Seller (including the initial sale and/or pledge), such Eligible Seller shall deliver or cause to be delivered to the Conduit Administrator the documents required to be delivered under such Purchase Agreement, including the following:

(i) an original Trust Receipt issued by the Conduit Administrator certifying that it is in possession of the applicable Loan Documents relating to such Eligible Loans; and

(ii) **[OTHER?].**

C. Put Conditions. Any sale of Putable Loans pursuant to this Agreement on any Put Date is subject to the following conditions precedent being satisfied on or prior to such Put Date (and the Conduit Administrator, by accepting payment hereunder, shall be deemed to have certified that all such conditions are satisfied on such Put Date):

(i) Activities Prior to the Related Put Date. The documents required to be delivered pursuant to Sections 5A(iii), (iv), (v), (vi), (vii), (ix) and (x) and 5B(i) shall have been delivered on or prior to the applicable Grant Date with respect to the Putable Loans to be sold to the Department on such Put Date.

(ii) Servicing Rights Transferred. The Department shall obtain all rights to service such Loan and may, in its sole and absolute discretion, require deconversion of such Loan in order to service the loan itself or through a third-party servicer of its designation or the designation of the Conduit pursuant to the terms and provisions of the Program Documents.

(iii) Bill of Sale/Final Loan Schedule/Loan Documents. The Conduit Administrator shall deliver to the Department on or prior to the Put Date:

(1) A Bill of Sale that has been duly authorized and executed by an authorized officer of the Conduit Administrator, covering the applicable Putable Loans to be sold by the Conduit Administrator;

(2) A Final Loan Schedule attached to the related Bill of Sale identifying each of the Putable Loans to be sold on the applicable Put Date; and

(3) [A Trust Receipt for] The Loan Documents for each Putable Loan listed in the applicable Final Loan Schedule.

Section 6. Power of Attorney.

The Conduit Administrator hereby grants to the Department an irrevocable power of attorney, which power of attorney is coupled with an interest, authorizing the Department to take the following actions as it determines necessary to enforce a Loan sold under this Agreement:

(i) to individually endorse or cause to be individually endorsed in the name of the Conduit Administrator any Loan,

(ii) to evidence the transfer of such Loan to the Department,

(iii) if the original Promissory Note evidencing a Loan sold to the Department hereunder executed by the Borrower has not been previously delivered to the Department, to the extent needed in connection with an enforcement proceeding with respect to such (unless such Loan was made on the basis of a copy of the original Promissory Note), to cause to be transferred physical possession from the Conduit Administrator to the Department any Promissory Note evidencing a Loan sold to the Department hereunder (or the related Servicer on its behalf), and

(iv) to perform all other acts which the Department deems appropriate to protect, preserve and realize upon the Loans sold hereunder, including, but not limited to, the right to take possession of and endorse and collect any checks, drafts, notes, acceptances or other

instruments for the payment of moneys due with respect to any Promissory Note, complete blanks in documents, transfer servicing and execute assignments and other instruments on behalf of the Conduit Administrator as its attorney in fact.

Section 7. Representations and Warranties of the Conduit Administrator.

A. Representations and Warranties as to the Conduit Administrator. The Conduit Administrator represents and warrants to the Department, as of the date hereof and as of the date of each Bill of Sale that:

(i) The Conduit Administrator (1) is duly organized, validly existing and in good standing under the laws of the State of its formation or of the United States, and (2) has all licenses necessary to carry out its business as now being conducted or is otherwise exempt under applicable law from such licensing or qualification or is otherwise not required under applicable law to effect such licensing or qualification and no demand for such licensing or qualification has been made upon it by any such state. No licenses or approvals obtained by it have been suspended or revoked by any court, administrative agency, arbitrator or governmental body and no proceedings are pending which might result in such suspension or revocation;

(ii) The Conduit Administrator is a national or state-chartered bank, an "eligible lender" as such term is defined in Section 435(d) of the Higher Education Act, has a lender identification number issued by the Department with respect to the Pledged Loans, and has in effect a Guarantee Agreement with respect to each of the Pledged Loans;

(iii) The Conduit Administrator (1) has all requisite power and authority to hold each Pledged Loan, to sell each Pledged Loan, and to execute, deliver and perform, and to enter into and consummate, all transactions contemplated by this Agreement, (2) has duly authorized the execution, delivery and performance of this Agreement and (3) has duly executed and delivered this Agreement. This Agreement, assuming due authorization, execution and delivery by the other parties hereto, constitutes the legal, valid and binding obligation of the Conduit Administrator, enforceable against each of them in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of rights of creditors generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law);

(iv) The execution and delivery of this Agreement by the Conduit Administrator and the performance of and compliance with the terms of this Agreement will not violate its formation documents or constitute a default under or result in a breach or acceleration of, any material contract,

agreement or other instrument to which it is a party or which may be applicable to it or its assets;

(v) The Conduit Administrator is not in violation of, and the execution and delivery of this Agreement by it and its performance and compliance with the terms of this Agreement will not constitute a violation with respect to, any order or decree of any court or any order or regulation of any federal, state, municipal or governmental agency having jurisdiction over it or its assets, which violation might have consequences that would materially and adversely affect the condition (financial or otherwise) or its operations or its assets or might have consequences that would materially and adversely affect the performance of its obligations and duties hereunder;

(vi) The Conduit Administrator does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(vii) There are no actions or proceedings against, or investigations of, the Conduit Administrator before any court, administrative agency or other tribunal (A) that might prohibit its entering into this Agreement, (B) that seeks to prevent the sale of the Putable Loans or the consummation of the transactions contemplated by this Agreement or (C) that might prohibit or materially and adversely affect the performance by the Conduit Administrator of its obligations under, or the validity or enforceability of, this Agreement;

(viii) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Conduit Administrator of, or compliance by it with, this Agreement or the consummation of the transactions contemplated by this Agreement, except for such consents, approvals, authorizations or orders, if any, that have been obtained prior to the related Put Date;

(ix) The Conduit Administrator has a combined capital and surplus of at least $50,000,000, as set forth in its most recent published annual report of condition;

(x) The Conduit Administrator has a long-term senior unsecured debt rating of not less than investment grade by at least one of Standard & Poor's, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. or Fitch Ratings, Inc. or any of their successors in interest;

(xi) [The Conduit Administrator is not affiliated with any Eligible Seller;] and

(xii) The Conduit Administrator has the administrative capability and operating systems adequate to discharge faithfully the functions of the Conduit Administrator under this Agreement, and has allocated sufficient staff

(including Responsible Officers of the corporation) to carry out such duties.

B. [POTENTIALLY TO BE DELETED SUBJECT TO CONFIRMATION OF UCC SALE PROCESS][Loan Level Representations. The Conduit Administrator, solely in its capacity as Eligible Lender Trustee for the Conduit, represents and warrants to the Department, as of the date of each Bill of Sale that:

(i) The Conduit Administrator has full right and authority to sell, assign and transfer the related Loan;

(ii) The Conduit Administrator is transferring each related Loan free and clear of any and all liens, pledges, charges, or security interests of any nature of any third party encumbering such Loan resulting from the Conduit Administrator's conduct with respect to the Loan, or suffered by the Conduit Administrator after the Grant Date;

(iii) Except to the extent consistent with or contemplated by applicable laws, the Conduit Administrator has not modified the related Loan or the Loan Documents in any material respect, or satisfied, cancelled or subordinated such Loan in whole or in part or executed any instrument of release, cancellation or satisfaction with respect thereto; and

(iv) The Conduit Administrator has not, with respect to any Putable Loan sold under any Bill of Sale executed pursuant to this Agreement, agreed to release any Guarantor from any of its contractual obligations as a guarantor of such Putable Loan or agreed otherwise to alter, amend or renegotiate any material term or condition under which such Putable Loan is guaranteed, except as required by law or rules and regulations issued pursuant to law, without the express prior written consent of the Department.]

Section 8. Representations of the Eligible Seller, the Eligible Lender Trustee and the Eligible SPV.

A. Representations as to the Eligible Seller and the Eligible Lender Trustee. Pursuant to each Purchase Agreement (unless otherwise indicated below), the Eligible Seller party thereto, and to the extent expressly required below, the Eligible Lender Trustee, shall represent and warrant to the Funding Note Issuer and its successors and assigns, and to the Conduit Administrator and its successors and assigns as to each Pledged Loan, in each case, as of the date of such Purchase Agreement and each Grant Date thereunder:

(i) Each of the Eligible Seller and the Eligible Lender Trustee (if applicable) (1) is duly organized, validly existing and in good standing under the laws of the State of its formation or of the United States, as applicable, (2) has all licenses necessary to carry out its business as now being conducted or is otherwise exempt under applicable law from such licensing or

qualification or is otherwise not required under applicable law to effect such licensing or qualification and no demand for such licensing or qualification has been made upon it by any such state, and (3) in any event is in compliance with the laws of any such state to the extent necessary to ensure the enforceability of each Loan. No licenses or approvals obtained by it have been suspended or revoked by any court, administrative agency, arbitrator or governmental body and no proceedings are pending which might result in such suspension or revocation;

(ii) The Eligible Seller or the Eligible Lender Trustee (if applicable) is an "eligible lender" as such term is defined in Section 435(d) of the Higher Education Act, has a lender identification number issued by the Department with respect to the Loans, and has in effect a Guarantee Agreement with a Guarantor with respect to each of the Loans;

(iii) With respect to each state or jurisdiction therein in which the Eligible Seller undertakes origination activities, Eligible Seller is in full compliance with such state's or jurisdiction's (as applicable) laws, rules, regulations, orders, settlement agreements and other standards and procedures, including those promulgated by agencies or officers thereof, applicable to it and pertaining to the conduct of participants in the student loan industry to the extent the Eligible Seller has assented to such voluntary code of conduct (including, without limitation, any applicable "code of conduct" for participants in the student loan industry that specifically and legally applies to the Eligible Seller and the Eligible Lender Trustee (if applicable), to the extent that non-compliance with such a code of conduct would adversely affect the Department's rights or interest with respect to the Putable Loans that it purchases);

(iv) The Eligible Seller has administered, operated and maintained its federal family education loan program in such manner as to ensure that such program and the Loans will benefit, in all material respects, from the FFELP, the Guarantee Agreements related thereto and the federal program of reimbursement for FFELP loans pursuant to the Higher Education Act;

(v) The Eligible Seller has not, with respect to (i) any Loan sold under any bill of sale executed pursuant to a Student Loan Purchase Agreement or (ii) any Pledged Loan pledged under a Funding Note Purchase Agreement, agreed to release any Guarantor from any of its contractual obligations as a guarantor of such Loan or agreed otherwise to alter, amend or renegotiate any material term or condition under which such Loan is guaranteed, except as required by law or rules and regulations issued pursuant to law, without the express prior written consent of the Department;

(vi) Each of the Eligible Seller and the Eligible Lender Trustee (if applicable) (1) has all requisite power and authority to hold each Loan, to sell each

Loan, to pledge each Pledged Loan and to execute, deliver and perform, and to enter into and consummate, all transactions contemplated by such Purchase Agreement, (2) has duly authorized the execution, delivery and performance of such Purchase Agreement and (3) has duly executed and delivered such Purchase Agreement. Such Purchase Agreement, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Eligible Seller and the Eligible Lender Trustee (if applicable), enforceable against each of them in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of rights of creditors generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law); provided, however, that if the Eligible Seller is not an Eligible Lender, the power and authority to hold, sell and pledge each Loan described in clause (1) shall refer, with respect to the holder of the beneficial interests of such Loans, to the beneficial interest of the Eligible Seller, and with respect to the Eligible Lender Trustee, to its interest as the legal title holder of the Loan;

(vii) The execution and delivery of such Purchase Agreement by each of the Eligible Seller and the Eligible Lender Trustee (if applicable) and the performance of and compliance with the terms of such Purchase Agreement will not violate its formation documents or constitute a default under or result in a breach or acceleration of, any material contract, agreement or other instrument to which it is a party or which may be applicable to it or its assets;

(viii) Neither the Eligible Seller nor the Eligible Lender Trustee (if applicable) is in violation of, and the execution and delivery of such Purchase Agreement by it and its performance and compliance with the terms of such Purchase Agreement will not constitute a violation with respect to, any order or decree of any court or any order or regulation of any federal, state, municipal or governmental agency having jurisdiction over it or its assets, which violation might have consequences that would materially and adversely affect the condition (financial or otherwise) or its operations or its assets or might have consequences that would materially and adversely affect the performance of its obligations and duties thereunder;

(ix) The Eligible Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in such Purchase Agreement;

(x) There are no actions or proceedings against, or investigations of, the Eligible Seller before any court, administrative agency or other tribunal (A) that might prohibit its entering into such Purchase Agreement, (B) that seeks to prevent the sale or pledge of the Loans or the consummation of the transactions contemplated by such Purchase Agreement or (C) that

might prohibit or materially and adversely affect the performance by the Eligible Seller of its obligations under, or the validity or enforceability of, such Purchase Agreement;

(xi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Eligible Seller or the Eligible Lender Trustee (if applicable) of, or compliance by it with, such Purchase Agreement or the consummation of the transactions contemplated by such Purchase Agreement, except for such consents, approvals, authorizations or orders, if any, that have been obtained prior to the related Grant Date;

(xii)

(1) With respect to any Student Loan Purchase Agreement, the transfer of the Loans shall be treated as a sale on the books and records of the Eligible Seller and the Eligible Lender Trustee (if applicable), and each of the Eligible Seller and the Eligible Lender Trustee (if applicable) will treat the disposition of the Loans pursuant to such Purchase Agreement for tax and accounting purposes as a sale. Each of the Eligible Seller and the Eligible Lender Trustee (if applicable) shall maintain a complete set of books and records for each Loan which shall be clearly marked to reflect the ownership of each Loan by the Funding Note Issuer;

(2) With respect to any Funding Note Purchase Agreement, the Eligible Seller will cause the transfer of the Pledged Loans to be treated as a secured financing on the books and records of the Eligible SPV and Eligible Lender Trustee (if applicable), and the Eligible SPV and Eligible Lender Trustee (if applicable) will treat the disposition of the Pledged Loans pursuant to such Funding Note Purchase Agreement for tax and accounting purposes as a secured financing. The Eligible Seller shall cause the Eligible SPV to maintain a complete set of books and records for each Pledged Loan which shall be clearly marked to reflect the ownership of each Pledged Loan by such Eligible SPV and Eligible Lender Trustee (if applicable) and all filings (including financing statement pursuant to the Applicable UCC) necessary in any jurisdiction to perfect the transfers and assignments contemplated in such Funding Note Purchase Agreement to perfect the Conduit's security interest in the Pledged Loans that is prior to any other interest held or to be held by any other Person have been made;

(xiii) With respect to any Student Loan Purchase Agreement, the consideration received by the Eligible Seller upon the sale of the Loans constitutes fair consideration and reasonably equivalent value for such Loans;

(xiv) The Eligible Seller is solvent and will not be rendered insolvent by the consummation of the transactions contemplated hereby. The Eligible Seller is not transferring any Loan with any intent to hinder, delay or defraud any of its creditors; and

(xv) The Eligible Seller has an internal quality control program that verifies, on a regular basis, the existence and accuracy of its legal documents, credit documents and underwriting decisions, including all such documents and decisions that would affect the validity of the representations and warranties required under this Section 8A. The program shall include evaluating and monitoring the overall quality of the Eligible Seller's loan production and the servicing of such loans. The program is to ensure that the Loans are originated and serviced in accordance with applicable law; guard against dishonest, fraudulent, or negligent acts; and guard against errors and omissions by officers, employees, or other authorized persons.

B. Loan Level Representations. Pursuant to each Purchase Agreement (unless otherwise indicated below), the Eligible Seller, and to the extent expressly required below, the Eligible Lender Trustee (if applicable), shall represent and warrant to the Funding Note Issuer and its successors and assigns as to each Loan purchased by the Funding Note Issuer, and to the Conduit Administrator and its successors and assigns as to each Pledged Loan, in each case, as of the related Grant Date thereunder:

(i)

(1) With respect to any Student Loan Purchase Agreement, the Eligible Seller or the Eligible Lender Trustee (as applicable) has good and marketable title to, and the Eligible Seller and Eligible Lender Trustee (if applicable) together are the sole owners of, the Loans, free and clear of any security interest or lien (other than an interest or lien that will be released simultaneously with the purchase of the Loans thereunder pursuant to a Security Release Certification), charges, claims, offsets, defenses, counterclaims or encumbrances of any nature (including, without limitation, any circumstances that could impair transfer of title to the Loans free and clear of the claim of any party) and no right of rescission, offsets, defenses or counterclaims have been asserted or threatened with respect to any Loan. The sale of each Loan constitutes the absolute transfer of all right, title and interests of the Eligible Seller and the Eligible Lender Trustee (if applicable) in such Loan to the Funding Note Issuer free and clear of any lien or adverse claim;

(2) With respect to any Funding Note Purchase Agreement, the Eligible SPV with respect to beneficial ownership and its Eligible Lender Trustee with respect to record ownership, each has good and marketable title to and is the sole owner of, the Pledged Loans, free and clear of any security interest or lien (other than an interest

or lien that (i) will be released simultaneously with the pledge of the Pledged Loans thereunder pursuant to a Security Release Certification or (ii) will be created in favor of the Conduit simultaneously with the pledge of the Pledged Loans thereunder pursuant to one or more financing statements filed in accordance with the Applicable UCC), charges, claims, offsets, defenses, counterclaims or encumbrances of any nature (including, without limitation, any circumstances that could impair the creation and perfection of the security interest in the Loans free and clear of the claim of any party) and no right of rescission, offsets, defenses or counterclaims have been asserted or threatened with respect to any Loan. The pledge of each Pledged Loan constitutes a grant by the Eligible SPV, with respect to beneficial ownership and its Eligible Lender Trustee with respect to record ownership to the Conduit of a security interest in all of the Eligible SPV's or Eligible Lender Trustee's, as applicable, property and right (including the power to convey title thereto), title, and interest, whether now owned or hereafter acquired, in and to the Pledged Loans, together with all amounts payable now or in the future with respect to the Pledged Loans;

(ii)

(1) With respect to any Student Loan Purchase Agreement, each Loan is an Eligible Loan and the description of and information regarding the Loans set forth in the related bill of sale and any loan schedule prepared or delivered or in connection with the transfer thereof is true, complete and correct as of the date of the applicable loan schedule;

(2) With respect to any Funding Note Purchase Agreement, each Pledged Loan is an Eligible Loan and the description of and information regarding the Pledged Loans set forth in any loan schedule prepared or delivered in connection with the pledge thereof is true, complete and correct as of the date of the applicable loan schedule;

(iii)

(1) With respect to any Student Loan Purchase Agreement, the Eligible Seller or the Eligible Lender Trustee (as applicable) is authorized to sell, assign, transfer and reacquire the Loans; and the sale, assignment and transfer of such Loans is or, in the case of a Loan reacquisition by the Eligible Seller or the Eligible Lender Trustee (if applicable), will be made pursuant to and consistent with the laws and regulations under which each of the Eligible Seller and the Eligible Lender Trustee (if applicable) operates, and

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will not violate any decree, judgment or order of any court or agency, or conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which it is a party or by which it or its property is bound, or constitute a default (or an event which could constitute a default with the passage of time or notice or both) thereunder;

(2) With respect to any Funding Note Purchase Agreement, the Eligible SPV with respect to beneficial ownership and the Eligible Lender Trustee with respect to record ownership is authorized to pledge the Pledged Loans and issue the related Funding Notes; and the pledge of such Pledged Loans and issuance of such Funding Notes are made pursuant to and consistent with all applicable laws and regulations, and will not violate any decree, judgment or order of any court or agency, or conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which it is a party or by which it or its property is bound, or constitute a default (or an event which could constitute a default with the passage of time or notice or both) thereunder;

(iv) Each Loan is in full force and effect in accordance with its terms and is the legal, valid and binding obligations of the respective Borrower thereunder subject to no defenses;

(v) Each Loan has been duly made and serviced in accordance with the provisions of the FFELP established under the Higher Education Act, and has been duly guaranteed by a Guarantor; the Guarantee Agreement is in full force and effect, and all premiums due and payable to such Guarantor as of the related Grant Date shall have been paid in full;

(vi) Each Loan provides or, when the payment schedule with respect thereto is determined, will provide for payments on a periodic basis that fully amortize the Principal Balance thereof by its maturity, as such maturity may be modified in accordance with any applicable deferral or forbearance periods granted in accordance with applicable laws, including, those of the Higher Education Act or any applicable Guarantee Agreement, as applicable;

(vii) Any payments on a Loan received by the Eligible Seller that have been allocated to the reduction of principal and interest on such Loan have been allocated on a simple interest basis;

(viii) Each Loan has been duly made and serviced in accordance with all applicable federal, state and local laws;

(ix) Due diligence and reasonable care have been exercised in the making, administering, servicing and collecting on each Loan and, all disclosures

of information required to be made pursuant to the Higher Education Act prior to the Grant Date have been made;

(x) Each Borrower is an eligible borrower under the terms of Section 428, 428B or 428H of the Higher Education Act, as applicable;

(xi) All borrower origination and loan fees required by Section 438 of the Higher Education Act have been paid to the Secretary or appropriately reserved by the Eligible Seller or the Eligible Lender Trustee (if applicable) for payment to the Secretary;

(xii) Each Loan is denominated and payable only in Dollars in the United States;

(xiii)

(1) With respect to any Student Loan Purchase Agreement, the transfer and assignment contemplated therein constitute a valid sale of the Loans from the Eligible Seller or the Eligible Lender Trustee (if applicable) to the Funding Note Issuer, and the beneficial interest in and title to such Loans shall not be part of the Eligible Seller's or the Eligible Lender Trustee's (if applicable) estate in the event of its bankruptcy or the appointment of a receiver with respect to it;

(2) With respect to any Funding Note Purchase Agreement, the pledge contemplated therein constitutes the creation of a first priority security interest in favor of the Conduit, such security interest has been perfected and the Conduit shall be a secured creditor of the Eligible SPV in the event of its bankruptcy or the appointment of a receiver with respect to it;

(xiv)

(1) With respect to any Student Loan Purchase Agreement, there is only one originally executed Promissory Note evidencing each Loan and such original Promissory Note (or a true and correct copy thereof) has been delivered to the designee of the Eligible SPV. If a true and exact copy of an original electronic Promissory Note has been delivered to the Funding Note Issuer or its designee, the Eligible Seller of such Loan (or its designee) has possession of such electronic Promissory Note. The Promissory Notes that constitute or evidence the Loans do not have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Eligible SPV, the Eligible Lender Trustee or their designee (other than an interest or

lien that will be released simultaneously with the purchase of the Loans under the related Purchase Agreement);

(2) With respect to any Funding Note Purchase Agreement, there is only one originally executed Promissory Note evidencing each Pledged Loan and such original Promissory Note (or a true and correct copy thereof) has been delivered to the Conduit Administrator on behalf of the Conduit or its designee. If a true and exact copy of an original electronic Promissory Note has been delivered to the Conduit Administrator on behalf of the Conduit or its designee, the Eligible Lender Trustee of such Loan (or its designee) has possession of such electronic Promissory Note. The Promissory Notes that constitute or evidence the Pledged Loans do not have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Conduit Administrator on behalf of the Conduit or its designee (other than an interest or lien that will be released simultaneously with the purchase of the Loans under the related Purchase Agreement);

(xv) To the extent any Loan is evidenced by an electronic Promissory Note, the Eligible Seller has complied (and has caused any originator or servicer of the Loan to comply) with all regulations and other requirements adopted by the applicable Guarantor or the Department relating to the validity and enforceability of such Promissory Note;

(xvi)

(1) With respect to any Student Loan Purchase Agreement, neither the Eligible Seller nor the Eligible Lender Trustee (if applicable) has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Loans (other than an interest or lien that will be released simultaneously with the purchase of the Loan thereunder pursuant to a Security Release Certification). Neither the Eligible Seller nor the Eligible Lender Trustee (if applicable) has authorized the filing of or is aware of any financing statements against it that include a description of collateral covering the Loans thereunder (whether or not any additional collateral is covered by such financing statements) or any other security interest that has not been terminated with respect to the applicable Loans, or that will not be terminated with respect to the applicable Loans upon purchase by the Funding Note Issuer. Neither the Eligible Seller nor the Eligible Lender Trustee (if applicable) is aware of any judgment or tax lien filings against it;

(2) With respect to any Funding Note Purchase Agreement, neither the Eligible SPV nor its Eligible Lender Trustee has pledged, assigned,

sold, granted a security interest in, or otherwise conveyed any of the Pledged Loans (other than an interest or lien that (A) will be released simultaneously with the pledge of the Pledged Loans thereunder pursuant to a Security Release Certification or (B) will be created in favor of the Conduit Administrator on behalf of the Conduit simultaneously with the pledge of the Pledged Loans thereunder). Other than with respect to clause (B) in the preceding sentence, neither the Eligible SPV nor its Eligible Lender Trustee has authorized the filing of or is aware of any financing statements against it that include a description of collateral covering the Pledged Loans thereunder (whether or not any additional collateral is covered by such financing statements) or any other security interest that has not been terminated, or that will not be terminated upon the pledge by the Eligible SPV nor its Eligible Lender Trustee under the Funding Note Purchase Agreement. Neither the Eligible SPV nor its Eligible Lender Trustee is aware of any judgment or tax lien filings against it;

(xvii) No Borrower of a Loan as of the related Grant Date, is noted in any loan file prepared in connection therewith as being currently involved in a bankruptcy proceeding;

(xviii) The Loan satisfies all of the terms and conditions of the Program Documents;

(xix) The Eligible Seller and, if applicable, the Eligible Lender Trustee had title to, and beneficial ownership of, the Loan on or after the date on which the Eligible Seller's Notice of Intent to Participate was received and acknowledged by the Department, and before July 1, 2010.

(xx) The Loan was not delinquent for 210 days or more or subject to a claim filed with the applicable Guarantor;

(xxi) The Loan has not been previously pledged to secure the related Funding Note; and

(xxii) The Loan is an Eligible Loan.

C. Representations as to the Eligible SPV. Pursuant to any Funding Note Purchase Agreement to which the Eligible SPV is a party, the Eligible SPV shall make each of the representations and warranties made by the Eligible Seller in Sections 8A and 8B, to the Conduit Administrator and its successors and assigns as to each Pledged Loan as of the date of such Purchase Agreement and each Grant Date thereunder (other than the representations and warranties made by the Eligible Seller in [Sections 8A(i), (iii), (iv), (xiii) and (xv) and Sections 8B (i)(1), (ii)(1), (iii)(1), (xiii)(1), (xiv)(1) and (xvi)(1)]). In addition, the Funding Note Purchase Agreement will specify that any uncured breach of representations and warranties under the

Student Loan Purchase Agreement by an Eligible Seller will also be a breach of representations and warranties under the Funding Note Purchase Agreement.

Section 9. Repurchase; Obligation to Reimburse and Indemnify

A. Each Purchase Agreement shall require that, upon the occurrence of any Repurchase Condition and the expiration of a 30-day cure period, upon written demand by the Conduit Administrator, the Funding Note Issuer or the Department, (i) prior to the occurrence of a Put Event, [or if a Put Event has occurred, prior to the related Revocation Date,] the Eligible Seller, if not an Eligible Direct Issuer, shall repay to the Funding Note Issuer, and in the case of any Eligible Direct Issuer, the Eligible Direct Issuer shall be required to deposit into the [Collection Account], an amount equal to the unpaid Principal Balance of such Loan, plus accrued and unpaid interest thereon and, [if applicable, Special Allowance Payments with respect to such Loan from the related Grant Date to and including the date of repayment] (such amount, together with the fees costs and expenses referred to in clause (ii) below, the "Repurchase Price") [and,] upon payment of such amount to the Funding Note Issuer, the Funding Note Issuer shall reconvey its interest in such Loan to the Eligible Seller and (ii) with respect to any Loan for which a Put Event has occurred, [after the Revocation Date with respect to such Put Event,] the Eligible Seller shall pay any amounts owed to the Secretary with respect to such Loan, plus, in the case of (i) or (ii), any attorneys' fees, legal expenses, court costs, servicing fees or other fees and expenses incurred by Funding Note Issuer, the Conduit Administrator or the Department in connection with such Loan.

Provided, that, each Purchase Agreement shall further provide that all of the rights of the Funding Note Issuer or the Conduit Administrator, as applicable, thereunder with respect to any Loans for which the Put Option is exercised shall be assigned to the Department and that after the Put Date with respect to a Loan, the Department shall have all repurchase and other rights against the Eligible Seller or Eligible Direct Issuer, as applicable, upon the occurrence of any of the conditions set forth in this Section 9 with respect to such Loan.

B. In addition to the obligation described above, the Eligible Seller shall indemnify the Funding Note Issuer, the Conduit Administrator and the Department and any subsequent purchaser of the Loans and hold them harmless against liability for any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and other costs and expenses resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from, any Repurchase Condition and from and against any taxes that may at any time be asserted against any such person with respect to the transactions contemplated herein and in the other documents related hereto, including any sales, gross receipts, general corporation, tangible and intangible personal property, privilege or license taxes and costs and expenses in defending against the same.

C. Upon payment of the Repurchase Price, the Conduit Administrator or the Department (as applicable) shall promptly deliver to Eligible Seller or Eligible Seller's designated agent the related Loan Documents endorsed to the order of Eligible Seller or its designee, and all documentation relating to the administration of the Loan by the Conduit Administrator or Department (as applicable) subsequent to the Purchase Date or Put Event (as applicable) including without limitation, a payment history and a collection history.

Section 10. Obligation to Remit Subsequent Payments and Forward Communications.

A. Any payment received by the Conduit Administrator with respect to amounts accrued after the date of the related Bill of Sale for any Loan sold to the Department hereunder, which payment is not reflected in the related Final Loan Schedule, shall be held by the Conduit Administrator in trust for the account of the Department and the Conduit Administrator hereby disclaims any title to or interest in any such amounts. Within two (2) Business Days following the date of receipt, the Conduit Administrator shall remit to the Department an amount equal to any such payments along with a listing on a form provided by the Department identifying the Loans with respect to which such payments were made, the amount of each such payment and the date each such payment was received.

B. Any written communication received at any time by the Conduit Administrator with respect to any Loan subject to this Agreement or the related Bill of Sale shall be transmitted to the Department, or its designated agent, within two (2) Business Days of receipt. Such communications shall include, but not be limited to, letters, notices of death or disability, notices of bankruptcy, forms requesting deferment of repayment or loan cancellation, and like documents.

Section 11. Continuing Obligation of the Conduit Administrator. The Conduit Administrator shall provide all reasonable assistance necessary for the Department to resolve account problems raised by any Borrower, the Guarantor or the Secretary provided such account problems are attributable to or are alleged to be attributable to (a) an event occurring during the period after the related Loan was sold pursuant to a Purchase Agreement, or (b) a payment made or alleged to have been made to the Conduit Administrator.

Section 12. Liability of the Conduit Administrator; Indemnities. The Conduit Administrator shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Conduit Administrator under this Agreement and each related Bill of Sale.

The Conduit Administrator shall indemnify, defend and hold harmless the Department and its officers, employees and agents in their individual capacity, from and against liability for any and all costs, expenses (including, without limitation, costs and expenses of litigation and of investigation counsel fees, damages, judgments and amounts paid in settlement), losses, claims, damages and liabilities arising out of, or imposed upon such person through, the Conduit Administrator's willful misfeasance, bad faith or negligence in the performance of its respective duties under this Agreement, or by reason of its breach of any of its representations, warranties, covenants or other obligations or duties under this Agreement.

Indemnification under this Section 12 shall survive the resignation or the termination of this Agreement, and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Conduit Administrator shall have made any indemnity payments pursuant to this Section and the person to or on behalf of whom such payments are made thereafter shall collect any of such amounts from others, such Person shall promptly repay such amounts to the Conduit Administrator, without interest.

Section 13. Transfer of Servicing.

The Conduit Administrator hereby agrees that all Loans subject to this Agreement shall be purchased by the Department on a servicing-released basis and are serviced by a Servicer that is not under sanction by the Department and in accordance with the regulations of the Department pursuant to an Eligible Servicing Agreement. Accordingly, upon purchase of any Loan hereunder, the Department shall obtain all rights to service such Loan and may, in its sole and absolute discretion, require deconversion of such Loan in order to service the Loan itself or through a third-party servicer of its designation. Upon the Department's exercise of its right to service the Loan itself or through a third-party servicer of its designation, the Department will be responsible for any boarding, conversion or related costs or fees of the new servicer and for notifying related Borrowers, through the use of a joint letter from the old and new servicers, of the change of servicer.

At the direction of the Department, the Conduit Administrator shall deliver, or cause the Servicer to deliver, the servicing and all related servicing files and records with respect to the Loans to the designee specified by the Department in accordance with the servicing transfer provisions provided by the Department to the Servicer; provided, however, that the Servicer and its designees may retain copies (in electronic or paper medium) of the servicing files related to the origination and servicing of the Loans sold to the Department hereunder. Each Purchase Agreement shall require that the related Eligible SPV or Eligible Direct Issuer, as applicable, shall be responsible for the selection of the Servicer and the payment of any servicing related fees and expenses incurred in connection therewith.

Each Eligible Servicing Agreement shall provide that, at any time, the Department and its representatives will have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, a due diligence/audit of the Servicer's operations in respect to the servicing of all Loans subject to this Agreement and the related settlement reports at the expense of the related Servicer and the Department shall be provided any audit reports or other annual compliance/operational audits performed on the applicable Servicer relating to the servicing of Loans.

Section 14. Merger or Consolidation of, or Assumption of the Obligations of, the Conduit Administrator.

Any Person (a) into which the Conduit Administrator may be merged or consolidated, (b) which may result from any merger or consolidation to which the Conduit Administrator shall be a party or (c) which may succeed to the properties and assets of the Conduit Administrator substantially as a whole, shall be the successor to the Conduit Administrator without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, that (i) the surviving Person, if other than the Conduit Administrator, shall, promptly following such merger or consolidation, execute and deliver to the Department an agreement of assumption to perform every obligation of the Conduit Administrator under this Agreement and making the representations and warranties of the Custodian Bank pursuant to Section 7; and (ii) the surviving person, if other than the Conduit Administrator, shall, promptly following such merger or consolidation, deliver to the Department an officers' certificate and an opinion of counsel with respect to general corporate and enforceability matters (each, satisfactory in form

and substance to the Department) each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with.

Section 15. Expenses.

The Department shall pay the legal fees and expenses of its attorneys in connection with the negotiation, preparation, execution and delivery of this Agreement and in connection with the review and negotiation of the other Program Documents. Each Purchase Agreement shall provide that the Eligible Seller, Eligible Lender Trustee or Eligible Direct Issuer, as applicable, shall pay all other costs and expenses incurred in connection with preparation, execution and delivery of such Purchase Agreement, the other Program Documents and any Bill of Sale and the transactions contemplated herein or therein, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for any Eligible Seller, Eligible Lender Trustee or Eligible Direct Issuer, as applicable, with respect thereto, and all other costs and expenses incurred in connection with the transfer and delivery of the Loans to an Eligible SPV or the Department or issuance of Funding Notes to the Conduit, including, without limitation, any fees and expenses incurred in connection with transferring ownership of any Loans to any such entity.

Section 16. Survival of Covenants.

All covenants, agreements, representations and warranties made herein and in or pursuant to any Bills of Sale executed pursuant to this Agreement shall survive the consummation of the acquisition of the Putable Loans provided for in the related Bill of Sale. All covenants, agreements, representations and warranties made or furnished pursuant hereto by the Conduit Administrator shall bind and inure to the benefit of any successors or assigns of the Department and shall survive with respect to each such Putable Loan.

Section 17. Communication and Notice Requirements.

All communications, notices and approvals provided for hereunder shall be in writing and mailed or delivered to the Conduit Administrator or the Department, as the case may be, at such address as either party may hereafter designate by notice to the other party. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed, by registered or certified mail, return receipt requested, or, if by other means, when received by the other party at the address as follows:

If to the Department:

By U.S. Postal Service mail:

United States Department of Education
400 Maryland Avenue, SW
UCP, Room 111G3
Washington, DC 20202-5402
Attention: [_____]

By courier or express mail:

United States Department of Education
830 First Street, N.E.
Room 111G3
Washington, DC 20202-5402
Attention: [_____]

If to the Conduit Administrator:

[_____]
[_____]
[_____]
Attention: [_____]

Section 18. Form of Instruments.

All instruments and documents delivered in connection with this Agreement and any Bill of Sale, and all proceedings to be taken in connection with this Agreement and any Bill of Sale and the transactions contemplated herein and therein, shall be in a form as set forth in the attachments hereto, and the Department shall have received copies of such documents as it or its counsel shall reasonably request in connection therewith.

Section 19. Amendment; Waiver.

This Agreement, any Bill of Sale and any document or instrument delivered in accordance herewith or therewith may be amended by the parties hereto and thereto with the written consent of all parties hereto or thereto. No term or provision of this Agreement may be waived or modified unless such waiver or modification is consistent with the requirements of Section 459A of the Higher Education Act, is in writing and signed by the party against whom such waiver or modification is sought to be enforced.

Section 20. Audits; Independent Public Accountant Review and Annual Reports.

Pursuant to Section 432(f) of the Higher Education Act, Conduit Administrator hereby grants the Department and its agents (including but not limited to, legal counsel and internal or external auditors), the right at any time and from time to time during regular business hours, at the expense of the Conduit Administrator (i) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Conduit Administrator relating to Loans transferred hereunder and (ii) to visit the offices of the Conduit Administrator for the purpose of examining such material described in clause (i) above, and to discuss matters relating to such Loans or the Conduit Administrator's performance hereunder with any officers and employees of the Conduit Administrator having knowledge of such matters.

[Within 90 days of the execution of a Bill of Sale hereunder,][DISCUSS CHANGING TO ANNUAL COMPLIANCE CERTIFICATION] the Conduit Administrator shall cause, at its own expense, a registered public accounting firm (which may also render other services to the

Conduit Administrator) and that is a member of the American Institute of Certified Public Accountants to furnish a report to the Department, to the effect that (i) it has obtained a representation regarding certain matters from the management of the Conduit Administrator, which includes an assertion that the Conduit Administrator has complied with the terms and provisions of the Program Documents and (ii) on the basis of an examination conducted by such firm in accordance with standards for attestation engagements issued or adopted by the Public Company Accounting Oversight Board, it is expressing an opinion as to whether such representation and assertion was fairly stated in all material respects, or it cannot express an overall opinion regarding such party's assessment of compliance with the Program Documents. In the event that an overall opinion cannot be expressed, such registered public accounting firm shall state in such report why it was unable to express such an opinion. Such report must be available for general use and not contain restricted use language and shall include among other things, the amount of proceeds received by the Conduit Administrator in connection with this Agreement and the use of such proceeds.

Each of the Purchase Agreements and Eligible Servicing Agreements shall provide that, from time to time, the Department shall have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, additional due diligence of the Conduit and the applicable Servicers, Eligible Sellers, Eligible Direct Issuers and Eligible SPVs, relating to Loans subject to such Agreements, at such party's expense and that each such party shall be required to provide to the Conduit Administrator an annual statement of compliance with respect to the Program Documents, together with an agreed upon procedures letter delivered by an independent public accountant.

Additionally, on a periodic basis as requested by the Department, the Conduit Administrator shall deliver, or cause the Servicers, Eligible Seller, Eligible Direct Issuers, as applicable, to deliver to the Department a standard reporting package acceptable to the Department containing information on Loans subject to Purchase Agreements and Eligible Servicing Agreements sorted by schools, delinquencies, and other features identified by the Department.

Section 21. Severability Clause.

Any part, provision, representation or warranty of this Agreement which is prohibited or which is held to be void or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any part, provision, representation or warranty of this Agreement which is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction shall be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as to any Loan shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part, provision, representation or warranty of this Agreement shall deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate, in good-faith, to develop a structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity.

Section 22. Governing Law.

This Agreement and any Bill of Sale and the rights and obligations of the parties thereto shall be governed by and construed in accordance with Federal law. To the extent there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of this Agreement or the transactions governed thereby.

Section 23. Exhibits.

The exhibits to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement.

Section 24. General Interpretive Principles.

For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

B. Accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

C. References herein to "Articles," "Sections," "Subsections," "Paragraphs," and other Subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Agreement;

D. Reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

E. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Master Loan Sale Agreement as a whole and not to any particular provision; and

F. The term "include" or "including" shall mean without limitation by reason of enumeration.

Section 25. Reproduction of Documents.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by any party at the closing, and (c) financial statements, certificates and other information previously or hereafter furnished, may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or

administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 26. Further Agreements.

The Conduit Administrator agrees to execute and deliver to the Department other such reasonable and appropriate additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

UNITED STATES DEPARTMENT OF EDUCATION

By: _____
Name:
Title:

[CONDUIT ADMINISTRATOR]

By: _____
Name:
Title:

EXHIBIT A

FORM OF PURCHASE AGREEMENT

[TO COME]

EXHIBIT B

FORM OF PUT NOTICE

_____, 20__

United States Department of Education
Washington, D.C.
By: E-mail: ffel.agreementprocess@ed.gov

Re: Put Agreement, dated as of [_____], 200[_], by and between the Department of Education and [Conduit Administrator]

Ladies and Gentlemen:

Pursuant to the term and provisions of the Put Agreement, dated as of [_____], 200[_], by and between the Department of Education (the "Department") and **[CONDUIT ADMINISTRATOR]** (the "Conduit Administrator"), the Conduit Administrator hereby gives notice of its intent to exercise the Put Option with respect to not more than $ _____ of the loans (the "Loans") on _____, 20__ (the "Put Date").[1]

Each of the Put Events marked below have occurred with respect to the Loans:

1. ___ Pursuant to the terms and provisions of the Liquidity Purchase Agreement, the failure to make a Liquidity Funding when due; provided, that, a Put Event shall not be deemed to occur under this clause (i) if the related Liquidity Funding shall have been made by any other Person.

2. ___ Pursuant to the terms and provisions of the Liquidity Purchase Agreement, the failure of the Conduit Administrator or any other Person to reimburse any Liquidity Funding within forty-five (45) days of the date on which such Liquidity Funding was made.

3. ___ The occurrence of the date that is 45 days prior to the Put Expiration Date

4. ___ the declaration or automatic occurrence of a Funding Note "event of default" (as defined in any Funding Note Purchase Agreement).

5. ___ Certain of the Loans have become 210 days delinquent.

---

[1] If the amount exceeds the limit set forth in Section 4E of the Put Agreement, please specify multiple Put Dates not less than forty-five days after the date of this notice.

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With respect to the Loans that have been designated as Put Events (1), (2) , (3) or (4) Loans, this Notice shall become irrevocable on the date fifteen (15) days from the date hereof.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Put Agreement.

Very truly yours,

[Conduit Administrator]

By:_____
Name:
Title:

Schedule 1

Initial Loan Schedule

EXHIBIT C

FORM OF BILL OF SALE

On this _____ day of _____, 20__, pursuant to the terms and provisions of that certain Put Agreement (the "Put Agreement"), dated [_____], 200[_], by and between the Department of Education (the "Department") and **[CONDUIT ADMINISTRATOR]** ("Conduit Administrator"), the Conduit Administrator, as agent on behalf of Straight-A Funding, LLC (the "Conduit") of hereby sells, transfers, assigns, sets over and conveys to the Department, without recourse, all of the right, title and interest of the Conduit in and to the loans ("Loans") listed on the Final Loan Schedule attached hereto (including without limitation any and all rights of the Conduit and the Conduit Administrator with respect to the Loans under that certain Purchase Agreement dated as of _____, 20__, by and **[between/among] [LIST PARTIES WITH BLANK FOR ELIGIBLE SELLER]**), together with the related servicing files and servicing rights appurtenant thereto, the related Promissory Notes and related Loan Documents (including, without limitation, any rights of the Conduit Administrator to receive from any third party any documents which constitute a part of the loan or servicing files) and all rights and obligations arising under the documents contained therein (the "Related Assets").

The Conduit Administrator, as agent on behalf of the Conduit hereby releases the lien held by the Conduit on the Loans and the Related Assets and hereby authorized the Department or its designee to file all appropriate termination statements in accordance with the Applicable UCC.

The ownership of each Loan and the related Promissory Note and the contents of the loan file and servicing file is vested in the Department and the ownership of all records and documents with respect to the related Loan prepared by or which come into the possession of the Conduit Administrator shall immediately vest in the Department and be delivered to the Department or its designee (except that copies thereof may be retained as provided in the Put Agreement). During any period that the related loan files and servicing files are retained by the Conduit Administrator, such files shall be retained and maintained, in trust, by the Conduit Administrator for the benefit of the Department.

The Conduit Administrator confirms to the Department that, as of the date hereof, the Put Conditions set forth in Section 5C of the Put Agreement have each been satisfied with respect to the Loans.

The Conduit Administrator authorizes the Department to use a copy of this Bill of Sale, including the attached Final Loan Schedule, as official notification to the applicable Guarantor of assignment to the Department of the Loans purchased pursuant hereto on the Put Date.

If any of the Loans were made under a Promissory Note, this Bill of Sale excludes an assignment of right[s] of the Eligible Seller to offer future loans under such Promissory Note, and the Eligible Seller expressly reserves such right to offer future Loans under such Promissory Note. The Department agrees and warrants that it will not offer or make any future loans under such Promissory Note.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Put Agreement.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Bill of Sale as of the date first above written.

[CONDUIT ADMINISTRATOR]

By:_____
Name:_____
Title:_____

Schedule 1

Final Loan Schedule

EXHIBIT D

FORM OF NOTICE OF INTENT TO PARTICIPATE

NOTICE OF INTENT TO PARTICIPATE THROUGH FFELP STUDENT LOAN CONDUIT

[_____, 200_]

U.S. Department of Education
Washington, D.C.
By: E-mail: ffel.agreementprocess@ed.gov

[_____]
as Conduit Administrator

Re: Loan Purchase Commitment Program for Eligible FFELP Loans

Ladies and Gentlemen:

The undersigned, an eligible Federal Family Education Loan Program ("FFELP") lender under Section 435(d)(1) of the Higher Education Act of 1965, as amended ("HEA") [or a holder of beneficial interests in FFELP loans, with _____, an eligible lender trustee] ([together] "the Lender"), intends to sell FFELP loans to [name of Eligible SPV and name of SPV ELT if applicable)] (together the "SPV"). The Lender and SPV hereby notify the Department of Education (the "Department") that they intend to participate in the Loan Purchase Commitment Program authorized under section 459A of the HEA. The SPV will purchase loans from the Lender with financing from Straight-A Funding, LLC ("Straight-A"), an asset-backed commercial paper conduit (the "Conduit"). Straight-A will hold a security interest in the loans purchased by the SPV, and holds a Put Agreement with the Department pursuant to the Notice of Terms and Conditions of Purchase of Loans under the Ensuring Continued Access to Student Loans Act of 2008 ("Federal Register Notice") published in the Federal Register, Vol. XX, No. 127, [_____] 2009.

In consideration of the agreement of the Department to purchase eligible loans sold by the Lender to the SPV, the Lender hereby agrees that:

1. The Lender will continue to originate or acquire FFELP loans made to students and parents and to participate in the FFEL Program in accordance with the terms of the Purchase Agreement entered into by the Lender with the SPV;
2. The Lender warrants to Straight-A and to the Department that each representation the Lender makes regarding a loan it sells to the SPV will be true and correct at the time of sale to the SPV.
3. The Lender will be bound by the indemnification and recourse provisions included in the Purchase Agreement.

[If a Loan was made on the basis of a copy of the original promissory note, the Lender agrees to provide to the Department upon the Department's request a statement explaining that the particular Loan was made on the basis of that copy of the promissory note and the name of the person or entity in possession of the original promissory note.]

By filing this Notice of Intent to Participate Through FFELP Student Loan Conduit (this "Notice"), the SPV accepts the offer of the Department to purchase loans acquired by the SPV from the Lender with financing from Straight-A. The SPV hereby grants to Straight-A and its Conduit Administrator exclusive authority to exercise that right to sell such loans pursuant to the Put Agreement.

The Department will return to the Lender and SPV, via electronic mail (e-mail), receipt and acceptance by the Department of this Notice.

The Department will accept signed copies of this Notice sent as a PDF attachment via the Department's e-mail address listed below.

The Lender and SPV are aware that they must refer to the Federal Register Notice and to the agreements referred to therein for a complete description of the terms and conditions under which the Department will administer the Loan Purchase Commitment Program with respect to the Conduit operated by Straight-A. The Lender and SPV also acknowledge that in order to participate in the Loan Purchase Commitment Program through participation in the FFELP Student Loan Conduit, they must execute a Purchase Agreement prescribed by Straight-A containing terms specified in the Federal Register Notice.

[If the Lender includes a beneficial holder of FFELP loans, the Lender has included on this form the LID(s) under which this beneficial holder and its ELT operate. If the party filing this notice is an ELT that files this Notice on behalf of its beneficial holders of FFELP loans, the ELT includes the name and LID of each of those beneficial holders.]

This Notice is hereby executed and dated as of the date first listed above.

The Lender asks that the Department please direct all inquiries and correspondence relating to these programs to:

[Lender Name And Lender ID Number]

[ELT Name Or Beneficial Holder Name, If Any, And LIDs]

[Street Address]
[City], [State] [Zip]
Attention Of: [Name], [Title]
By Phone - [XXX-XXX-XXXX]
By Fax – [XXX-XXX-XXXX]
By E-mail – [email address]

[NAME OF ENTITY]

By:_____
Name:
Title:

[SPV Name and Name of ELT for SPV]
[Street Address]
[City], [State] [Zip]
Attention Of: [Name], [Title]

By Phone - [XXX-XXX-XXXX]
By Fax – [XXX-XXX-XXXX]
By E-mail – [email address]

[NAME OF ENTITY]

By:_____
Name:
Title:

The completed, signed, and dated Notice should be sent as a PDF attachment to an e-mail message addressed to ffel.agreementprocess@ed.gov. The e-mail message subject line should read "Submission of Notice of Intent to Participate."

The completed, signed, and dated Notice should also be sent to Straight-A as a PDF attachment to an e-mail message addressed to xxxxxxxxxxx@conduit.com. The e-mail message subject line should read "Submission of Notice of Intent to Participate in Conduit "

For questions concerning the submission and receipt of the email please call (202) 377-4401.

EXHIBIT E

FORM OF TRUST RECEIPT

[TO COME]

DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

FFELP Loan ABCP Conduit Put Agreement

Summary of Terms and Conditions
December [__], 2008

The following terms and conditions are in summary form and are for discussion purposes only. These terms and conditions do not purport to be all of the terms and conditions that will govern the FFELP Loan ABCP Conduit Put Agreement. The final terms and conditions of the FFELP Loan ABCP Conduit Put Agreement shall be determined at the discretion of the Secretary of Education in consultation with the Secretary of Treasury and the Director of the Office of Management and Budget and shall be included in a definitive Put Agreement and other documentation related thereto.

FFELP Loan ABCP Conduit Purpose: The purpose of the FFELP Loan ABCP Conduit ("Conduit Program") and the related Put Agreement is to encourage Eligible Sellers, as defined below, to provide students and parents access to Stafford and PLUS loans made under the Federal Family Education Loan Program ("FFELP") by providing a highly rated and liquid source of funding to Eligible Sellers for Eligible Loans, as defined below, supported by the right to put such Eligible Loans to the Department of Education ("Department") upon the occurrence of certain events. The Put Option, as defined below, will be evidenced by a Put Agreement ("Put Agreement") between the Department and the Custodian Bank, as defined below. The Conduit Program will be documented pursuant to agreements and other documentation ("Program Documents") consistent with the Put Agreement and these terms and conditions.

Program Authority: Under section 459A of the Higher Education Act of 1965, as amended ("HEA"), as created by the Ensuring Continued Access to Student Loans Act of 2008 (Pub. L. No. 110-227), the Department has the authority to purchase, or enter into forward commitments to purchase, student loans made under sections 428 (Stafford loans), 428B (PLUS loans), or 428H (Unsubsidized Stafford loans) of the HEA, on such terms as the Secretary of Education ("Secretary"), the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States.

Program Description: One or more Conduits (as defined below) may be established by Eligible Sellers and other private market participants. Any such Conduit may be established with the following structure as described in this section "Program Description" or such alternative structure as may be approved by the Department, with or without the use of SPVs and/or Funding Notes (each as defined below); provided, that any such structure shall have terms and conditions substantially as set forth in this Summary of Terms and Conditions. Under the Conduit Program, Eligible Sellers may sell Eligible Loans to bankruptcy remote special purpose vehicles (each, an "SPV") pursuant to Purchase Agreements, as defined below. Each SPV will

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issue one or more funding notes (each, a "Funding Note") to the Conduit (or to a pass-through trust wholly owned by the Conduit) and certificates or subordinated interests to the Eligible Seller to fund its purchase of Eligible Loans. Certain state agency or not-for-profit Eligible Sellers may issue Funding Notes directly to the Conduit without the use of an SPV if they meet the criteria specified in the Program Documents. Funding Notes will be payable from, and will be secured by a first priority perfected security interest in, the Eligible Loans owned by the SPVs. A commercial paper conduit ("Conduit") will then fund its acquisition of each Funding Note through the issuance of commercial paper ("CP") and other interests (collectively, "Securities"). The assets and liabilities of the Conduit will be administered by an administrator ("Administrator"). Upon maturity, CP will be paid from one or a combination of the following: (i) payments received under the Funding Notes (which will be paid from collections and proceeds of the Eligible Loans), (ii) the issuance of additional Securities, (iii) advances provided by certain liquidity providers to the Conduit Program ("Liquidity Providers") and (iv) a reserve account. Upon the occurrence of a Put Event (as defined below) and subject to the terms of the Put Agreement, the Department will agree to purchase Eligible Loans that are part of the Conduit Program.

The Conduit shall conduct a competitive process to select any party receiving a fee in connection with the provision services to the Conduit or otherwise relating to the Conduit Program, including, but not limited to, the Custodian Bank, the Administrator and the Liquidity Providers.

Put Option: The option issued pursuant to the Put Agreement (by the Department) to the Custodian Bank to require the Department to purchase Eligible Loans upon the occurrence of a Put Event. Once issued with respect to an Eligible Loan, the Put Option will be irrevocable until the Put Expiration for so long as such loan is part of the Conduit Program and will not be subject to set-off by the Department with respect to amounts owed to the Department by any Eligible Seller, any SPV, the Conduit or any Eligible Lender Trustees.

Put Expiration: The Put Option will expire with respect to all Eligible Loans on the fifth anniversary of the date of the Put Agreement but not later than September 30, 2014.

Put Event: The Put Option shall be exercised by the Custodian Bank automatically upon the occurrence of (i) the failure to make a funding when due; provided, that, a Put Event shall not be deemed to occur under this clause (i) if the related funding shall have been made by any other person; or (ii) any funding shall remain unpaid for more than forty-five (45) days after the date on which such Liquidity Funding was made in accordance with the Liquidity Purchase Agreement; or (iii) the date that is 45 days prior to the Put Expiration; or (iv) the declaration or automatic occurrence of a Funding Note "event of default" (as defined in the Program Documents); or (v) with respect to any loan pledged to the custodian Bank pursuant to a Purchase Agreement, such Loan shall have become 210 days delinquent; provided that the Department will only purchase Eligible Loans pursuant to clauses (i) through (iv) that are not sold pursuant to an auction process conducted by the Custodian Bank not later than 30 days prior to the Put Date, as defined below. The minimum auction price shall be the Put Price.

Put Notice: The Department will be required to purchase Eligible Loans subject to the Put Option on the date (or, if such date is not a business day, the immediately succeeding business

day) ("Put Date") 45 days after it has received a notice of the exercise of the Put Option ("Put Notice") following a Put Event. The Put Notice shall become irrevocable (subject to the auction process described above) (i) with respect to any Put Notice delivered in connection with the occurrence of a Put Event set forth in clauses (i) through (iv) of the definition thereof, fifteen (15) days after delivery to the Department of such Put Notice, and (ii) with respect to any Put Notice delivered in connection with the occurrence of a Put Event set forth in clause (v) of the definition thereof, thirty (30) days after the date upon which the related loan(s) became 210 days delinquent. On a specified day of each week, the Custodian Bank shall deliver the Put Notice with respect to all Eligible Loans that became 210 days delinquent during the preceding week.

Put Allocation: The Eligible Loans subject to any Put Notice (with respect to clause (i), (ii) or (iii) of the definition of Put Event) and auction shall consist of a sample of all Eligible Loans owned by each SPV to which the Put Notice applies on such date based on criteria and methodology specified in the Put Agreement allocated by Eligible Seller and sufficient to pay the applicable liquidity funding.

Put Price: The Department will purchase Eligible Loans subject to a Put Notice at a price equal to (i) 100% of the outstanding principal balance of Eligible Loans (A) with first disbursements made on or after May 1, 2008; (B) subject to only Eligible Borrower Benefits and (C) less than 255 days delinquent as of the Put Date or (ii) 97% of the outstanding principal balance of all other Eligible Loans not more than 270 days delinquent, in each case together with accrued interest (including interest to be capitalized through the Put Date) on such Eligible Loans (or 97% of such accrued interest in the case of loans under clause (ii)). Eligible Borrower Benefits include only unconditional upfront fee reductions which are accrued and paid or made prior to the date on which the loan is sold to an SPV, or permitted reductions in interest rates of not more than 0.25 percent that are contingent on the use of an automatic payment process by the borrower for any payments due.

Daily Put Limit: The Department will not be required to purchase Eligible Loans subject to any Put Notice having an aggregate Put Price (in addition to Eligible Loans purchased pursuant to clause (v) of the definition of "Put Event") in excess of (a) $500,000,000 per week during any calendar week prior to July 20, 2009 or (b) $10,000,000,000 per day on or after July 20, 2009. There may be Put Dates on any business day, including successive business days. In addition, the Department will not be required to purchase any loans on any date **[INSERT BLACKOUT DATES].**

Put Fee: The Department will be entitled to a fee for providing the Put Option equal to [the sum of (i) a per annum on the average daily balance of the outstanding principal balance of the Funding Notes equal to (A) with respect to each Put Fee Payment Date during the 2009 and 2010 calendar years, 0.05%, (B) with respect to each Put Fee Payment Date during the 2011 calendar year, 0.15% and (C) with respect to each Put Fee Payment Date during the 2012 and 2013 calendar years, 0.25%, plus (ii) 80% the product of (A), the excess, if any, of the Target Rate over the over the Conduit Cost of Funds Rate times (B) the average daily outstanding principal balance of the Funding Notes, as defined below, in each case calculated and payable on a [quarterly] basis in arrears. The portion of the Put Fee calculated pursuant to clause (i) above will

be payable senior to the CP and the portion of the Put Fee calculated pursuant to clause (ii) above will be payable subordinate to the CP and the fees payable to the Liquidity Providers.

The "Target Rate" will be equal to one month LIBOR (determined in accordance with the Put Agreement). The "Conduit Cost of Funds Rate" will be equal to the per annum rate equivalent to daily average for the related accrual period of the weighted average daily costs of the Conduit (such costs as reasonably determined by the Administrator, and which shall include (without duplication) the discount on the CP, the fees and commissions of dealers, fees payable to Liquidity Providers and, if applicable, the Custodian Bank, accrued interest on liquidity advances, the standardized startup costs of the Conduit and each Funding Note issuance amortized over five years[, the fixed fee payable to the Department], ongoing rating agency, legal, audit and administrative costs and any other costs reasonably associated with the Securities or the operation of the Conduit); provided, that if any component of such per annum rate is a discount rate, in calculating the "Conduit Cost of Funds Rate" such discount rate shall be converted to an interest bearing equivalent rate per annum.

Eligible Seller: An institution that holds Eligible Loans (whether directly or through an eligible lender trustee) shall be eligible to participate in the Conduit Program, subject to the terms and conditions of the Conduit Program as described herein and in the Conduit Program Term Sheet. Upon the occurrence of a termination event under the applicable Purchase Agreement, the related seller will cease to be an Eligible Seller and the related SPV will not be permitted to purchase further loans from such entity.

Custodian Bank: An entity selected by the Conduit and acceptable to the Department that will hold the Funding Notes and legal title to and/or a security interest in the Eligible Loans that are part of the Conduit Program and act as Collateral Agent on behalf of the Conduit in respect of the Eligible Loans and on behalf of the holders of the Securities in respect of the Funding Notes. The Custodian Bank will also hold the fully executed master promissory note evidencing the Eligible Loans and any and all other documents and computerized records relating to such Eligible Loans, pursuant to the terms of a custodial agreement; provided, that, subject to certain eligibility criteria specified in the Program Documents, servicers may act as subcustodians of the Custodian Bank for purposes of holding master promissory notes and other documents. The Custodian Bank will be responsible for exercising the Put Option. The Custodian Bank must be a National or State-chartered bank that is an eligible lender pursuant to § 435(d)(1)(A) of the HEA and meets the qualifications set forth in the Put Agreement.

Purchase Agreements: Under the Conduit Program, Eligible Sellers may sell Eligible Loans to their respective SPVs pursuant to purchase agreements in the form approved by the Department (each, a "Purchase Agreement") for a purchase price consisting of cash and subordinated interests. Upon the sale of Eligible Loans to an SPV, an Eligible Seller shall be required to simultaneously sell to such SPV all other Eligible Loans, if any, to the same borrower then owned by such seller or its affiliates. Any Eligible Loan purchased by an SPV and pledged to the Custodian Bank during the Program Term, as defined below, will be subject to the Put Agreement. Once an Eligible Loan has been sold to an SPV, such Eligible Loan shall become ineligible for inclusion after the Purchase Date in either the Department's Loan Purchase Commitment Program or Loan Participation Purchase Program, unless the Eligible Loan is

repurchased by the Eligible Seller in connection with a Put Event and such loan is otherwise eligible for such program.

The Purchase Agreements shall include representations, warranties and covenants and events of default and other termination events as are customary for similar Conduit Programs or as otherwise determined by the Department including representations and warranties ("Eligibility Representations") that each loan transferred to the SPV is an Eligible Loan on the date such Eligible Loan is purchased by the SPV ("Purchase Date"). Upon the receipt of notice from the SPV, the Custodian Bank or the Department, the Eligible Seller will be required to repurchase any loan which failed to satisfy these Eligibility Representations as of the Purchase Date. All of the SPV's rights under the Purchase Agreement with respect to any loans for which the Put Option is exercised shall be assigned to the Department. Accordingly, after the put is exercised with respect to a loan, the Department will have all repurchase and other rights against the Eligible Seller if such loan did not satisfy the Eligibility Representations on the applicable Purchase Date.

Prior to the sale of any Eligible Loans to the Conduit Program, the Custodian Bank must receive (i) the loan documentation with respect to such loans required by the Purchase Agreement, (ii) the applicable Eligible Servicing Agreement, as defined below, and (iii) such other certifications and documentation as required by the Put Agreement or the Purchase Agreement.

The only eligibility criteria for the put will be the Put Criteria as defined below. Without limiting the generality of the foregoing, except for the Put Criteria, the Department's obligations to honor the Put Agreement with respect to a loan shall be unconditional even if all of the Eligibility Representations (other than the Put Criteria) were not true as of the applicable Purchase Date or subsequently became untrue.

Each SPV will have the right to prepay at any time all or a portion of the Funding Note issued by that SPV and to obtain a release of an appropriate portion of the Eligible Loans from the lien of the Funding Note (provided no obligations to the Department or the Conduit which are then due remain unpaid). If the Funding Note is not prepaid in full and less than all Eligible Loans of the SPV are being released, the loans to be released will be selected by the Custodian Bank and must be selected based on criteria and methodology specified in the Program Documents. Eligible Sellers may not resell to their respective SPVs, and such SPVs may not re-pledge, any Eligible Loan that has been previously released in connection with a full or partial prepayment of the related Funding Note.

Program Term: Each SPV will be permitted to purchase Eligible Loans until the earliest of (i) July 1, 2010, (ii) the occurrence of an event of default under the Program Documents and (iii) any termination event as specified in the Program Documents. Any such termination will not relieve the Department of its obligations under the Put Agreement with respect to loans purchased prior thereto.

Commitment to Future FFELP Participation: By its execution of a Purchase Agreement, the Eligible Seller (and, as applicable, the Eligible Lender Trustee acting on its behalf) represents that:

By its execution of a Purchase Agreement, and upon each sale or pledge thereunder, the applicable Eligible Seller shall represent to the Department that: (i) during a twenty four (24) month period commencing with the month in which it sells or pledges Loans pursuant to a Purchase Agreement, it will originate and disburse Stafford Loans, PLUS Loans or Unsubsidized Stafford Loans, or will, within the same twenty-four (24) month period, acquire Stafford Loans, PLUS Loans or Unsubsidized Stafford Loans made by other lenders, and that the combined amount of such originated and acquired loans, excluding any loans (A) sold or pledged pursuant to a Purchase Agreement, (B) sold to the Department in connection with the Loan Purchase Commitment Program, and (C) with respect to which participation interests are sold to the Department in connection with the Loan Participation Purchase Program, shall equal the Commitment Amount for such month; (ii) within the twelve (12) months following the month in which it sells and/or pledges loans pursuant to a Purchase Agreement, it will conduct activities constituting a continued participation in FFELP, including but not limited to servicing a pre-existing FFELP loan portfolio, purchasing additional FFELP loans, or maintaining a platform from which the Eligible Seller may originate FFELP loans; and (iii) not later than twenty-seven (27) months following the month in which it sells and/or pledges Loans pursuant to a Purchase Agreement, it will provide a report to the Department certifying that it has originated and disbursed, or acquired FFELP loans in an amount equal to or exceeding its Commitment Amount;

provided, that, the applicable Eligible Seller may satisfy the commitment set forth above by arranging to have another eligible lender under Section 435(d) of HEA ("Eligible Lender") assume such commitment as evidenced by a commitment letter, in form satisfactory to the Department, between such Eligible Lender and the Department.

For the purposes of confirming compliance with the Eligible Seller's commitment above, the Eligible Seller must, on an annual basis, provide a report to the Department setting forth the activities conducted by the Eligible Seller with the funds provided through the sale of loans or issuance of Funding Notes under the applicable Purchase Agreement and must, at a minimum, detail the amounts received through the sale of loans or issuance of Funding Notes under the applicable Purchase Agreement, the dollar value and number of loans originated and disbursed or acquired, and the detailing any other uses of funds received through the sale of loans or issuance of Funding Notes under the applicable Purchase Agreement and the amounts expended on such "other uses".

An Eligible Seller may satisfy this commitment by arranging to have another Eligible Seller assume such commitment.

"Commitment Amount" means, with respect to an Eligible Seller and all sales and/or pledges of loans to the Conduit Program during a calendar month, an amount equal to the product of (a) the Net Cash Proceeds received by the Eligible Seller in such month, multiplied by (b) the Market Adjustment for such month.

"Net Cash Proceeds" means an amount equal to (a) the cash proceeds received by an Eligible Seller from the sale and/or pledge of Loans to the Conduit Program (including cash proceeds received from the sale and/or pledge of Securities other than CP) ("Cash Proceeds"), minus (b) the amount paid by the Eligible Seller in connection with such sale and/or pledge of the loans to

repay indebtedness secured by the loans [or, with respect to any loans that are not pledged to secure indebtedness of the Eligible Seller, the Deemed Liabilities allocated to such loans.]

"Market Adjustment" means, as of any date of determination, the lesser of (a) one (1) and (b) the percentage equivalent of a fraction, (i) the numerator of which is the aggregate original principal balance of all Loans originated by all Eligible Lenders (as shown on the Department's NSLDS system) during the twenty-four month period ending with the month immediately preceding the month of such determination, divided by two, and (ii) the denomination of which is the aggregate original principal balance of all Loans originated by all Eligible Lenders (as shown on the Department's NSLDS system) during the twelve month period ending with the month immediately preceding the month of the applicable sale and/or pledge of Loans to the Conduit Program.

"Deemed Liabilities" means, with respect to an Eligible Seller and loans not pledged to secure indebtedness of the Eligible Seller, an amount equal to the product of (a) the Cash Proceeds for such Loans and (b) the percentage equivalent of a fraction, the numerator of which equals the total liabilities and the denominator of which equals the total liabilities and stockholder's equity, in each case calculated in accordance with generally accepted accounting principals and reflected in the most recent consolidated quarterly financial statements for the Eligible Seller (or the Eligible Seller's ultimate parent to the extent financial statements are not available for the Eligible Seller).

Eligible Loans: The following loans will be eligible for the Put Agreement:

- FFELP Stafford or Unsubsidized Stafford Loans and FFELP PLUS loans that were made to students, and PLUS loans made to parents of dependent students, in each case for which the first disbursement was made on or after October 1, 2003 but no later than July 1, 2009, and that was fully disbursed no later than September 30, 2009.

- In order to be eligible for the Conduit Program and the Put Agreement each loan must ((a) through (c), "Put Criteria"):

  (a) constitute a loan under one of the FFELP programs described above as certified by the applicable guaranty agency at the time of sale to the Conduit Program;

  (b) have been disbursed within the dates specified above; and

  (c) have been sold to an SPV by an Eligible Seller pursuant to a Purchase Agreement in a form approved by the Department and containing the terms, conditions and representations and warranties required by the Department, including without limitation the following representations and warranties (with such technical changes as may be approved by the Department):

(1) not be delinquent 210 days or more as of the date of sale to the SPV or then be subject to a default claim filed with the applicable guaranty agency;

(2) immediately prior to the sale to the SPV, the Eligible Seller has good and marketable title to the loan free and clear of any encumbrance, lien or security interest or any other prior commitment (other than any lien that will be released upon the SPV's purchase of such loan);

(3) the loan has been fully disbursed not later than the date of sale to the Conduit Program;

(4) the loan has not been modified, extended or renegotiated in any way, except as required or permitted under the HEA or other applicable laws, rules and regulations, and the applicable guarantee agreement;

(5) the loan constitutes a legal, valid and binding obligation to pay on the part of the related obligor enforceable in accordance with its terms and is not subject to a current bankruptcy proceeding;

(6) the loan was originated and has been serviced in compliance with all requirements of applicable law, including the HEA and the implementing regulations;

(7) the sale of the loan to the SPV and, if exercised, the sale of the loan to the Department pursuant to the Put Option does not conflict with law or require consent of any person not a party to the transaction;

(8) the loan satisfies all of the terms and conditions of the Purchase Agreement and the Program Documents;

(9) any servicing agreement applicable to such loan is terminable prior to the purchase by the Department and the Eligible Seller is responsible for any de-boarding, deconversion or related fees or expenses to the related Servicer, as defined below;

(10) the loan is evidenced by a signed master promissory note in the form (including any required addenda) published by, and prescribed by, the Department, without change of any kind, and is not subject to any agreement not contained in that note that would bar, condition or limit either transfer of the loan or the exercise by a transferee of the rights of the lender under terms of the note, except as such an agreement relates exclusively to Borrower Benefits on the loan;

(11) the loan was sold to the SPV and was pledged to secure the related Funding Note on or prior to July 1, 2010; and

(12) the loan was not selected adversely from the Eligible Loans owned by the Eligible Seller for sale to the Conduit Program based on criteria specified in the Program Documents.

Loans that are ineligible for the Conduit Program and the Put Agreement include:

- FFELP Consolidation Loans or any other types of loans not specifically permitted under Section 459(A) of the HEA; if any Eligible Loans are consolidated after the sale to the Conduit Program, the proceeds of the applicable Consolidation Loan must be used to pay such Eligible Loans in full; or

- loans disbursed for periods other than those defined above.

Loans with Borrower Benefits other than Eligible Borrower Benefits will be eligible for the Conduit Program with a Put Price equal to 97%.

Allocation of Funding Among Eligible Sellers: The process for allocating funding availability among Eligible Sellers will be set forth in the Program Documents.

Responsibility for Fees and Other Charges: Each SPV is responsible for any fee or other charge owed to the Department or to the guaranty agency on an Eligible Loan after the loan has been sold to such SPV, including amounts owed to the Department as a recapture of excess interest ("negative special allowance").

Closing/Put Conditions: On or prior to the execution of a Purchase Agreement by an Eligible Seller, such Eligible Seller shall be required to deliver to the Administrator or Custodian Bank:

(a) copies of the applicable formation documents, corporate resolutions and good standing certificates for the Eligible Seller;

(b) incumbency certificates of the Eligible Seller;

(c) opinions of the Eligible Seller's counsel relating to corporate matters, legality, validity and enforceability of the Purchase Agreement and related documents, no conflicts, true sale and non-consolidation and such other matters as the Department may request;

(d) UCC search reports and all UCC-1 Financing Statements;

(f) the Purchase Agreement, Eligible Servicing Agreement, as defined below (if any), and the Custodial Agreement;

(g) a copy of a "notice of intent to participate" submitted by or on behalf of the Eligible Seller to the Department;

(h) officer's certificates from the SPV that any applicable guarantee agreement that has been provided to the Custodian Bank is a true and correct copy thereof and remains in full force and effect;

(i) evidence of establishment of the trust accounts in the name of the SPV;

(j) an irrevocable power of attorney, which power of attorney is coupled with an interest, from such Eligible Seller to the Custodian Bank and assignable to the Department granting certain rights and powers specified with respect to the applicable loans;

(k) copies of all documentation relating to any applicable lockbox arrangements;

(l) a copy of the fully executed Eligible Servicing Agreement(s) relating to such loans; and

(m) such other documents as the Department may request.

On or prior to the sale of an Eligible Loan to the Department pursuant to the Put Agreement, the applicable Liquidity Providers and, if applicable, the Custodian Bank, shall be required to deliver to the Department:

(a) a release of lien for the Eligible Loans;

(b) a Put Notice;

(c) loan schedule (in electronic format);

(d) [a trust receipt issued by the custodian for the Conduit Program;]

(e) a bill of sale; and

(f) such other documents as specified in the Put Agreement.

Loan Servicing: Each Eligible Loan which is subject to the Put Agreement shall be serviced by the Eligible Seller or another servicer of FFELP student loans (the Eligible Seller or such other entity being referred to herein as the "Servicer") that will service the Eligible Loan, on behalf of the Conduit Program, pursuant to the terms of an Eligible Servicing Agreement, as defined below, and in accordance with Department regulations and such Servicer is not under sanction by the Department. Each SPV will be responsible for the selection of the Servicer and for the payment of any servicing related fees and expenses incurred in connection with the Conduit Program. A servicing agreement will be deemed to be an "Eligible Servicing Agreement" if it: (i) contains customary terms and conditions that reflect a negotiated, arms-length transaction; (ii) includes usual and customary representations, warranties, covenants and events of default; (iii)

includes an acknowledgment by the Servicer that the Department and the Conduit are the intended third-party beneficiaries of such agreement entitling the Department to instruct the Servicer and exercise remedies with respect to the applicable Eligible Loans upon the occurrence of the exercise of the Put Option; and (iv) provides that, upon the occurrence of a Put Event with respect to such Loan, such agreement shall automatically terminate with respect to such Loan on or prior to the purchase thereof by the Department, unless the Department otherwise notifies such Servicer prior to the Put Date without any payment by the Department of any de-boarding, deconversion or related costs, penalties or fees to the related Servicer and that the servicing shall be transferred as instructed by the Department. The Department will be responsible for any boarding, conversion or related costs or fees of the new servicer. Accordingly, upon purchase of any Eligible Loan or other acquisition of title thereto, the Department shall obtain all rights to service such Eligible Loan and may, in its sole discretion require deconversion of such Eligible Loan in order to service the loan itself or through a third-party Servicer of its designation.

Additional Reports/ Information: A standard reporting package acceptable to the Department to be used by the Conduit and SPVs and containing information on loans by schools, delinquencies, and other features shall be provided to the Department by the Eligible Sellers, the Custodian Bank and other parties to the Program Documents on a periodic basis.

At any time, the Department and its representatives will have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, a due diligence/audit of the Servicer's operations in respect to the Conduit Program, the Program Documents, the Eligible Loans and settlement reports at the expense of the Servicer. Also, from time to time during a calendar year, the Department shall have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, additional due diligence of the Eligible Sellers (and their SPVs), the Conduit and any Servicers, at such party's expense.

With respect to each Servicer, the Department shall be provided any audit reports or other annual compliance/operational audits performed on such Servicer relating to the servicing of FFELP student loans.

The Custodian Bank shall be responsible for providing to the Department within 90 days after the exercise of the Put Option, a written verification of the Custodian Bank's activities under the Program Documents conducted by an independent accounting firm, including setting forth the uses of the proceeds and the amounts of any net proceeds received.

For the purposes of confirming compliance with an Eligible Seller's commitment regarding future lending, each Eligible Seller must, on an annual basis, provide a report to the Department setting forth the activities conducted by the Eligible Seller with the funds provided through the Conduit Program. Additionally, within one year of the exercise of the Put Option with respect to any Eligible Loans, the Custodian Bank must provide a report setting forth the uses of any net proceeds received from the Department.

Other information as requested by the Department shall be delivered to the Department, which may include audited annual financial statements or unaudited quarterly financial statements of the Eligible Sellers, the Conduit and any Servicer or their respective consolidated groups.

Statements of Compliance: Each of the Eligible Sellers, the SPVs, the Conduit and Servicers will be required to provide to the Administrator an annual statement of compliance with respect to the Program Documents, together with an agreed upon procedures letter delivered by an independent public accountant.

Notice Requirements: The Department will publish a notice in the Federal Register establishing the terms of the Conduit Program. Each Eligible Seller that elects to participate in the Conduit Program must notify the Department, via a standard form letter, of its desire to participate in the Conduit Program. Such letter must not only contain notice of this desire, but must also contain representations and guarantees as required by the Department established in the Federal Register notice.

Fees and Expenses: Each Eligible Seller shall be required to pay all of its costs and expenses which are incurred in connection with the negotiation, preparation, execution and delivery of the related Purchase Agreement and any or any other related documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for such Eligible Seller, and all costs and expenses incurred in connection with the transfer and delivery of the Eligible Loans to the Custodian Bank, including, without limitation, any fees and expense incurred in connection with transferring ownership of any Eligible Loans to the Department other than the fees and expenses of the Department's servicer.

Governing Law and Forum: The Put Agreement, each Purchase Agreement and the other Program Documents and the rights and obligations of the parties thereto shall be governed by and construed in accordance with Federal law. Insofar as there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of such Agreements or the transactions governed thereby.

APPENDIX A

Loan Purchase Commitment Program for Eligible FFELP Loans

Summary of Terms and Conditions

These terms and conditions do not purport to be all of the terms and conditions that will govern the Loan Purchase Commitment Program. The final terms and conditions of the Loan Purchase Commitment Program will be those included in a definitive Master Loan Sale Agreement and other documentation related thereto.

Purchase Program Purpose: The purpose of the Loan Purchase Commitment Program ("Purchase Program") as implemented for the 2009-2010 academic year is to encourage Eligible Lenders, as defined below, to provide students and parents access to Stafford and PLUS loans made under the Federal Family Education Loan Program ("FFELP") for the 2009-2010 academic year, by providing a market for Eligible Loans during the term of the Purchase Program. The Purchase Program described herein (the "2009 Purchase Program") will consist of a standard Master Loan Sale Agreement ("2009 Master Loan Sale Agreement") to be provided by the Department of Education ("Department") and related documents to which each Eligible Lender will agree.

Purchase Program Authority: Under section 459A of the Higher Education Act of 1965 ("HEA"), as amended, the Department has the authority to purchase, or enter into forward commitments to purchase, student loans made under sections 428 (subsidized Stafford loans), 428B (PLUS loans), or 428H (unsubsidized Stafford loans) of the HEA, on such terms as the Secretary of Education ("Secretary"), the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States.

Program Description: Pursuant to the terms of the 2009 Purchase Program, the Department may purchase Eligible Loans that are held by Eligible Lenders. Such purchases may occur during the period commencing on July 1, 2009 and ending on September 30, 2010. To participate in the 2009 Purchase Program, each Eligible Lender must submit a Notice of Intent to Participate in the 2009 Program. With the filing of this Notice of Intent to Participate, the Eligible Lender is vested with the option to put to the Department those loans that are Eligible Loans under the terms of the 2009 Purchase Program. Prior to executing the put, the Eligible Lender must enter into a 2009 Master Loan Sale Agreement with the Department, as explained later here. Entering into the Master Loan Sale Agreement preserves the put option. Neither the filing of the Notice of Intent to Participate nor the Master Loan Sale Agreement commits the Eligible Lender to put Eligible Loans to the Department.

Upon execution of the put option, the Lender must transfer title to the loans it sells, and at the direction of the Department, deliver to the Department or its agent the fully executed master promissory note (or all electronic records evidencing the same) evidencing each Eligible Loan that the Eligible Lender wishes to sell to the Department and any and all other documents and computerized records relating to such Eligible Loans.

In order to acquire the option to sell loans under the Purchase Program, an Eligible Lender must first file with the Department a "Notice of Intent to Participate in the Loan Purchase Commitment Program and/or Loan Participation Purchase Program for Eligible FFELP Loans" ("Notice of Intent"). By so doing, the Lender states its desire to have the option to sell loans or participation interests in loans, or both, to the Department. The timing of the Lender's Notice of Intent controls which loans the Lender may sell under the 2009 Purchase Program. The Lender may not sell Eligible Loans to the Department under the 2009 Purchase Program on which the first disbursement was made prior to the date on which the Department receives the Lender's Notice of Intent.

Furthermore, an Eligible Lender may sell the Department a Loan that was made by another lender only if both that Eligible Lender and the Lender that made the loan have each filed with the Department a Notice of Intent, and only if each Lender filed its respective Notice prior to date on which the Lender made or acquired the Loan.

Commitment to Future FFELP Participation: By its execution of a 2009 Master Loan Sale Agreement, each Eligible Lender represents to the Department that it shall continue to participate in the FFELP and that at such time as funds become reasonably available to such Eligible Lender from private sources, it will originate new FFELP loans or acquire FFELP loans made by other lenders after the date of the Secretary's purchases from such Eligible Lender under the 2009 Agreement.

Eligible Lender: Any entity that is an eligible lender under § 435(d) of the Higher Education Act and holds FFELP loans, or that holds a beneficial ownership interest in FFELP loans held on its behalf by an eligible lender as trustee, is eligible to participate in the 2009 Purchase Program, subject to the terms and conditions of the Purchase Program as described herein and in the 2009 Master Loan Sale Agreement.

Eligible Loans: The following loans will be eligible for purchase pursuant to the Purchase Program:

Subject to the Notice Requirements described below, FFELP subsidized or unsubsidized Stafford Loans and FFELP PLUS loans that were made to students (and parent PLUS loans made to parents of dependent students) for loan periods that include, or begin on or after, July 1, 2009 ("Academic Year 2009-2010") and on which the first disbursement is made on or after May 1, 2009 but no later than July 1, 2010 and which is fully disbursed no later than September 30, 2010.

In order to be eligible for the Purchase Program, each loan must --

(a) have been originated and serviced in compliance with all requirements of applicable law, including the HEA and the implementing regulations;

(b) have been fully disbursed;

(c) bear interest at the stated statutory rate under the HEA for such loan, except as that rate may be modified pursuant to an Eligible Borrower Benefit, as defined below;

(d) be evidenced by a signed master promissory note in the form (including any required addenda) published and prescribed by the Department, without change of any kind, containing no provision that restricts the ability of the Department to exercise its rights under the Master Loan Sale Agreement or requires the obligor to consent to the transfer, sale or assignment of the rights and duties of the Eligible Lender;

(e) have been originated by an Eligible Lender that, pursuant to the Program Description above, filed with the Department a timely Notice of Intent to Participate;

(f) satisfy each of the terms, conditions and representations and warranties in the Master Loan Sale Agreement, including without limitation the following representations and warranties:

(1) immediately prior to the sale of the Eligible Loan, the Eligible Lender has good and marketable title to the loan free and clear of any encumbrance, lien or security interest or any other prior commitment (other than as may be granted in favor of the Department or that will be released upon the Department's purchase of such loan);

(2) the loan has not been modified, extended or renegotiated in any way, except as required or permitted under the HEA or other applicable laws, rules and regulations, and the applicable guarantee agreement;

(3) the loan constitutes a legal, valid and binding obligation to pay on the part of the related obligor enforceable in accordance with its terms and is not subject to a current bankruptcy proceeding;

(4) the loan has no borrower benefits other than Eligible Borrower Benefits. Eligible Borrower Benefits include only unconditional upfront fee reductions which are accrued and paid or made prior to the date on which an Eligible Loan is sold, or permitted reductions in interest rates of not more than .25 percent that are contingent on the use of an automatic payment process by the borrower for any payments due;

(5) the sale of the loan does not conflict with law or require consent of any person not a party to the sale; and

(6) the loan satisfies all of the terms and conditions of the Master Loan Sale Agreement; and

(7) if the loan is subject to a servicing agreement, such agreement is terminable upon thirty (30) days' notice, and the Eligible Lender shall be responsible for any de-boarding, deconversion or related fees or expenses to the related servicer; and

(g) if the lender holds more than one Stafford Loan for a borrower, each of which is an Eligible Loan, the lender sells all such Eligible Stafford Loans to the Department.

Loans that are ineligible for the Purchase Program include --

FFELP Consolidation Loans or any other types of loans not specifically described in the Master Loan Sale Agreement;

loans disbursed for academic years other than Academic Year 2009-2010;

loans on which the lender has committed to providing the borrower with any borrower benefits other than Eligible Borrower Benefits; and

loans on which a default claim or other claim for payment on the loan has been filed with the guaranty agency.

Term: In order to participate in the 2009 Purchase Program, a lender must be an Eligible Lender and must enter into a 2009 Master Loan Sale Agreement with the Department under which the Eligible Lender will have an irrevocable option to sell Eligible Loans, as defined above, that are fully disbursed, to the Department subject to the terms and conditions of the 2009 Master Loan Sale Agreement. The Eligible Lender must notify the Department that it will exercise its option to sell the fully disbursed Eligible Loan(s) no later than August 14, 2010, and must complete all loan sales on or before September 30, 2010. If an Eligible Lender fails to meet one or both of these dates the option expires, and the Department will not honor any commitment to purchase loans under the 2009 Purchase Program.

Purchase Price: The Department will purchase an Eligible Loan at a purchase price equal to the sum of (1) the outstanding principal balance of the Eligible Loan at time of sale, plus (2) accrued and unpaid interest on the Eligible Loan as of time of sale, plus (3) a reimbursement of the one percent loan fee (as provided by section 438(d) of the HEA) previously paid by the Eligible Lender to the Department, plus (4) $75.00.

Document Delivery: In connection with each sale of Eligible Loans, as directed by the Department, the Eligible Lender must deliver the original fully executed master promissory note evidencing the purchased Eligible Loans and any and all other documents and electronic records evidencing such loans to the entity designated by the Department to retain such documents.

Purchase Frequency: Eligible Lenders may sell Loans to the Department not more frequently than weekly.

Closing Conditions: In order enter into a 2009 Master Loan Sale Agreement with the Department, an Eligible Lender must deliver to the Department each of the following, unless the Lender has previously entered into a Master Loan Sale Agreement, provided such records at that time, and now certifies that the records remain accurate --

(a) copies of the applicable formation documents, corporate resolutions and good standing certificates for the Eligible Lender;

(b) incumbency certificates of the Eligible Lender;

(c) opinions of the Eligible Lender's counsel relating to corporate matters, legality, validity and enforceability of the Master Loan Sale Agreement and related documents, no conflicts, and such other matters as the Department may request; and

(d) such other documents as the Department may request.

On or prior to each sale of Eligible Loans to the Department, each Eligible Lender shall be required to deliver to the Department --

(a) any required security releases for the Eligible Loans;

(b) a purchase request for such purchase;

(c) loan schedule (in electronic format); and

(d) such other documents as the Department may request.

Notice Requirements: Each Eligible Lender that elects to participate in the 2009 Purchase Program must take the following steps:

- The Lender must submit its Notice of Intent to Participate in the program, as explained above.
- Unless the Lender has entered into a Master Participation Agreement with the Department, the Lender must, no later than March 31, 2010, execute the 2009 Master Loan Sale Agreement and provide a statement setting forth representations, warranties and guarantees required by the Department in the Federal Register notice.
- After the Department countersigns the Master Loan Sale Agreement, and at least forty-five (45) days before the date of any intended sale of loans, the Lender must notify the Department of its intent to sell loans to the Department and must certify that the representations, warranties and guarantees made previously to the Department are current and true.

Loan Servicing: Each loan shall be purchased by the Department on a servicing-released basis. If the loan is subject to a servicing agreement, such agreement must be terminable upon thirty (30) days' notice by the Department. The Department may issue such notice at any time after the Eligible Lender provides notice of its intent to sell loans. The Eligible Lender shall be responsible for any de-boarding, deconversion or related fees or expenses to the related servicer. Accordingly, upon purchase of any Eligible Loan, the Department shall obtain all rights to service such Eligible Loan and may, in its sole discretion require deconversion of such Eligible Loan in order to service the loan itself or through a third-party servicer of its designation.

Fees and Expenses: Each Eligible Lender shall be required to pay all of its costs and expenses which are incurred in connection with the negotiation, preparation, execution and delivery of the Master Loan Sale Agreement and any or any other related documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for any Eligible Lender with respect thereto, and all other fees, costs and other expenses incurred in connection with the transfer of ownership of Eligible Loans, and delivery of such loans, to the Department.

Other Department Program: Separately, the Department is offering a Loan Participation Purchase Program under which it purchases participation interests in eligible FFELP loans made for the 2009-2010 academic year. This Purchase Program does not require, nor does it preclude, the participation of an Eligible Lender in that separate program.

Governing Law and Forum: The 2009 Master Loan Sale Agreement and the Notice of Intent to Participate, and the rights and obligations of the parties thereto, shall be governed by and construed in accordance with Federal law. Insofar as there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of this Master Loan Sale Agreement or the transactions governed thereby.

APPENDIX B

Loan Participation Purchase Program for Eligible FFELP Loans

Summary of Terms and Conditions

These terms and conditions do not purport to be all of the terms and conditions that will govern the Loan Participation Purchase Program. The final terms and conditions of the Loan Participation Purchase Program will be included in a definitive Master Participation Agreement and other documentation related thereto.

Loan Participation Purchase Program Purpose: The purpose of the Loan Participation Purchase Program ("Participation Program") as implemented for the 2009-2010 academic year is to encourage Eligible Lenders, as defined below, to provide students and parents access to Stafford and PLUS loans made under the Federal Family Education Loan Program ("FFELP") for the 2009-2010 academic year by selling short-term participation interests in Eligible Loans, as defined below, to the Department of Education ("Department") during the term of the Participation Program. The Participation Program described herein (the "2009 Participation Program") will consist of a standard Master Participation Agreement (the "2009 Master Participation Agreement") to be provided by the Department and related documents to which each Eligible Lender and related parties described below will agree.

Participation Program Authority: Under section 459A of the Higher Education Act of 1965 ("HEA"), as amended, the Department has the authority to purchase, or enter into forward commitments to purchase, student loans made under sections 428 (subsidized Stafford loans), 428B (PLUS loans), or 428H (unsubsidized Stafford loans) of the HEA, on such terms as the Secretary of Education ("Secretary"), the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States.

Program Description: Pursuant to the terms of the 2009 Participation Program, the Department may purchase Participation Interests in Eligible Loans held by an Eligible Lender, acting as a sponsor under a Master Participation Agreement ("Sponsor"). In order to participate in the 2009 Participation Program, each Sponsor must enter into a 2009 Master Participation Agreement with the Department and a third-party Custodian acceptable to the Department.

Put Option means the option issued to Eligible Lenders by the Department under the Department's separate Loan Purchase Commitment Program for the 2009-2010 academic year (the "2009 Purchase Program"). As a condition precedent to the Department's purchase of a Participation Interest in an Eligible Loan under the 2009 Participation Program, both the originating Eligible Lender and, if different, the Eligible Lender then in possession of the Eligible Loan must each have provided to the Department timely "Notice of Intent to Participate in the Loan Purchase Commitment Program and/or Loan Participation Purchase Program for Eligible FFELP Loans"("Notice of Intent").

An Eligible Lender that sells participation interests to the Department under the 2009 Participation Program is not obligated by that action to exercise the Put Option.

Eligible Lender: Any entity that is an eligible lender under § 435(d) of the Higher Education Act and holds FFELP loans, or that holds a beneficial ownership interest in FFELP loans held by an eligible lender as trustee, on its behalf, is eligible to participate in the Participation Program, subject to the terms and conditions of the Participation Program as described herein and in the Master Participation Agreement.

Sponsor means an Eligible Lender that will sell Participation Interests in FFELP loans under the terms of the Participation Program.

Custodian means the entity selected by the Sponsor and acceptable to the Department that will hold legal title to those Eligible Loans in which the Department purchases a Participation Interest . The Custodian or its designee holds the fully executed master promissory notes that evidence the Purchased Eligible Loans and any and all other documents and computerized records relating to such Purchased Eligible Loans. Only a National or State-chartered bank that is an eligible lender pursuant to § 435(d)(1)(A) of the HEA can serve as a Custodian. The Department reserves the right to establish those additional requirements that an entity must meet in order to act as a Custodian for the Participation Program.

Program Structure: Under the Participation Program, a Sponsor will transfer Eligible Loan to the Custodian, which will issue to the Sponsor participation interests in such loans. These interests will be evidenced by participation certificates issued by the Custodian. The Department will purchase from the Sponsor a senior participation interest in the loans ("Purchased Eligible Loans."), and will receive a senior participation certificate that represents a 100 percent beneficial ownership interest in the principal portion of each such Purchased Eligible Loan and the right to receive the "Participant's Yield."

The Participant's Yield is the amount, payable for each quarter during which the Department holds a participation interest, equal to (a) the daily average principal balance of the Department's participation interest in a Purchased Eligible Loan for that quarter multiplied by (b) the product of (i) the rate determined by the Department and published pursuant to § 438(b)(2)(I)(i)(I) of the HEA for that quarter ("Commercial Paper Rate") plus fifty (50) basis points ("Spread") and (ii) the number of days in that quarter, and (c) divided by 360. If any of specified adverse events, including filing for bankruptcy, occur with respect to the Sponsor or its Servicer, the Spread may be increased to three hundred (300) basis points.

The Sponsor will receive from the Custodian a subordinate participation interest with respect to the Purchased Eligible Loans, and a participation certificate that evidences the Sponsor's right to redeem the Purchased Eligible Loans by exercise of the Put Option or otherwise, and subject to the terms of the Master Participation Agreement, the right to receive those collections on the Purchased Eligible Loans that remain after satisfaction of

the Participant's Yield and the Department's Participation Interest in the Purchased Eligible Loans.

The Custodian will hold title to the Purchased Eligible Loans in trust for the benefit of both the Department as the owner of the senior participation interest and the Sponsor as owner of the junior participation interest, until the Sponsor redeems the Department's Participation Interest.

In order to protect the interests of the Department, the Department will also be granted a protective first priority perfected security interest in the following assets: (i) the Purchased Eligible Loans in which it has a Participation Interest; (ii) all payments received on the Purchased Eligible Loans and all funds collected or to be collected with respect to such Loans; and (iii) any monies on deposit in accounts established under the related Master Participation Agreement (including the Collection Account), and all related rights and security with respect thereto under the related Master Participation Agreement. Each subsequent purchase of a participation interest in other Eligible Loans, or in Purchased Eligible Loans on which subsequent disbursements have been made, will be evidenced by an increase in the outstanding principal balance of the related Participation Interest. The amount of Purchased Eligible Loans and the balance of the Participation Interest may decrease as principal payments or other reductions in the principal balance are made with respect to the Purchased Eligible Loans and remitted to the Department or in connection with the redemption or exercise of the Put Option with respect to any Purchased Eligible Loans.

The Master Participation Agreement will include representations, warranties and covenants and events of default and other termination events as are customary under similar participation interest facilities or as are determined by the Department.

Commitment to Future FFELP Participation: By its execution of a 2009 Master Participation Agreement, each Eligible Lender represents to the Department that it shall continue to participate in the FFELP and that at such time as funds become reasonably available to the Eligible Lender from private sources, it will originate new FFELP loans or acquire FFELP loans made by other lenders after the date of the Secretary's purchases from the Eligible Lender.

Eligible Loans: The following loans will be eligible for the Participation Program:

Subject to the Notice Requirements described below, FFELP subsidized or unsubsidized Stafford Loans and FFELP PLUS loans made to students and parents of dependent students for loan periods that include, or begin on or after, July 1, 2009 ("Academic Year 2009-2010"), and for which the first disbursement is made on or after May 1, 2009 but no later than July 1, 2010, and that is scheduled to be fully disbursed no later than September 30, 2010.

In order to be eligible for the Participation Program each loan must --

(a) have been originated and serviced in compliance with all requirements of applicable law, including the HEA and the implementing regulations;

(b) have had at least one disbursement made;

(c) bear interest at the stated statutory rate under the HEA for such loan, except as that rate may be modified by an Eligible Borrower Benefit, as defined in the Agreement;

(d) be evidenced by a signed master promissory note in the form (including any required addenda) published and prescribed by the Department, without change of any kind, containing no provision that either restricts the ability of the Department to exercise its rights under the Master Participation Agreement or requires the obligor to consent to the transfer, sale or assignment of the rights and duties of the Eligible Lender;

(e) be eligible, when fully disbursed, to be sold to the Department through the Put Option; and

(f) satisfy each of the terms, conditions and representations and warranties in the Master Participation Agreement, including without limitation the following representations and warranties:

(1) immediately prior to delivery of legal title to the Custodian, the Sponsor has good and marketable title to the loan free and clear of any encumbrance, lien or security interest or any other prior commitment (other than as may be granted in favor of the Department or that will be released upon the Department's purchase of a participation interest in such loan);

(2) the loan has not been modified, extended or renegotiated in any way, except as required or permitted under the HEA or other applicable laws, rules and regulations, and the applicable guarantee agreement;

(3) the loan constitutes a legal, valid and binding obligation to pay on the part of the related obligor enforceable in accordance with its terms and is not subject to a current bankruptcy proceeding;

(4) the loan has no borrower benefits or other incentive programs other than Eligible Borrower Benefits, which include only unconditional upfront fee reductions which are accrued and paid or made prior to the date on which a Participation Interest is sold, or permitted reductions in interest rates of not more than .25 percent that are contingent on the use of an automatic payment process by the borrower for any payments due;

(5) the transfer of the loan to the Custodian and the sale of the Participation Interest does not conflict with law or require consent of any person not a party to the transaction;

(6) the loan satisfies all of the terms and conditions of the Master Participation Agreement;

(7) if the loan has not been fully disbursed, the Sponsor will make or cause all subsequent scheduled disbursements to be made, as an agent of the Custodian;

(8) if the loan is subject to a servicing agreement, such agreement must be terminable upon thirty (30) days' notice, and the Sponsor shall be responsible for any de-boarding, deconversion or related fees or expenses to the related Servicer, as defined below.

Loans that are ineligible for the Participation Program include --

FFELP Consolidation Loans or any other types of loans not specifically described in the Master Participation Agreement;

loans disbursed for an academic year other than Academic Year 2009-2010;

loans on which the lender has committed to providing the borrower with any borrower benefits other than Eligible Borrower Benefits;

loans that have not had at least one disbursement as of July 1, 2010;

loans in which the Department has previously purchased a Participation Interest, whether or not that interest has been redeemed; or

loans on which a default claim or other claim for payment on the loan has been filed with the guaranty agency.

Term: In order to participate in the Participation Program, a Sponsor, and, if not itself an Eligible Lender, its Eligible Lender Trustee, must enter into a single Master Participation Agreement with the Department under which the Sponsor will have an irrevocable option to sell to the Department, subject to the terms and conditions of the Master Participation Agreement, Participation Interests in each Eligible Loan. The Department will not enter into a 2009 Master Participation Agreement with an Eligible Lender after July 1, 2010. The Sponsor must exercise the option to sell Participation Interests in Eligible Loan(s) on or before August 1, 2010.

After August 1, 2010, the Department will not purchase Participation Interests in any loans other than Purchased Eligible Loans, and the option to sell Participation Interests in any other loans expires. After that date, the Department will purchase additional

Participation Interests in those Purchased Eligible Loans on which an additional disbursement has been made after that date, on the following conditions:

- the first disbursement on the Loan was made by July 1, 2010,
- the Loan became subject to a Participation Interest by August 1, 2010,
- the second disbursement was made between August 1, 2010 and September 14, 2010,
- the Sponsor notified the Department that it intended to redeem the Participation Interest with respect to the Loan by selling the Loan to the Department by the Put Option, and
- the Sponsor then completes the sale under the Put Option within 30 days of the second disbursement.

Purchase Price: The Department will purchase each Participation Interest at a purchase price equal to the outstanding principal balance of the Eligible Loans subject to such Participation Interest at time of the purchase of such Interest. To maintain the Department's 100% interest in the principal balance of each Purchased Eligible Loan, the Sponsor shall be required to fund any subsequently scheduled disbursements on such loan, and the Department will purchase a Participation Interest in any amount subsequently disbursed on such Purchased Eligible Loans.

Collection Account: A segregated pledged account established at the Custodian for the purpose of holding all payments and other proceeds received on or with respect to the Purchased Eligible Loans, including proceeds of the sale of such loans ("Collections") for the benefit of the Department, as holder of the Participation Interest. The Servicers, as defined below, will deposit all Collections as soon as possible, but in no event later than two (2) business days after receipt of good funds, into the Collection Account.

Responsibility for Fees and Other Charges: The Custodian is responsible for any fee or other charge owed to the Department or to the guaranty agency on an Eligible Purchased Loan after the loan has been transferred to the Custodian, including amounts owed to the Department as a recapture of excess interest ("negative special allowance").

Permitted Investments: The Custodian may invest those amounts on deposit in each Collection Account only in overnight or short-term U.S. Treasury securities that will, in all cases, mature on or prior to the day immediately preceding the date such funds are required to be disbursed.

Minimum Delivery Requirements: Each Sponsor that enters into a Master Participation Agreement with the Department shall be required to represent and warrant to the Department that such Sponsor intends to sell to the Department during the term of the Participation Program, participation interests in Eligible Loans with an aggregate unpaid principal balance of not less than $50,000,000. In order to satisfy such minimum delivery requirement, a Sponsor shall be permitted to aggregate Eligible Loans originated or held by other Eligible Lenders, provided that such Sponsor has authority to convey legal title to such Eligible Loans to the Custodian and to sell Participation Interests in

Eligible Loans originated or held by such other Eligible Lenders. Eligible Lenders that claim Special Allowance Payments (SAP) at the rate payable for eligible not-for-profit holders and that seek to aggregate Eligible Loans must do so through a Sponsor that aggregates only loans that qualify for SAP at that rate.

Purchase Frequency: Sponsors shall sell Participation Interests to the Department not more frequently than weekly.

Closing Conditions: On or prior to the execution of the Master Participation Agreement by a Sponsor, unless the Sponsor has previously entered into a Master Loan Sale Agreement with the Department, has provided the records described in (a), (b), and (c) at that time, and now certifies that these records remain accurate, such Sponsor shall be required to deliver to the Department --

(a) copies of the applicable formation documents, corporate resolutions and good standing certificates for the Sponsor;

(b) incumbency certificates of the Sponsor;

(c) opinions of the Sponsor's counsel relating to corporate matters, legality, validity and enforceability of the Master Participation Agreement and related documents, perfection, no conflicts, and such other matters as the Department may request;

(d) agreements, if any, with other Eligible Lenders to aggregate, transfer legal title to, and sell participation interests in Eligible Loans;

(e) UCC search reports and all UCC-1 Financing Statements;

(f) Master Participation Agreement, Eligible Servicing Agreement, as defined below (if any), Custodial Agreement (if not included as part of the Master Participation Agreement); and

(g) such other documents as the Department may request.

On or prior to each sale of a Participation Interest in Eligible Loans to the Department, each Sponsor shall be required to deliver to the Department --

(a) any required security releases for the Eligible Loans;

(b) list of lockboxes and copies of lockbox servicing instructions, to the extent not already provided;

(c) a purchase request for such purchase;

(d) Loan Schedule (in electronic format); and

(e) such other documents as the Department may request.

In addition, the Custodian will be required to deliver to the Department (a) a certification evidencing receipt and review of each of the loan documents relating to the Eligible Loans, and (b) a Participation Certificate.

Custodian Monthly Closing Reports: The Custodian will provide to the Department a monthly settlement date report summarizing loan activity for the prior calendar month, in the form and on the date specified by the Department

Loan Servicing: Each Eligible Loan which is subject to a Participation Interest shall be serviced by or at the direction of the Custodian. The Custodian may retain the Sponsor or a servicer of FFELP student loans not under sanction by the Department To service the Loans, and in its discretion and pursuant to directions from the Department, to maintain custody of Loan records. The entity that services the Loans ("Servicer") must enter into, and perform pursuant to the terms of, an Eligible Servicing Agreement, as defined below, and must service the loans in accordance with Department regulations. The Sponsor will be responsible for the payment of any servicing related fees and expenses incurred in connection with the Participation Program. A servicing agreement will be deemed to be an "Eligible Servicing Agreement" if it: (i) contains customary terms and conditions that reflect a negotiated, arms-length transaction; (ii) provides for not more than a fair market servicing fee; (iii) includes usual and customary representations, warranties, covenants and events of default; (iv) acknowledges or be amended to acknowledge that the Department is an intended third-party beneficiary of such agreement entitling the Department to instruct the Servicer and exercise remedies with respect to the applicable Purchased Eligible Loans upon the occurrence of a Termination Event (as defined under the Master Participation Agreement); and (v) provides that any Servicer will deposit all funds received on Purchased Eligible Loans into the Collection Account (as defined above) no later than two (2) business day after receipt of good funds.

Each Eligible Servicing Agreement will also provide that upon notice of the exercise of the Put Option or other acquisition of a Purchased Eligible Loan by the Department, such agreement is terminable upon thirty (30) days' notice without the payment of any de-boarding, deconversion or related costs, penalties or fees to the related Servicer and that the servicing shall be transferred as instructed by the Department. Accordingly, upon purchase of any Eligible Loan or other acquisition of title thereto, the Department shall obtain all rights to service such Eligible Loan and may, in its sole discretion, require deconversion of such Eligible Loan in order to service the loan itself or through a third-party Servicer of its designation.

Servicing Standard: Each Servicer will manage, service, administer, make collections and calculate any amounts owed to the Department with respect to the Purchased Eligible Loans (including collection of any interest subsidy payments and special allowance payments and calculate any negative special allowance owed with respect to the Purchased Eligible Loans) in accordance with all requirements as set forth in the

established Master Participation Agreement, including but not limited to compliance with all applicable federal and state laws, including all applicable rules, regulations and other requirements of the HEA and the applicable guarantee agreement. Each Servicer shall be responsible for segregating, marking each Eligible Purchased Loan as owned by the related Custodian and remitting to the Custodian all payments received on the Purchased Eligible Loans. This includes, but is not limited to, physical or electronic marking of relevant computer records.

Additional Reports and Information: The Sponsor and the Custodian may be required by the Department to provide regular monthly reports regarding transactions affecting loans, including information identifying the schools for which loans were made, loan delinquencies, and other information.

At any time, the Department and its representatives will have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, a due diligence/audit of the Servicer's operations in respect to this Participation Program, the transaction documents, the Eligible Purchased Loans and settlement reports at the expense of the Servicer or Sponsor. Also, from time to time during a calendar year, the Department shall have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, additional due diligence of the Sponsor, the Custodian and any Servicers, at the Sponsor's expense.

With respect to each Servicer, the Department shall be provided any audit reports or other annual compliance/operational audits performed on such Servicer relating to the servicing of FFELP student loans.

The Custodian shall be responsible for providing to the Department within 90 days after the Termination Date of a Participation, as provided in the Master Participation Agreement, an audit conducted by an independent auditor of the Custodian's activities under that Participation.

Other information as requested by the Department shall be delivered to the Department, which may include audited annual financial statements or unaudited quarterly financial statements of the Sponsor and any Servicer or their respective consolidated groups.

Statements of Compliance: Both the Sponsor and the Servicer will provide to the Department a statement of compliance with respect to the Master Participation Agreement and any related documents and applicable law, together with an agreed upon procedures letter delivered by an independent public accountant with respect to the Master Participation Agreement, all in form acceptable to the Department within 60 days of the execution of the Master Participation Agreement and on any subsequent dates specified by the Department.

Operation of the Participation Program: The Department will pay the Sponsor the purchase price for a Participation Interest promptly after the Sponsor notifies the Department and the Custodian confirms that a disbursement has been made on the

Eligible Loan and the Eligible Loan has been placed in the Participation Program, subject to timing and frequency arrangements specified herein and in the Master Participation Agreement. The Department will remit this payment through the Custodian. The Sponsor is responsible for ensuring that all fees and charges, and all servicing requirements under FFELP rules for a Purchased Loan, are satisfied. In the event that any Eligible Loan has become subject to a Participation Interest and such Eligible Loan is purchased out of the Participation Program by the Sponsor or any other entity, such loan shall cease to be eligible for the Participation Program and no Eligible Lender shall thereafter be permitted to sell a Participation Interest in such loan to the Department.

A Purchased Eligible Loan that becomes and remains delinquent must be redeemed by the Sponsor not later than the 255th day of such delinquency.

Termination Date: The termination date for each Participation Interest will be the earliest to occur of (i) the date on which the Sponsor notifies the Department that it will no longer be a participant in the program and reduces its amount outstanding to zero, (ii) the effective date of a termination event, including, without limitation, the bankruptcy, insolvency or other adverse event with respect to the Sponsor, and (iii) September 30, 2010.

Resolution of the Facility; Redemption Payment/Put Option: Under the terms of the Participation Program, each Participation Interest will expire on September 30, 2010. On or before such date, the Sponsor must pay the Custodian for remittance to the Department, with respect to each Purchased Eligible Loan subject to the Participation Interest, the purchase price paid by the Department for the Participation Interest in such Purchased Eligible Loan together with the Participant's Yield on such purchase price, calculated through the next scheduled distribution date. Upon receipt of this redemption payment by the Custodian, the Department agrees to release its interest in any Eligible Loan which is subject to any Participation Interest that is so redeemed. If the Sponsor elects to exercise the Put Option with respect to such underlying Eligible Loans, the Sponsor will release its interest in such Eligible Loans to the Department, and the Department will offset the Redemption Payment owed by Sponsor against the amount due the Sponsor under the Put Option and will remit the net amount to the Custodian.

On the Termination Date, all Purchased Eligible Loans, and the related servicing rights attributable to such loans, for which the Sponsor has not made the Redemption Payment shall become the property of the Department without any further action by the Department and the Participation Interests and the rights of the Department and the Sponsor under the Master Participation Agreement shall be terminated.

Distribution of Funds:

Monthly distribution: On a monthly basis, the Custodian will remit to the Department funds on deposit in the Collection Account in order to satisfy the outstanding Participant's Yield and Participation Interest.

Final distribution: On or before October 20, 2010, the Custodian shall distribute any remaining funds in the Collection Account, in the following order of priority --

a) To the Department, the Participant's Yield;

b) To the Department, any remaining amounts until its Participation Interest balance is reduced to zero; and

c) To the Sponsor, any remaining amounts.

Notice Requirements: The Department will publish the terms of the 2009 Loan Participation Purchase Program in the Federal Register. Each Eligible Lender that elects to participate in the 2009 Participation Program must take the following steps:

- The Lender must submit to the Department a Notice of Intent.
- Upon confirmation of receipt by the Department of the Notice of Intent, the Lender must provide a good faith estimate of the amount of Participation Interests it proposes to sell to the Department throughout the term of the Participation Program. The Lender must update this estimate on a monthly basis.
- The Lender must execute the Master Participation Agreement and provide the representations, warranties and guarantees required by the Department under that Agreement by the earlier of July 1, 2010, or the closing date of the sale of the first Participation Interest.
- If the Lender proposes to exercise the Put Option to sell Purchased Eligible Loans to the Department, the Lender must, after the Department countersigns the Master Participation Agreement, and at least forty-five (45) days before the date of any intended sale of loans, notify the Department of its intent to sell loans to the Department and must certify that the representations, warranties and guarantees made previously to the Department are current and true.

The timing of the Lender's Notice of Intent controls which loans for which the Lender may sell Participation Interests. The Eligible Lender may not sell Participation Interests to the Department relating to loans for which the first disbursement was made prior to the date on which the Department receives the Notice of Intent. If an Eligible Lender wishes to sell a Participation Interest to the Department in an Eligible Loan that it did not originate, both that Eligible Lender and the Lender that made the loan must each file a Notice of Intent with the Department. Each Lender must file its respective Notice prior to date on which it made or acquired the Loan.

Fees and Expenses: Each Sponsor shall be required to pay all of its costs and expenses which are incurred in connection with the negotiation, preparation, execution and delivery of the Master Participation Agreement and any or any other related documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for such Sponsor, all other costs and expenses of servicing the Purchased Eligible Loans, and all costs and expenses incurred in connection with the transfer and delivery of the Purchased Eligible Loans to the Custodian, including, without limitation, the fees of the custodian and any fees and expenses incurred in connection with transferring ownership of any Purchased Eligible Loans to the Custodian or to the Department in connection with the exercise of the Put Option or any other acquisition of ownership of the Purchased Eligible Loans by the Department.

Governing Law and Forum: The Master Participation Agreement, the Notice of Intent to Participate, and the rights and obligations of the parties thereto shall be governed by and construed in accordance with Federal law. Insofar as there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of the Master Participation Agreement or the transactions governed thereby.

APPENDIX C

FFELP Loan ABCP Conduit Program

Summary of Terms and Conditions
January 12, 2009

The following terms and conditions do not purport to be all of the terms and conditions that will govern the FFELP Loan ABCP Conduit Program. The final terms and conditions of the FFELP Loan ABCP Conduit Program Put Agreement will be those included in a definitive Put Agreement and other documentation related thereto.

FFELP Loan ABCP Conduit Program Purpose: The purpose of the FFELP Loan ABCP Conduit Program ("Conduit Program") is to encourage Eligible Sellers, as defined below, to provide students and parents access to Stafford and PLUS loans made under the Federal Family Education Loan Program ("FFELP") by providing a highly rated and liquid source of funding to Eligible Sellers for Eligible Loans, as defined below, supported by the right to put such Eligible Loans to the Department of Education ("Department") upon the occurrence of certain events. The Put Option, as defined below, will be evidenced by a Put Agreement ("Put Agreement") between the Department and a Conduit, as defined below. The Conduit Program will be documented pursuant to agreements and other documentation ("Program Documents") consistent with the Put Agreement and these terms and conditions.

Program Authority: Under section 459A of the Higher Education Act of 1965, as amended ("HEA"), the Department has the authority to purchase, or enter into forward commitments to purchase, student loans made under sections 428 (Stafford loans), 428B (PLUS loans), or 428H (Unsubsidized Stafford loans) of the HEA, on such terms as the Secretary of Education ("Secretary"), the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interest of the United States.

Program Description: One or more Conduits (as defined below) may be established by Eligible Sellers and other private market participants. Any such Conduit may be established with the structure as described in this section "Program Description" or such alternative structure as may be approved by the Department, with or without the use of SPVs and/or Funding Notes (each as defined below); provided that any such structure shall have terms and conditions substantially as set forth in this Summary of Terms and Conditions.

Under the Conduit Program as implemented in a form now being developed, Eligible Sellers may sell Eligible Loans to bankruptcy remote special purpose vehicles (each, an "SPV") pursuant to Purchase Agreements, as defined below. Each SPV will issue one or

more funding notes (each, a "Funding Note") to the Conduit (or to a pass-through trust wholly owned by the Conduit) and certificates or subordinated interests to the Eligible Seller to fund it's the SPV's purchase of Eligible Loans. Certain state agency or not-for-profit Eligible Sellers may issue Funding Notes directly to the Conduit without the use of an SPV if they meet the criteria specified in the Program Documents. Funding Notes will be payable from, and will be secured by a first priority perfected security interest in, the Eligible Loans owned by the SPVs. A commercial paper conduit ("Conduit") will then acquire each Funding Note, and will fund its acquisition of the Funding Note through the issuance of commercial paper ("CP") and other interests (collectively, "Securities"). The assets and liabilities of the Conduit will be administered by an administrator ("Administrator"). Upon maturity, CP will be paid from one or a combination of the following: (i) payments received under the Funding Notes (which will be paid from collections and proceeds of the Eligible Loans), (ii) the issuance of additional Securities, (iii) advances provided by certain liquidity providers to the Conduit Program ("Liquidity Providers"), and (iv) a reserve account. Upon the occurrence of a Put Event (as defined below) and subject to the terms of the Put Agreement, the Department will agree to purchase Eligible Loans that are part of the Conduit Program.

The Conduit shall conduct a competitive process to select any party receiving a fee in connection with the provision services to the Conduit or otherwise relating to the Conduit Program, including, but not limited to, the Custodian Bank, the Administrator and the Liquidity Providers.

Put Option: The option issued to the Custodian Bank by the Department pursuant to the Put Agreement to require the Department to purchase Eligible Loans upon the occurrence of a Put Event. Once issued with respect to an Eligible Loan, the Put Option will be irrevocable until the Put Expiration for so long as such loan is part of the Conduit Program. The Put will not be subject to set-off by the Department with respect to amounts owed to the Department by any Eligible Seller, any SPV, the Conduit or any Eligible Lender Trustees.

Put Expiration: The Put Option will expire with respect to all Eligible Loans on the fifth anniversary of the date of the Put Agreement but not later than September 30, 2014.

Put Event: The Put Option shall be exercised by the Custodian Bank automatically upon the occurrence of (i) the failure of any Liquidity Provider to fund a required advance when due to redeem maturing CP if such advance is not made by other Liquidity Providers or the Custodian Bank, (ii) any funding by a Liquidity Provider remains unpaid (without regard to amounts received from the Fed Discount Window) for more than 45 days, (iii) 45 days prior to the Put Expiration, (iv) the exercise of remedies following a Funding Note "event of default," or (v) with respect to any Eligible Loan that becomes 210 days delinquent. However, the Department will only purchase Eligible Loans pursuant to clauses (i) through (iv) that are not sold pursuant to an auction process conducted by the Custodian Bank not later than 30 days prior to the Put Date, as defined below. The minimum auction price shall be the Put Price.

Put Notice: The Department will be required to purchase Eligible Loans subject to the Put Option on the date (or, if such date is not a business day, the immediately succeeding business day) ("Put Date") 45 days after it has received a notice of the exercise of the Put Option ("Put Notice") following a Put Event. The Put Notice shall become irrevocable (subject to the auction process described above) (i) fifteen (15) days after delivery to the Department of such Put Notice, with respect to any Put Notice delivered in connection with the occurrence of a Put Event set forth in clauses (i) through (iv) of the definition thereof, and (ii) thirty (30) days after the date upon which the related loan(s) became 210 days delinquent with respect to any Put Notice delivered in connection with the occurrence of a Put Event set forth in clause (v) of the definition thereof.. On a specified day of each week, the Custodian Bank shall deliver the Put Notice with respect to all Eligible Loans that became 210 days delinquent during the preceding week.

Put Allocation: The Eligible Loans subject to any Put Notice (with respect to clause (i), (ii) or (iii) of the definition of Put Event) and auction shall consist of a sample of all Eligible Loans owned by each SPV to which the Put Notice applies on such date based on criteria and methodology specified in the Put Agreement, allocated by Eligible Seller, and sufficient to pay the applicable liquidity funding.

Put Price: The Department will purchase Eligible Loans subject to a Put Notice at a price equal to either (i) 100% of the outstanding principal balance of Eligible Loans (A) with first disbursements made on or after May 1, 2008; (B) subject to only Eligible Borrower Benefits and (C) less than 255 days delinquent as of the Put Date or (ii) 97% of the outstanding principal balance of all other Eligible Loans that are not more than 270 days delinquent. In each case the outstanding principal balance includes accrued interest (including interest to be capitalized through the Put Date) on such Eligible Loans. Eligible Borrower Benefits include only unconditional upfront fee reductions which are accrued and paid or made prior to the date on which the loan is sold to an SPV, or permitted reductions in interest rates of not more than 0.25 percent that are contingent on the use of an automatic payment process by the borrower for any payments due.

Daily Put Limit: The Department will not be required to purchase Eligible Loans subject to any Put Notice to the extent that the aggregate Put Price (in addition to Eligible Loans purchased pursuant to clause (v) of the definition of "Put Event") exceeds (a) $500,000,000 per week during any calendar week prior to July 20, 2009 or (b) $10,000,000,000 per day on or after July 20, 2009. There may be Put Dates on any business day, including successive business days.

Put Fee: The Department will be entitled to a fee for providing the Put Option equal to the sum of (i) a per annum fee, that will increase on an annual basis over the term of the Conduit, on the average daily balance of the outstanding principal balance of the Funding Notes plus (ii) 80% the product of (A) the excess, if any, of the Target Rate over the Conduit Cost of Funds Rate (as defined below), times (B) the average daily balance of the outstanding principal balance of the Funding Notes as defined below, in each case calculated and payable on a quarterly basis in arrears. The portion of the Put Fee calculated pursuant to clause (i) above will be payable senior to the CP, and the portion

of the Put Fee calculated pursuant to clause (ii) above will be payable subordinate to the CP and pari passu with the fees payable to the Liquidity Providers.

The "Target Rate" will be equal to one month LIBOR (determined in accordance with the Put Agreement) ("Spread"). The "Conduit Cost of Funds Rate" will be equal to the per annum rate equivalent to daily average for the related accrual period of the weighted average daily costs of the Conduit (such costs as reasonably determined by the Administrator, and which shall include [without duplication] the discount on the CP, the fees and commissions of dealers, fees payable to Liquidity Providers and, if applicable, the Custodian Bank, accrued interest on liquidity advances, the standardized startup costs of the Conduit and each Funding Note issuance amortized over five years, the fixed fee payable to the Department, ongoing rating agency, legal, audit and administrative costs and any other costs reasonably associated with the Securities or the operation of the Conduit). If any component of Conduit Cost of Funds Rate is a discount rate, in calculating the "Conduit Cost of Funds Rate" such discount rate shall be converted to an interest bearing equivalent rate per annum.

Eligible Seller: Any entity that is an eligible lender under § 435(d) of the Higher Education Act and holds FFELP loans, or that holds a beneficial ownership interest in FFELP loans held on its behalf by an eligible lender as trustee shall be eligible to participate in the Conduit Program, subject to the terms and conditions of the Conduit Program as described herein and in the terms set for the particular Conduit Program. If a termination event under the applicable Purchase Agreement occurs, the related seller will then cease to be an Eligible Seller and any related SPV will thereafter be barred from purchasing further loans from such entity.

Custodian Bank: An entity selected by the Conduit and acceptable to the Department that will hold the Funding Notes and legal title to and/or a security interest in the Eligible Loans that are part of the Conduit Program and act as Collateral Agent on behalf of the Conduit in respect of the Eligible Loans and on behalf of the holders of the Securities in respect of the Funding Notes. The Custodian Bank will also hold the fully executed master promissory note evidencing the Eligible Loans and any and all other documents and computerized records relating to such Eligible Loans, pursuant to the terms of a custodial agreement; provided, that, subject to certain eligibility criteria specified in the Program Documents, servicers may act as subcustodians of the Custodian Bank for purposes of holding master promissory notes and other documents. The Custodian Bank will be responsible for exercising the Put Option. The Custodian Bank must be a National or State-chartered bank that is an eligible lender pursuant to § 435(d)(1)(A) of the HEA and meets the qualifications set forth in the Put Agreement.

Purchase Agreements: Under the Conduit Program, Eligible Sellers may sell Eligible Loans to their respective SPVs pursuant to purchase agreements in the form approved by the Department (each, a "Purchase Agreement") for a purchase price consisting of cash and subordinated interests. Upon the sale of Eligible Loans to an SPV, an Eligible Seller shall be required to simultaneously sell to such SPV all other Eligible Loans, if any, to the same borrower then owned by such seller or its affiliates. Any Eligible Loan

purchased by an SPV and pledged to the Custodian Bank during the Program Term, as defined below, will be subject to the Put Agreement. Once an Eligible Loan has been sold to an SPV, such Eligible Loan shall become ineligible for inclusion after the Purchase Date in either the Department's Loan Purchase Commitment Program or Loan Participation Purchase Program, unless the Eligible Loan is repurchased by the Eligible Seller in connection with a Put Event and such loan is otherwise eligible for such program.

The Purchase Agreements shall include representations, warranties and covenants and events of default and other termination events as are customary for similar Conduit Programs or as otherwise determined by the Department including representations and warranties ("Eligibility Representations") that each loan transferred to the SPV is an Eligible Loan on the date such Eligible Loan is purchased by the SPV ("Purchase Date"). Upon the receipt of notice from the SPV, the Custodian Bank or the Department, the Eligible Seller will be required to repurchase any loan which failed to satisfy these Eligibility Representations as of the Purchase Date. All of the SPV's rights under the Purchase Agreement with respect to any loans for which the Put Option is exercised shall be assigned to the Department. Accordingly, after the put is exercised with respect to a loan, the Department will have all repurchase and other rights against the Eligible Seller if such loan did not satisfy the Eligibility Representations on the applicable Purchase Date.

Prior to the sale of any Eligible Loans to the Conduit Program, the Custodian Bank must receive (i) the loan documentation with respect to such loans required by the Purchase Agreement, (ii) the applicable Eligible Servicing Agreement, as defined below, and (iii) such other certifications and documentation as required by the Put Agreement or the Purchase Agreement.

The only eligibility criteria for the put will be the Put Criteria as defined below. Without limiting the generality of the foregoing, except for the Put Criteria, the Department's obligations to honor the Put Agreement with respect to a loan shall be unconditional even if all of the Eligibility Representations (other than the Put Criteria) were not true as of the applicable Purchase Date or subsequently became untrue.

Each SPV will have the right to prepay at any time all or a portion of the Funding Note issued by that SPV and to obtain a release of an appropriate portion of the Eligible Loans from the lien of the Funding Note (provided no obligations to the Department or the Conduit which are then due remain unpaid). If the Funding Note is not prepaid in full and less than all Eligible Loans of the SPV are being released, the loans to be released will be selected by the Custodian Bank and must be selected based on criteria and methodology specified in the Program Documents. Eligible Sellers may not resell to their respective SPVs, and such SPVs may not re-pledge, any Eligible Loan that has been previously released in connection with a full or partial prepayment of the related Funding Note.

Program Term: Each SPV will be permitted to purchase Eligible Loans until the earliest of (i) July 1, 2010, (ii) the occurrence of an event of default under the Program Documents and (iii) any termination event as specified in the Program Documents. Any such termination will not relieve the Department of its obligations under the Put Agreement with respect to loans purchased prior thereto.

Commitment to Future FFELP Participation: By its execution of a Purchase Agreement, the Eligible Seller (and, as applicable, the Eligible Lender Trustee acting on its behalf) represents that:

By its execution of a Purchase Agreement, and upon each sale or pledge thereunder, the applicable Eligible Seller shall represent to the Department that --

(i) during a twenty four (24) month period commencing with the month in which it sells or pledges Loans pursuant to a Purchase Agreement, it will originate and disburse Stafford Loans or PLUS Loans, or will, within the same twenty-four (24) month period, acquire Stafford Loans or PLUS Loans made by other lenders, and that the combined amount of such originated and acquired Loans, excluding any Loans (A) sold or pledged pursuant to a Purchase Agreement, (B) sold to the Department in connection with the Loan Purchase Commitment Program, and (C) with respect to which participation interests are sold to the Department in connection with the Loan Participation Purchase Program, shall equal the Commitment Amount for such month;

(ii) within the twelve (12) months following the month in which it sells and/or pledges Loans pursuant to a Purchase Agreement, it will conduct activities constituting a continued participation in FFELP, including but not limited to servicing a pre-existing FFELP loan portfolio, purchasing additional FFELP loans, or maintaining a platform from which the Eligible Seller may originate FFELP loans; and

(iii) beginning not later than twenty-seven (27) months following the month in which it sells and/or pledges Loans pursuant to a Purchase Agreement, it will provide a report in the manner described to the Department certifying that it has originated and disbursed, or acquired FFELP loans in an amount equal to or exceeding its Commitment Amount.

For the purposes of confirming compliance with the Eligible Seller's commitment above, the Eligible Seller must, on an annual basis, provide a report to the Department setting forth the activities conducted by the Eligible Seller with the funds provided through the sale of Loans or issuance of Funding Notes under the applicable Purchase Agreement and must, at a minimum, detail the amounts received through the sale of Loans or issuance of Funding Notes under the applicable Purchase Agreement, the dollar value and number of loans originated and disbursed or acquired, and the detailing any other uses of funds received through the sale of Loans or issuance of Funding Notes under the applicable Purchase Agreement and the amounts expended on such "other uses."

An Eligible Seller may satisfy this commitment by arranging to have another Eligible Seller assume such commitment.

The Department shall also proscribe a penalty for failure to comply with this provision will be considered a Funding Note "event of default" and shall, at the Department's discretion, allow the triggering of the remedies for such default.

Eligible Loans: The following loans will be eligible for the Put Agreement:

FFELP Stafford or Unsubsidized Stafford Loans and FFELP PLUS loans that were made to students, and PLUS loans made to parents of dependent students, in each case for which the first disbursement was made on or after October 1, 2003 but no later than July 1, 2009, and that was fully disbursed no later than September 30, 2009.

In order to be eligible for the Conduit Program and the Put Agreement each loan must ((a) through (c), "Put Criteria"):

(a) constitute a loan under one of the FFELP programs described above as certified by the applicable guaranty agency at the time of sale to the Conduit Program;

(b) have been disbursed within the dates specified above; and

(c) have been sold to an SPV by an Eligible Seller pursuant to a Purchase Agreement in a form approved by the Department and containing the terms, conditions and representations and warranties required by the Department, including without limitation the following representations and warranties (with such technical changes as may be approved by the Department):

(1) not be delinquent 210 days or more as of the date of sale to the SPV or then be subject to a default claim filed with the applicable guaranty agency;

(2) immediately prior to the sale to the SPV, the Eligible Seller has good and marketable title to the loan free and clear of any encumbrance, lien or security interest or any other prior commitment (other than any lien that will be released upon the SPV's purchase of such loan);

(3) the loan has been fully disbursed not later than the date of sale to the Conduit Program;

(4) the loan has not been modified, extended or renegotiated in any way, except as required or permitted under the HEA or other applicable laws, rules and regulations, and the applicable guarantee agreement;

(5) the loan constitutes a legal, valid and binding obligation to pay on the part of the related obligor enforceable in accordance with its terms and is not subject to a current bankruptcy proceeding;

(6) the loan was originated and has been serviced in compliance with all requirements of applicable law, including the HEA and the implementing regulations;

(7) the sale of the loan to the SPV and, if exercised, the sale of the loan to the Department pursuant to the Put Option does not conflict with law or require consent of any person not a party to the transaction;

(8) the loan satisfies all of the terms and conditions of the Purchase Agreement and the Program Documents;

(9) any servicing agreement applicable to such loan is terminable prior to the purchase by the Department and the Eligible Seller is responsible for any de-boarding, deconversion or related fees or expenses to the related Servicer, as defined below;

(10) the loan is evidenced by a signed master promissory note in the form (including any required addenda) published by, and prescribed by, the Department, without change of any kind, and is not subject to any agreement not contained in that note that would bar, condition or limit either transfer of the loan or the exercise by a transferee of the rights of the lender under terms of the note, except as such an agreement relates exclusively to Borrower Benefits on the loan;

(11) the loan was sold to the SPV and was pledged to secure the related Funding Note on or prior to July 1, 2010; and

(12) the loan was not selected adversely from the Eligible Loans owned by the Eligible Seller for sale to the Conduit Program based on criteria specified in the Program Documents.

Loans that are ineligible for the Conduit Program and the Put Agreement include --

FFELP Consolidation Loans or any other types of loans not specifically permitted under Section 459(A) of the HEA; if any Eligible Loans are consolidated after the sale to the Conduit Program, the proceeds of the applicable Consolidation Loan must be used to pay such Eligible Loans in full; or

loans disbursed for periods other than those defined above.

Loans with Borrower Benefits other than Eligible Borrower Benefits will be eligible for the Conduit Program with a Put Price equal to 97%.

Allocation of Funding Among Eligible Sellers: The process for allocating funding availability among Eligible Sellers will be set forth in the Program Documents.

Responsibility for Fees and Other Charges: Each SPV is responsible for any fee or other charge owed to the Department or to the guaranty agency on an Eligible Loan after

the loan has been sold to such SPV, including amounts owed to the Department as a recapture of excess interest ("negative special allowance").

Closing/Put Conditions: On or prior to the execution of a Purchase Agreement by an Eligible Seller, such Eligible Seller shall be required to deliver to the Administrator or Custodian Bank --

(a) copies of the applicable formation documents, corporate resolutions and good standing certificates for the Eligible Seller;

(b) incumbency certificates of the Eligible Seller;

(c) opinions of the Eligible Seller's counsel relating to corporate matters, legality, validity and enforceability of the Purchase Agreement and related documents, no conflicts, true sale and non-consolidation and such other matters as the Department may request;

(d) UCC search reports and all UCC-1 Financing Statements;

(f) the Purchase Agreement, Eligible Servicing Agreement, as defined below (if any), and the Custodial Agreement; and

(g) such other documents as the Department may request.

On or prior to the sale of an Eligible Loan to the Department pursuant to the Put Agreement, the applicable Liquidity Providers and, if applicable, the Custodian Bank, shall be required to deliver to the Department --

(a) a release of lien for the Eligible Loans;

(b) a Put Notice;

(c) loan schedule (in electronic format);

(d) a trust receipt issued by the custodian for the Conduit Program;

(e) a bill of sale; and

(f) such other documents as specified in the Put Agreement.

Loan Servicing: Each Eligible Loan which is subject to the Put Agreement shall be serviced by the Eligible Seller or another servicer of FFELP student loans (the Eligible Seller or such other entity being referred to herein as the "Servicer") that will service the Eligible Loan, on behalf of the Conduit Program, pursuant to the terms of an Eligible Servicing Agreement, as defined below, and in accordance with Department regulations and such Servicer is not under sanction by the Department. Each SPV will be responsible

for the selection of the Servicer and for the payment of any servicing related fees and expenses incurred in connection with the Conduit Program. A servicing agreement will be deemed to be an "Eligible Servicing Agreement" if it: (i) contains customary terms and conditions that reflect a negotiated, arms-length transaction; (ii) includes usual and customary representations, warranties, covenants and events of default; (iii) acknowledges or will be amended to acknowledge that the Department and the Conduit are the intended third-party beneficiaries of such agreement entitling the Department to instruct the Servicer and exercise remedies with respect to the applicable Eligible Loans upon the occurrence of the exercise of the Put Option; and (iv) provides that upon notice of the exercise of the Put Option or other acquisition of an Eligible Loan by the Department, such agreement is terminable with respect to the applicable loans on or prior to the delivery of such loans to the Department without any payment by the Department of any de-boarding, deconversion or related costs, penalties or fees to the related Servicer and that the servicing shall be transferred as instructed by the Department. The Department will be responsible for any boarding, conversion or related costs or fees of the new servicer. Accordingly, upon purchase of any Eligible Loan or other acquisition of title thereto, the Department shall obtain all rights to service such Eligible Loan and may, in its sole discretion require deconversion of such Eligible Loan in order to service the loan itself or through a third-party Servicer of its designation.

Additional Reports/ Information: A standard reporting package acceptable to the Department to be used by the Conduit and SPVs and containing information on loans by schools, delinquencies, and other features shall be provided to the Department by the Eligible Sellers, the Custodian Bank and other parties to the Program Documents on a periodic basis.

At any time, the Department and its representatives will have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, a due diligence/audit of the Servicer's operations in respect to the Conduit Program, the Program Documents, the Eligible Loans and settlement reports at the expense of the Servicer. Also, from time to time during a calendar year, the Department shall have the right to request, schedule and conduct, during normal business hours and upon reasonable prior notice, additional due diligence of the Eligible Sellers (and their SPVs), the Conduit and any Servicers, at such party's expense.

With respect to each Servicer, the Department shall be provided any audit reports or other annual compliance/operational audits performed on such Servicer relating to the servicing of FFELP student loans.

The Custodian Bank shall be responsible for providing to the Department within 90 days after the exercise of the Put Option, a written verification of the Custodian Bank's activities under the Program Documents conducted by an independent accounting firm, including setting forth the uses of the proceeds and the amounts of any net proceeds received.

For the purposes of confirming compliance with an Eligible Seller's commitment regarding future lending, each Eligible Seller must, on an annual basis, provide a report to the Department setting forth the activities conducted by the Eligible Seller with the funds provided through the Conduit Program. Additionally, within one year of the exercise of the Put Option with respect to any Eligible Loans, the Custodian Bank must provide a report setting forth the uses of any net proceeds received by Eligible Sellers from the sales to the Conduit. Other information as requested by the Department shall be delivered to the Department, which may include audited annual financial statements or unaudited quarterly financial statements of the Eligible Sellers, the Conduit and any Servicer or their respective consolidated groups.

Statements of Compliance: Each of the Eligible Sellers, the SPVs, the Conduit and Servicers will be required to provide to the Administrator an annual statement of compliance with respect to the Program Documents, together with an agreed upon procedures letter delivered by an independent public accountant.

Notice Requirements:. Each Eligible Seller that elects to participate in the Conduit Program must notify the Department, via a standard form letter, of its desire to participate in the Conduit Program. Such letter must not only contain notice of this desire, but must also contain representations and guarantees as required by the Department.

Fees and Expenses: Each Eligible Seller shall be required to pay all of its costs and expenses which are incurred in connection with the negotiation, preparation, execution and delivery of the related Purchase Agreement and any or any other related documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for such Eligible Seller, and all costs and expenses incurred in connection with the transfer and delivery of the Eligible Loans to the Custodian Bank, including, without limitation, any fees and expense incurred in connection with transferring ownership of any Eligible Loans to the Department other than the fees and expenses of the Department's servicer.

Governing Law and Forum: The Put Agreement, each Purchase Agreement and the other Program Documents and the rights and obligations of the parties thereto shall be governed by and construed in accordance with Federal law. Insofar as there may be no applicable Federal law, the internal laws of the State of New York (without giving regard to conflicts of laws principles other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) shall be deemed reflective of Federal law insofar as to do so would not frustrate the purposes of any provision of such Agreements or the transactions governed thereby.

APPENDIX D

Notice of Intent to Participate in the Loan Purchase Commitment Program and/or Loan Participation Purchase Program for Eligible FFELP Loans

[_____, 200_]

U.S. Department of Education
Washington, D.C.
By: E-mail: XXX@ed.gov

Re: [ELIGIBLE LENDER] Loan Purchase Commitment Program and/or Loan Participation Purchase Program for Eligible FFELP Loans

Ladies and Gentlemen:

The undersigned eligible Federal Family Education Loan Program (FFELP) lender under Section 435(d) of the Higher Education Act of 1965, as amended (HEA), hereby notifies the United States Department of Education that it intends to participate in one or both of the following FFEL Loan Purchase programs for the 2009-2010 academic year. The Loan Purchase programs are authorized under Section 459A of the HEA, as amended and described in the Notice of terms and conditions (Register Notice) published in the Federal Register on or about January 15, 2009. Signifying an intent to participate in one or both of the programs offered does not require actual participation in such programs.

CHECK THE APPLICABLE BOX(ES):
- ☐ Loan Purchase Commitment Program
- ☐ Loan Participation Purchase Program and the Loan Purchase Commitment Program

By signifying its intent to participate in such program(s), the undersigned hereby certifies and agrees that:

1. The eligible lender will continue to originate or acquire FFELP loans made to students and parents.

2. If the eligible lender participates in the Loan Participation Purchase Program, it will sell, from time to time, participation interests in FFELP loans to the Department of Education with an aggregate unpaid principal balance of not less than $50,000,000 in loans either held by such eligible lender or aggregated with other FFELP loans held by one or more eligible lenders.

3. The eligible lender acknowledges that it shall not be permitted to sell FFELP loans or participation interests therein to the Department of Education with respect to which the first disbursement was made prior to the date on which the Department of Education receives this Notice of Intent to Participate, except that, if the Department of Education receives this Notice of Intent to Participate within fifteen days of publication of the Register Notice the eligible lender shall be permitted to sell to the Department of

Education FFELP loans or participation interests therein, as applicable, where the first disbursement of the loan(s) was made on or after May 1, 2008.

For the purpose of item 3 above, the Department of Education will return to the undersigned, via electronic mail (E-mail), a copy of this Notice of Intent to Participate indicating the date it was received by the Department of Education.

The Department of Education has provided that it will accept signed copies of this Notice of Intent via E-mail at XXX@ed.gov.

The undersigned is aware that it must refer to the Register Notice and the agreements referred to therein for a complete description of the terms and conditions under which the Department of Education will administer the Loan Purchase Programs.

This Notice of Intent to Participate is hereby executed and dated as of the date first listed above. By executing this Notice of Intent, the undersigned now possess an option to put loans to the Department of Education, as per the terms and conditions of the Loan Purchase Commitment Program.

The undersigned asks that the Department of Education please direct all inquiries and correspondence relating to these programs to:

[ELIGIBLE LENDER]
[STREET ADDRESS]
[CITY], [STATE] [ZIP]
Attention of: [NAME], [TITLE]
By facsimile – [XXX-XXX-XXXX]
By e-mail – [EMAIL]

[ELIGIBLE LENDER]

By:_____
Name:
Title: