



\$2,017,000,000*

* Using an exchange rate of \$1.2816 = €1.00

Goal Capital Funding Trust 2006-1

Student Loan Asset-Backed Notes

GOAL FINANCIAL

GOAL CAPITAL FUNDING TRUST 2006-1

Issuing Entity

GOAL CAPITAL FUNDING, LLC

Depositor

GOAL FINANCIAL, LLC

Sponsor and Administrator

Notes are being offered in the following classes:

Class	Principal Amount	Interest Rate	Price to Public	Underwriting Discount	Proceeds to the Trust ⁽¹⁾	Stated Maturity Date
A-1 Notes	\$ 408,651,000	Three-Month LIBOR plus 0.00%	100%	0.155%	99.845%	August 25, 2020
A-2 Notes	\$ 277,373,000	Three-Month LIBOR plus 0.10%	100%	0.185%	99.815%	August 25, 2023
A-3 Notes	\$ 352,501,000	Three-Month LIBOR plus 0.12%	100%	0.210%	99.790%	November 25, 2026
A-4 Notes	\$ 234,320,000	Three-Month LIBOR plus 0.15%	100%	0.225%	99.775%	November 27, 2028
A-5 Remarketable Reset Rate Notes	€ 350,000,000	Three-Month EURIBOR plus 0.12%	100%	0.240%	99.760%	May 25, 2034
A-6 Notes	\$ 225,000,000	Three-Month LIBOR plus 0.21%	100%	0.275%	99.725%	May 27, 2042
B Notes	\$ 70,595,000	Three-Month LIBOR plus 0.45%	100%	0.320%	99.680%	August 25, 2042
Total	\$2,017,000,000 ⁽²⁾		\$2,017,000,000 ⁽²⁾	\$4,335,219 ⁽²⁾	\$2,012,664,781 ⁽²⁾	

(1) Before deducting expenses estimated to be approximately \$1,565,000.

(2) Using an exchange rate of \$1.2816 = €1.00.

In addition to the classes of notes set forth above, the issuing entity may also issue class C notes, which, if issued, would not be offered by this prospectus supplement or the accompanying prospectus. The offered notes are obligations of the issuing entity only and are payable solely from the pledged collateral described in this prospectus supplement and in the accompanying prospectus, which consists primarily of student loans, including consolidation loans, made under the Federal Family Education Loan Program. The offered notes are not obligations of, or interests in, Goal Financial, LLC, the depositor, the administrator, the servicers or any of their affiliates.

This prospectus supplement may be used to offer and sell the offered notes only if accompanied by the prospectus. **You should consider carefully the "risk factors" beginning on page S-18 of this prospectus supplement and on page 7 of the accompanying prospectus.** Credit enhancement for the offered notes will include cash on deposit in a reserve fund and a capitalized interest fund, as well as, for the class A notes, the subordination of the class B notes, as described in this prospectus supplement. Additional support will include, with respect to the class A-5 remarketable reset rate notes, an initial currency swap agreement with Barclays Bank PLC.

Receipts of principal and certain other payments received on the student loans held in the trust estate will be allocated for payment of interest on and principal of the offered notes on the 25th of each February, May, August and November, beginning August 25, 2006. Funds will be allocated to provide for sequential payment of principal on the class A-1 through class A-6 notes, in that order, until paid in full. The class B notes will not receive principal until the stepdown date, which is scheduled to occur on May 25, 2012, and then will be allocated principal, so long as no subordinate principal trigger event is in effect on the related quarterly distribution date. The class A-1 through A-4 notes, the class A-6 notes and the class B notes are "LIBOR rate notes". The initial reset date for the class A-5 remarketable reset rate notes is May 25, 2016.

Application will be made for the offered notes to be admitted to the official list of the Irish Stock Exchange, subject to the Irish Stock Exchange listing rules and the prospectus rules of the Irish Financial Services Regulatory Authority, and to be admitted to trading on the Irish Stock Exchange. There can be no assurance that this listing will be obtained. The issuance and settlement of the offered notes is not conditioned on the listing of the offered notes on the Irish Stock Exchange. We are offering the offered notes through the underwriters when and if issued.

JOINT BOOK-RUNNING MANAGERS

Banc of America Securities LLC

Barclays Capital

Deutsche Bank Securities

CLASS A-5 CO-MANAGER

Fortis Bank

May 18, 2006

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IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

We are providing information about the offered notes in two separate documents that progressively provide more detail. This prospectus supplement describes the specific terms of the offered notes. The prospectus, referred to as the “prospectus” or the “accompanying prospectus”, provides general information about the sponsor, the depositor and the issuing entity and their student loan program, some of which may not apply to the offered notes. You should read both the accompanying prospectus and this prospectus supplement in full to obtain information concerning the offered notes. References in the accompanying prospectus to a “preliminary prospectus supplement” or a “prospectus supplement” should be construed to be references to this prospectus supplement.

Cross-references are included in this prospectus supplement and the accompanying prospectus to captions in the materials where you can find further discussions about related topics. The table of contents on the preceding page provides the pages on which these captions are located.

Some of the terms used in this prospectus supplement and the accompanying prospectus are defined under the caption “*Glossary of Terms*” beginning on page 82 in the accompanying prospectus.

The notes may not be offered or sold to persons in the United Kingdom in a transaction that results in an offer to the public within the meaning of the securities laws of the United Kingdom.

IRISH STOCK EXCHANGE INFORMATION

We accept our responsibility for the information contained in this prospectus supplement and the accompanying prospectus. To the best of our knowledge and belief the information contained in this prospectus supplement and the accompanying prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. For purposes of Directive 2003/71/EC, this prospectus supplement and the accompanying prospectus shall constitute a prospectus.

Reference in this prospectus supplement and the accompanying prospectus to documents incorporated by reference and any website addresses set forth in this prospectus supplement and the accompanying prospectus will not be deemed to constitute a part of the prospectus filed with the Irish Stock Exchange in connection with the listing of the offered notes.

McCann Fitzgerald Listing Services Limited will act as the listing agent, and Deutsche International Corporate Services (Ireland) Limited will act as the paying agent in Ireland for the offered notes.

SUMMARY

The following summary is a very general overview of the terms of the notes being offered by this prospectus supplement and does not contain all of the information that you need to consider in making your investment decision. Before deciding to purchase the offered notes, you should consider the more detailed information appearing elsewhere in this prospectus supplement and in the accompanying prospectus.

The words “we”, “us”, “our” and similar terms, as well as references to the “issuing entity” and the “trust” refer to Goal Capital Funding Trust 2006-1. This prospectus supplement contains forward-looking statements that involve risks and uncertainties. See “Special Note Regarding Forward-Looking Statements” in the accompanying prospectus.

Principal Parties and Dates

Issuing Entity:	Goal Capital Funding Trust 2006-1		quarterly distribution date generally will be the second business day before such quarterly distribution date (except that determinations with respect to a currency swap agreement will be made on the fifth business day before such quarterly distribution date).
Depositor:	Goal Capital Funding, LLC		
Sponsor and Administrator:	Goal Financial, LLC		
Servicers:	Great Lakes Educational Loan Services, Inc. ACS Education Services, Inc.	Collection Periods:	The collection periods will be the three calendar months preceding each quarterly distribution date. However, the initial collection period will begin on the closing date and end on July 31, 2006.
Eligible Lender Trustee and Indenture Trustee:	The Bank of New York		
Delaware Trustee:	Wilmington Trust Company	Interest Accrual Periods:	The initial interest accrual period for the LIBOR rate notes begins on the closing date and ends on August 24, 2006. For all other quarterly distribution dates, the interest accrual period will begin on the prior quarterly distribution date and end on the day before such quarterly distribution date.
Remarketing Agents:	Banc of America Securities LLC Barclays Capital Inc. Deutsche Bank Securities Inc.		
London Paying Agent:	The Bank of New York		
Distribution Dates:	Distribution dates for the offered notes will be the 25th day of each February, May, August and November, beginning August 25, 2006. The distribution dates for the offered notes are sometimes referred to as “ quarterly distribution dates. ” If any quarterly distribution date is not a business day, the quarterly distribution will be made on the next business day. The determination date for each		The initial interest accrual period for the class A-5 remarketable reset rate notes begins on the closing date and ends on August 24, 2006. Other than the initial interest accrual period, the interest accrual period for the class A-5 remarketable reset rate notes:

- bearing interest based on an index, begins on a quarterly distribution date and ends on the day before the next quarterly distribution date; and
- bearing a fixed rate of interest, begins on the 25th day of the month of the immediately preceding quarterly distribution date and ends on the 24th day of the month of the current quarterly distribution date.

Cut-off Date: The “**cut-off date**” for the student loan portfolio the trust will acquire on the closing date is May 23, 2006. For student loans the trust acquires after the closing date, the cut-off date will be the date such loans are transferred to the trust.

Closing Date: The closing date for this offering is expected to be on or about May 25, 2006.

DESCRIPTION OF THE OFFERED NOTES

General

Goal Capital Funding Trust 2006-1 is offering the following student loan asset-backed notes in the following aggregate principal amounts:

Class A-1 Notes:	\$408,651,000
Class A-2 Notes:	\$277,373,000
Class A-3 Notes:	\$352,501,000
Class A-4 Notes:	\$234,320,000
Class A-5 Notes:	€350,000,000
Class A-6 Notes:	\$225,000,000
Class B Notes:	\$70,595,000

The class A-5 remarketable reset rate notes, which are referred to in this prospectus supplement as the “**class A-5 notes**” or the “**reset rate notes**”, are initially denominated in Euros. The U.S. Dollar equivalent of the initial principal balance of the class A-5 notes is \$448,560,000, using an exchange rate of \$1.2816 = €1.00.

The trust may also issue class C notes, which, if issued, would not be offered by this prospectus supplement or the accompanying prospectus.

The offered notes are debt obligations of the trust and will be issued pursuant to an indenture of trust.

The offered notes will receive payments primarily from collections on a pool of student loans held by the trust.

The class A notes will be senior notes and the class B notes will be subordinate notes. Each class of offered notes, other than the class A-5 notes, will be issued in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof. The class A-5 notes will initially be issued in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof. Interest and principal on the offered notes payable on any quarterly distribution date will be paid to the record owners of the offered notes as of the close of business on the day before the related quarterly distribution date.

LIBOR Rate Notes

The LIBOR rate notes will bear interest at the following rates:

Class A-1: Three-month LIBOR plus	0.00%
Class A-2: Three-month LIBOR plus	0.10%
Class A-3: Three-month LIBOR plus	0.12%
Class A-4: Three-month LIBOR plus	0.15%
Class A-6: Three-month LIBOR plus	0.21%
Class B: Three-month LIBOR plus	0.45%

The administrator will determine the rate of interest on the LIBOR rate notes on the second business day prior to the start of the applicable interest accrual period. Interest on the LIBOR rate notes will be calculated on the basis of the actual number of days elapsed during the interest period divided by 360.

Interest accrued on the outstanding principal balance of the LIBOR rate notes during each interest accrual period will be paid on the following quarterly distribution date.

Reset Rate Notes

The currency and interest rates for the reset rate notes will be reset from time to time using the procedures described below. During the initial reset period, the class A-5 notes will be denominated in Euros and will bear interest based on an index rate equal to three-month EURIBOR plus 0.12%.

The administrator will determine the rate of interest for the class A-5 notes on the second EURIBOR settlement day prior to the start of the applicable interest accrual period. Interest on the class A-5 notes during the initial reset period will be calculated on the basis of the actual number of days elapsed during the interest accrual period divided by 360.

Interest accrued on the outstanding principal balance of the class A-5 notes during each interest accrual period will be paid on the following quarterly distribution date.

Interest Rate Reset for the Reset Rate Notes

The initial reset date for the class A-5 notes is May 25, 2016. We refer to this date, and each date thereafter on which the reset rate notes may be reset with respect to the currency, interest rate mode and other factors described below as a “**reset date**” and each period in between the reset dates as a “**reset period.**”

The interest rate mode for any reset period after the initial reset period may be based on an index or may be a fixed rate. The index rate may be based on EURIBOR or another non-U.S. Dollar-based rate, LIBOR, the 91-day U.S. Treasury Bill rate, a U.S. treasury constant maturity rate, the prime rate, a commercial paper rate, the federal funds rate or another index. See “*Description of the Notes—Index Rate Notes*” in the accompanying prospectus. Any interest rate mode other than an index rate based on LIBOR or a commercial paper rate will require that the rating agency condition be satisfied. The “**rating agency condition**” will be satisfied when each rating agency then rating the notes has been given 10 days’ prior written notice of an action and has notified the administrator, the indenture trustee and the remarketing agents, if applicable, in writing that the action will not result in and of itself in the reduction or withdrawal of its then-current rating of the notes.

Each reset date will always occur on a quarterly distribution date. The related reset period will always end on the day before a quarterly distribution date and may not extend beyond the day before the final maturity date of the reset rate notes.

Absent a failed remarketing, holders of reset rate notes that wish to be repaid some or all of their reset rate notes on a reset date will be able to obtain a 100% repayment of principal by tendering the applicable amount of their reset rate notes pursuant to the remarketing process described below and in the accompanying prospectus. Tender is not mandatory if

the reset rate notes are denominated in U.S. Dollars in both the current reset period and in the upcoming reset period. If the reset rate notes are denominated in a currency other than U.S. Dollars, as is the case in their initial reset period, tender is mandatory and the holders of the reset rate notes will be deemed to have tendered all of their reset rate notes pursuant to the remarketing process. If there is a failed remarketing of the reset rate notes, however, reset rate noteholders will be required to retain their reset rate notes during the next reset period and will not be entitled to exercise any remedies as a result of the failure of the reset rate notes to be remarketed on the related reset date. See “*Description of the Offered Notes—The Reset Rate Notes—Reset Periods*” and “*—Tender of Reset Rate Notes; Remarketing Procedures*” in this prospectus supplement.

Currency Swap Agreement

On the closing date, the trust will enter into an initial currency swap agreement with Barclays Bank PLC for the class A-5 notes.

The initial currency swap agreement will hedge the currency exchange risk that results from the payment of principal and interest in Euros on the class A-5 notes during their initial reset period and upon a successful remarketing on their reset date.

If, on any reset date, the reset rate notes are reset to a currency other than U.S. Dollars, the trust will enter into one or more additional currency swap agreements to be effective until the next reset date. Other than the initial currency swap agreement for the class A-5 notes, the trust may not enter into swap agreements with respect to the reset rate notes unless the rating agency condition has been satisfied.

Reset Rate Note Remarketing Procedures

On the remarketing terms determination date, which is at least 12 business days before each reset date, the remarketing agents, in consultation with the administrator, will determine the proposed terms of the remarketing, including:

- the applicable currency;
- the applicable interest rate mode;
- whether principal will be paid periodically or at the end of a reset period;
- the index, if applicable;

- the all-hold rate, if applicable;
- the length of the reset period and the applicable distribution dates; and
- the identity of any potential swap counterparties.

The all-hold rate will be the interest rate applicable for the next reset period if all holders of the reset rate notes choose not to tender their notes to the remarketing agents for remarketing. The all-hold rate will apply only if the reset rate notes are denominated in U.S. Dollars in both the current and upcoming reset period. See “*Description of the Offered Notes—The Reset Rate Notes—Tender of Reset Rate Notes; Remarketing Procedures*” in this prospectus supplement and “*Description of the Notes—The Reset Rate Notes—Remarketing Terms Determination Date*” in the prospectus.

Spread Determination Date

The spread, or the applicable fixed rate, will be determined by the remarketing agents on the spread determination date, which is the third business day prior to the reset date, as the lowest spread or fixed rate, but not less than the all-hold rate, if applicable, that would permit all of the reset rate notes tendered for remarketing to be purchased at a price equal to 100% of the outstanding principal balance of the reset rate notes. See “*Description of the Offered Notes—The Reset Rate Notes—Spread Determination Date*” in this prospectus supplement.

Failed Remarketing

There will be a failed remarketing if:

- the remarketing agents, after consulting with the administrator, cannot determine the applicable required reset terms (other than the related spread, fixed rate or initial rate) at least 12 business days prior to the related reset date;
- the related spread or fixed rate cannot be established by the remarketing agents by the spread determination date or the interest rate resulting from the required spread would exceed the failed remarketing rate;
- not all of the tendered reset rate notes are purchased at the spread or fixed rate set by the remarketing agents, or any committed

purchaser defaults on its purchase obligations and the remarketing agents elect not to purchase the tendered reset rate notes;

- the sponsor, or its designated affiliates, fails to purchase the reset rate notes after exercise of the call option described below;
- the remarketing agents, after consulting with the administrator, are unable to obtain one or more derivative products meeting the required criteria, if applicable;
- certain conditions specified in the remarketing agreement are not satisfied; or
- the rating agency condition has not been satisfied.

If a failed remarketing is declared with respect to the reset rate notes at a time when those notes are denominated in U.S. Dollars:

- all holders of the reset rate notes will retain their reset rate notes, including in all mandatory tender situations;
- the related interest rate will be reset to a failed remarketing rate of three month LIBOR plus 0.75%; and
- the related reset period will be three months.

If a failed remarketing is declared with respect to the reset rate notes at a time when those notes are denominated in a currency other than U.S. Dollars, as is the case in their initial reset period:

- all holders of the reset rate notes will retain their reset rate notes;
- the reset rate notes will remain denominated in such currency;
- each related currency swap counterparty will be entitled to receive quarterly payments from the trust at an increased LIBOR-based rate, determined at the time the swap agreement was entered into for that reset period, referred to in this prospectus supplement as the “**extension rate**”;

- the trust will be entitled to receive from each currency swap counterparty, for payment to the noteholders, quarterly index rate payments at the specified failed remarketing rate; and
- the related reset period will be three months.

For the initial currency swap agreement, the extension rate payable to the applicable swap counterparty will be three-month LIBOR plus 0.75%. The failed remarketing rate payable by the swap counterparty to the trust, for payment to the reset rate noteholders, will be three-month EURIBOR plus 0.55%. See “*Description of the Notes—The Reset Rate Notes—Failed Remarketing*” in the accompanying prospectus.

Call Option For Reset Rate Notes

The sponsor, or its designated affiliates, will have the option to purchase the reset rate notes in their entirety on any reset date. This call option may be exercised by the sponsor, or its designated affiliates, by giving notice to the administrator at any time prior to the determination of the interest rate or the declaration of a failed remarketing on the spread determination date. The purchase price to be paid for the reset rate notes will be equal to their outstanding principal balance, plus accrued and unpaid interest. If the call option is exercised with respect to the reset rate notes, the interest rate will be either:

- the rate applicable for the most recent reset period during which the failed remarketing rate was not in effect, if the reset rate notes did not have at least one related derivative product in effect during the previous reset period; or
- if the reset rate notes had one or more derivative products in effect during the previous reset period, the weighted average of the floating rates of interest that were due to the related counterparties from the trust during the previous reset period for the reset rate notes.

This rate will remain in effect for each successive three-month reset period while the option holder retains the reset rate notes. See “*Description of the Offered Notes—The Reset Rate Notes—Call Option for Reset Rate Notes*” in this prospectus supplement.

Principal Payments

Principal payments will be made on the class A notes in an amount equal to the lesser of:

- the class A principal distribution amount for that quarterly distribution date; and
- funds available to pay principal on the class A notes as described below in “*Description of the Offered Notes—Flow of Funds*.”

The class A principal distribution amount will be paid first on the class A-1 notes until paid in full, second on the class A-2 notes until paid in full, third on the class A-3 notes until paid in full, fourth on the class A-4 notes until paid in full, fifth on the class A-5 notes until paid in full and sixth on the class A-6 notes until paid in full.

If in any reset period the class A-5 notes are denominated in a currency other than U.S. Dollars, as is the case in their initial reset period, any payments due on the class A-5 notes will be made to the currency swap counterparty in U.S. Dollars and the payments received from the currency swap counterparty in the applicable currency will be used to pay the class A-5 notes. In addition, if in any reset period the class A-5 notes are structured not to receive principal payments until the end of such reset period, any principal payments allocated to the class A-5 notes will be deposited into the Class A-5 Accumulation Account of the Accumulation Fund described below.

Principal payments will be made on the class B notes in an amount equal to the lesser of:

- the class B principal distribution amount for that quarterly distribution date; and
- funds available to pay principal on the class B notes as described below in “*Description of the Offered Notes—Flow of Funds*.”

The class B principal distribution amount will be allocated to the class B notes on and after the stepdown date, so long as no subordinate principal trigger event is in effect on the quarterly distribution date.

There may not be sufficient funds available to pay the full principal distribution amount on each quarterly distribution date.

The “**stepdown date**” will be the earlier of May 25, 2012 and the first date on which no class A notes remain outstanding. A “**subordinate principal trigger event**” will occur on any quarterly distribution date while any class A notes are outstanding if the outstanding principal balance of the offered notes, less any amounts on deposit in the Class A-5 Accumulation Account of the Accumulation Fund exclusive of investment earnings and, after giving effect to distributions to be made on that quarterly distribution date, exceeds the adjusted pool balance as of the end of the related collection period.

The “**principal distribution amount**” on a quarterly distribution date is the excess, if any, of the outstanding principal balance of the offered notes over the result of (i) the adjusted pool balance divided by (ii) one hundred and one-quarter percent (100.25%). On any quarterly distribution date on which a subordinate principal trigger event occurs, any funds remaining in the collection fund will be deemed to be principal distribution amounts.

The “**class A principal distribution amount**” is equal to the principal distribution amount times the class A percentage. The “**class B principal distribution amount**” is equal to the principal distribution amount times the class B percentage.

For each quarterly distribution date the “**class A percentage**” will equal 100% minus the class B percentage. The “**class B percentage**” will equal:

- 0% prior to the stepdown date or on any other quarterly distribution date if a subordinate principal trigger event is in effect; or
- on all other quarterly distribution dates, the percentage equivalent of a fraction, the numerator of which is the aggregate principal balance of the class B notes and the denominator of which is the aggregate principal balance of all outstanding offered notes or U.S. Dollar equivalent based on the currency exchange rate in any applicable currency swap agreement, less any amounts on deposit in the Class A-5 Accumulation Account of the Accumulation Fund, exclusive of investment earnings, and in each case determined on the determination date for that quarterly distribution date.

“**Adjusted pool balance**” means, for any quarterly distribution date,

- if the pool balance as of the last day of the related collection period is greater than 40% of the initial pool balance, the sum of that pool balance, any amounts on deposit in the Capitalized Interest Fund and the specified reserve fund balance for that quarterly distribution date; or
- if the pool balance as of the last day of the related collection period is less than or equal to 40% of the initial pool balance, that pool balance.

“**Pool balance**” for any date means the aggregate principal balance of the trust’s student loans on that date, including accrued interest that is expected to be capitalized and money on deposit in the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund (excluding amounts that will become available funds on the next quarterly distribution date), as reduced by the principal portion of:

- all payments received by the trust through that date from borrowers on the student loans, the guarantee agencies and the U.S. Department of Education;
- all amounts received by the trust through that date from purchases of student loans by the depositor, a servicer or the sponsor (or its designated affiliate);
- all liquidation proceeds and realized losses on the student loans through that date;
- the amount of any adjustment to balances of the student loans that any servicer is permitted to make under a servicing agreement through that date; and
- the amount by which guarantor reimbursements of principal on defaulted student loans through that date are reduced from 100%, as required by the risk sharing provisions of the Higher Education Act.

The “**initial pool balance**” means the pool balance as of the cut-off date plus amounts on deposit in the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund as of the closing date.

“Available funds” include:

- all collections on the student loans, except:
 - collections of principal applied to repurchase loans from a guarantee agency or a servicer; and
 - amounts paid to the Department of Education or borrowers;
- interest benefit payments and special allowance payments;
- net amounts collected with respect to defaulted loans;
- amounts received from the depositor, the sponsor and the servicers for repurchased loans;
- interest and gains on amounts on deposit in any fund or account other than a collateral fund;
- payments received from the currency swap counterparty;
- certain amounts transferred from the Remarketing Fee Fund; and
- any other amounts deposited to the collection fund.

See “Description of the Offered Notes—Principal Distributions on the Offered Notes” in this prospectus supplement.

During the initial reset period, principal amounts payable with respect to the reset rate notes will be paid on each applicable quarterly distribution date. During any subsequent reset period, the reset rate notes may be structured not to receive principal payments until the end of that reset period. If the reset rate notes are structured in this manner, generally all amounts that otherwise would have been paid to the holders of the reset rate notes as principal would instead be deposited into the Class A-5 Accumulation Account of the Accumulation Fund. Principal payments would be allocated to the Class A-5 Accumulation Account of the Accumulation Fund until amounts on deposit therein, less any investment earnings, are sufficient to pay the outstanding principal balance of the reset rate notes in full and those funds would remain in the Class A-5

Accumulation Account of the Accumulation Fund until the next reset date, unless there occurs prior to that reset date an optional purchase of the remaining student loans in the trust estate or a successful auction of the student loans by the indenture trustee. On each reset date, the trust will pay all amounts, less any investment earnings, on deposit in the Class A-5 Accumulation Account of the Accumulation Fund, including amounts deposited on that reset date, to the holders of the reset rate notes, or the related swap counterparty for payment to the holders of the reset rate notes if the reset rate notes are denominated in a currency other than U.S. Dollars, as a distribution of principal.

If the reset rate notes are denominated in a currency other than U.S. Dollars, principal payments will be made to a currency swap counterparty. Any amounts the trust receives in Euros or another non-U.S. Dollar currency from a swap counterparty will be paid or allocated to the reset rate noteholders from the Currency Fund as described below.

Final Maturity

The quarterly distribution dates on which the offered notes are due and payable in full are as follows:

Class A-1 Notes:	August 25, 2020
Class A-2 Notes:	August 25, 2023
Class A-3 Notes:	November 25, 2026
Class A-4 Notes:	November 27, 2028
Class A-5 Notes:	May 25, 2034
Class A-6 Notes:	May 27, 2042
Class B Notes:	August 25, 2042

The actual maturity of any class of offered notes could occur earlier if, for example:

- there are prepayments on the student loans held in the trust estate;
- the sponsor or its assignee exercises its option to purchase all of the student loans remaining in the trust estate (which will not occur until the pool balance is 10% or less of the initial pool balance); or
- the indenture trustee auctions all of the remaining student loans (which, absent an event of default, will not occur until the pool balance is 10% or less of the initial pool balance and the sponsor or its assignee fails to exercise the option to purchase all of the student loans remaining in the trust estate).

Description of the Trust

General

Goal Capital Funding Trust 2006-1 is a Delaware statutory trust formed pursuant to Chapter 38 of Title 12 of the Delaware Code, whose operations include acquiring and holding student loans originated under the Federal Family Education Loan Program (“FFELP”) and other assets of the trust, issuing and making payments on the notes and any other incidental or related activities.

The trust will use the proceeds from the sale of the offered notes to purchase student loans and to make deposits to the Acquisition Fund, the Capitalized Interest Fund and the Reserve Fund.

The only sources of funds for payment of the offered notes issued under the indenture are the student loans and investments pledged to the indenture trustee, the payments the trust receives with respect to those student loans and investments and any payments the trust receives under any derivative product or swap agreements.

The Trust’s Assets

The assets of the Trust will include:

- the FFELP student loans acquired with the proceeds of the sale of the offered notes;
- collections and other payments received on account of the student loans;
- money and investments held in funds and accounts created under the indenture, including the Acquisition Fund (including the Prefunding Account and the Add-On Consolidation Loan Account), the Collection Fund, the Capitalized Interest Fund, the Remarketing Fee Fund, any Accumulation Fund, any Supplemental Interest Fund, the Reserve Fund, any Collateral Fund and any Currency Fund; and
- its rights under any derivative product or swap agreement that may be provided for the benefit of the trust.

The sponsor or its affiliates will originate or acquire the student loans in the ordinary course of their student loan financing businesses. The depositor will acquire the student loans from the sponsor or its

affiliates on or prior to the closing date and during the prefunding period and the add-on consolidation loan period. Guarantee agencies described below in “*Information Relating to the Guarantee Agencies*” guarantee all of the student loans and such loans are reinsured by the U.S. Department of Education. Pursuant to a loan purchase agreement, the depositor will sell the student loans to the trust, with the eligible lender trustee holding legal title to the student loans. The student loans sold by the depositor to the trust will be required to satisfy certain criteria set forth in the indenture and the applicable loan purchase agreement. See “*The Student Loan Operations of Goal Capital Funding Trust 2006-1*” in this prospectus supplement.

Except under limited circumstances set forth in the indenture, student loans may not be transferred out of the trust estate while any class A notes are outstanding. For example, if after the closing date we discover that there has been a breach of the representations or warranties made by the depositor under the loan purchase agreement regarding a student loan, the depositor generally will be obligated to repurchase the student loan. As well, a student loan may be sold by the trust if the trust is unable to finance an additional trust loan that relates to the student loan. See “*Summary of the Indenture Provisions—Sale of Student Loans Held in Trust Estate*” in the prospectus.

The Acquisition Fund

Approximately \$1,927,748,179 of the proceeds from the sale of the offered notes will be deposited into the Acquisition Fund. We expect to use approximately \$1,633,534,773 of those proceeds to purchase student loans on behalf of the trust on the closing date. Approximately \$1,565,000 of the net proceeds deposited to the Acquisition Fund will be used to pay certain costs of issuing the offered notes.

The Prefunding Account and the Add-On Consolidation Loan Account

Approximately \$241,600,486 of the deposit to the Acquisition Fund will be deposited into a Prefunding Account and approximately \$51,047,920 will be deposited into an Add-On Consolidation Loan Account, which, in total, represents approximately 14.5% of the proceeds from the sale of the offered notes and approximately 15.5% of the initial pool balance. We will use amounts in the Prefunding Account to purchase student loans and to finance additional trust loans during the prefunding period. We will use amounts in the Add-On Consolidation

Loan Account to finance additional trust loans during the add-on consolidation loan period. “**Additional trust loans**” are additional student loans to borrowers whose consolidation loans are in the trust, and include add-on consolidation loans. “**Add-on consolidation loans**” are loans the Higher Education Act permits borrowers to add to an existing consolidation loan within 180 days from the date such consolidation loan was made. The eligibility criteria for student loans acquired by the trust from funds on deposit in the Prefunding Account and the Add-On Consolidation Loan Account will be the same as those applicable to student loans acquired on the closing date as described below in “*The Student Loan Operations of Goal Capital Funding Trust 2006-1*”. However, the characteristics of such student loans may differ from the characteristics of the student loans acquired on the closing date, as described below in “*Characteristics of the Student Loans*”.

In the event of a collection fund shortfall, amounts on deposit in the Prefunding Account and the Add-On Consolidation Loan Account will be available to cover the shortfall (including amounts for payment of interest on the class B notes during a subordinate interest trigger event), to the extent that amounts on deposit in the Capitalized Interest Fund are insufficient to cover the shortfall, as described below in “—*The Collection Fund*”. A “**collection fund shortfall**” occurs if (i) on any quarterly distribution date or monthly servicing payment date, amounts on deposit in the Collection Fund are insufficient to pay amounts owed to the U.S. Department of Education or the guarantee agencies (other than amounts to repurchase loans from the guarantee agencies), servicing fees, trustees’ fees, administration fees, remarketing fees, interest then due on the offered notes and amounts due to any counterparty under any derivative product agreement (other than termination payments) or (ii) interest is not payable on the class B notes because a subordinate interest trigger event is in effect.

The prefunding period will begin on the closing date and will end no later than June 30, 2006. If at the end of the prefunding period there are amounts remaining in the Prefunding Account, these amounts will be transferred to the Collection Fund. The add-on consolidation loan period will begin on the closing date and end no later than December 31, 2006. If at the end of the add-on consolidation loan period there are amounts remaining in the Add-On Consolidation Loan Account, these amounts will be transferred to the Collection Fund.

The Collection Fund

The indenture trustee will deposit into the Collection Fund all available funds, any amounts transferred from the other funds and accounts and any payments received from a counterparty pursuant to any derivative product or swap agreement (other than any non-U.S. Dollar amounts deposited into the Currency Fund). Money on deposit in the Collection Fund will be used to pay the trust’s operating expenses (including amounts owed to the U.S. Department of Education and the guarantee agencies, servicing fees, trustees’ fees, administration fees and other fees and expenses of the trust), amounts due to any counterparty on any derivative product or swap agreement, interest and principal on the notes and amounts to restore the balance in the Reserve Fund to the specified reserve fund balance. See “*Description of the Offered Notes—Flow of Funds*” herein.

If the reset rate notes are structured to receive principal payments only at the end of a reset period, all amounts that otherwise would have been paid to the holders of the reset rate notes as principal payments will be deposited into the Class A-5 Accumulation Account of the Accumulation Fund.

In the event of a collection fund shortfall, amounts on deposit in the Capitalized Interest Fund, the Acquisition Fund (as described above in “—*The Prefunding Account and the Add-on Consolidation Loan Account*”) and the Reserve Fund (in that order) will be available to cover the shortfall; *provided*, that amounts transferred from the Reserve Fund to the Collection Fund while a subordinate interest trigger event is in effect will not be used to pay interest on the class B notes.

The Capitalized Interest Fund

Approximately \$80,000,000 of the proceeds from the sale of the offered notes will be deposited into a Capitalized Interest Fund. In the event of a collection fund shortfall, amounts on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the shortfall (including amounts for payment of interest on the class B notes during a subordinate interest trigger event), prior to any amounts being transferred from the Acquisition Fund or the Reserve Fund.

Amounts released from the Capitalized Interest Fund will not be replenished. On the quarterly distribution date in each month set forth below, any amounts remaining in the Capitalized Interest Fund in excess

of the amount set forth opposite such month will be transferred to the Collection Fund.

August 2006	\$67,000,000
November 2006	57,000,000
February 2007	49,000,000
May 2007	43,000,000
August 2007	38,000,000
November 2007	33,000,000
February 2008	29,000,000
May 2008	25,000,000
August 2008	21,000,000
November 2008	0

The Remarketing Fee Fund

The indenture trustee will establish and maintain a Remarketing Fee Fund as an asset of the trust estate for the benefit of the remarketing agents and the registered owners. On each quarterly distribution date that is one year or less prior to a reset date, the indenture trustee will transfer funds in the Collection Fund to the Remarketing Fee Fund, prior to the payment of interest on the offered notes, in an amount up to the quarterly funding amount until the balance on deposit in the Remarketing Fee Fund reaches the targeted level for such reset date. Amounts on deposit in the Remarketing Fee Fund in excess of the targeted level on any quarterly distribution date will be transferred to the Collection Fund and included in available funds for that quarterly distribution date. Investment earnings on deposit in the Remarketing Fee Fund will be withdrawn on each quarterly distribution date, deposited into the Collection Fund and included in available funds for such quarterly distribution date. See “*Description of the Offered Notes—The Reset Rate Notes—Tender of Reset Rate Notes; Remarketing Procedures*” in this prospectus supplement. Amounts on deposit in the Remarketing Fee Fund will also be used to pay interest on the class A notes on any quarterly distribution date on which amounts in the Collection Fund are insufficient to pay such interest, and will be used to pay principal with respect to a class of A notes on the maturity date of that class to the extent amounts in the Collection Fund are insufficient to pay that principal, in each case, after giving effect to any transfers to the Collection Fund from the Capitalized Interest Fund, the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund and the Reserve Fund.

The Accumulation Fund

The indenture trustee will establish and maintain an Accumulation Fund, and within the Accumulation Fund will establish and maintain a Class A-5 Accumulation Account. During any reset period after the initial reset period during which the reset rate notes are structured not to receive a payment of principal until the end of the related reset period, all amounts that would otherwise be payable to the reset rate notes as principal payments will be deposited into the Class A-5 Accumulation Account of the Accumulation Fund. In such case, on each quarterly distribution date, the indenture trustee will deposit any payments of principal allocated to the class A-5 notes in U.S. Dollars into the Class A-5 Accumulation Account. All amounts on deposit in the Class A-5 Accumulation Account, including amounts deposited on a related quarterly distribution date, excluding investment earnings, will be paid either:

- if the reset rate notes are then denominated in U.S. Dollars, on or about the next reset date, to the reset rate noteholders, after any allocations to the Class A-5 Accumulation Account have been made on that reset date; or
- if the reset rate notes are denominated in a currency other than U.S. Dollars, on or about the next reset date, to the currency swap counterparty, which will in turn pay the applicable currency equivalent of those amounts to the trust, for payment to the reset rate noteholders not later than the second business day following the reset date, after any allocations to the Class A-5 Accumulation Account have been made on that reset date.

Amounts on deposit in the Class A-5 Accumulation Account, exclusive of investment earnings, may be used only to pay principal on the reset rate notes or to the related currency swap counterparty and for no other purpose. Investment earnings on deposit in the Class A-5 Accumulation Account will be transferred on each quarterly distribution date to the Collection Fund and included as part of available funds for that quarterly distribution date.

The Supplemental Interest Fund

In the event that amounts are deposited into the Class A-5 Accumulation Account of the Accumulation Fund because the reset rate notes for a reset period are structured to accumulate principal payments until the next reset date, on each quarterly distribution date the indenture trustee will make deposits from the Collection Fund to the Supplemental Interest Fund. The deposit will equal the amount sufficient to pay either to the reset rate noteholders or to the currency swap counterparty, as applicable, the index rate payments due to the reset rate noteholders or the currency swap counterparty, as applicable, through the next quarterly distribution date at the related LIBOR-based rate on all amounts on deposit in the Class A-5 Accumulation Account of the Accumulation Fund, after giving effect to an assumed rate of investment earnings on the Class A-5 Accumulation Account of the Accumulation Fund. For a further description of the supplemental interest deposit amount for the reset rate notes, see “*Description of the Offered Notes—Principal Distributions on the Offered Notes—Allocation of Principal to Accumulation Fund*” below. All amounts deposited into the Supplemental Interest Fund on a quarterly distribution date will be transferred to the Collection Fund on the following quarterly distribution date.

The Reserve Fund

Approximately \$4,916,602 of the proceeds of the offered notes will be deposited into the Reserve Fund on the closing date. The “**specified reserve fund balance**” will be the greater of (a) one quarter of one percent (0.25%) of the pool balance and (b) \$2,949,961; provided that in no event will the specified reserve fund balance exceed the outstanding principal amount of the offered notes. Amounts in the Reserve Fund may be reduced in connection with the reduction of the outstanding principal balance of the trust student loans. The specified reserve fund balance may be decreased with a rating confirmation. Any amounts in the Reserve Fund in excess of the specified reserve fund balance following such decrease will be deposited in the Collection Fund.

If the market value of securities and cash in the Reserve Fund is on any quarterly distribution date sufficient to pay the remaining principal amount of and interest accrued on the notes and any unpaid issuer derivative payments, the administrator will instruct the indenture trustee to pay those amounts on that quarterly distribution date.

In the event of a collection fund shortfall, an amount equal to such shortfall will be transferred directly from the Reserve Fund, if such deficiency has not been paid from the Capitalized Interest Fund or the Acquisition Fund as described above in “*—The Prefunding Account and the Add-On Loan Consolidation Account*”, provided, that amounts transferred from the Reserve Fund to the Collection Fund while a subordinate interest trigger event is in effect will not be used to pay interest on the class B notes. To the extent amounts available to pay principal due on a class of notes on the final maturity date for that class are insufficient to pay such principal in full, amounts on deposit in the Reserve Fund will be used to cover such shortfall. To the extent the amount in the Reserve Fund falls below the specified reserve fund balance, the Reserve Fund will be replenished on each quarterly distribution date from funds available in the Collection Fund as described below under “*Description of the Offered Notes—Flow of Funds*.” A “**rating confirmation**” is a confirmation from each rating agency then rating any of the notes that a proposed action, failure to act, or other specified event will not, in and of itself, result in a downgrade of any of the ratings then applicable to the notes, or cause any rating agency to suspend, withdraw or qualify the ratings then applicable to the notes.

Currency Fund

If the reset rate notes are denominated in a currency other than U.S. Dollars during any reset period, as is the case in their initial reset period, the indenture trustee will establish and maintain a Currency Fund for such currency for the benefit of the holders of the reset rate notes. Any payments received from a swap counterparty in a currency other than U.S. Dollars will be deposited into the Currency Fund.

Characteristics of the Student Loan Portfolio

The student loans the trust will acquire on the closing date with the proceeds of the sale of the offered notes are consolidation loans originated under the FFELP and are described more fully below under “*Characteristics of the Student Loans*.” As of March 31, 2006, those student loans had an aggregate outstanding principal balance of \$1,272,955,262, which includes accrued interest of \$3,106,478 to be capitalized on commencement of repayment. In addition, the weighted average annual interest rate of the student loans was approximately 5.455% and their weighted average remaining term to scheduled maturity was approximately 288 months. Money in the Prefunding Account will be used during the

prefunding period to acquire additional student loans and to finance additional trust loans and money in the Add-On Consolidation Loan Account will be used during the add-on consolidation loan period to finance additional trust loans. Any student loans we acquire during the prefunding period or finance during the add-on consolidation loan period will meet certain eligibility requirements as described below under “*The Student Loan Operations of Goal Capital Funding Trust 2006-1*,” and are expected generally to have the characteristics described below in “*Characteristics of the Student Loans*.”

Flow of Funds

Servicing fees will be paid to each servicer on each monthly servicing payment date that is not a quarterly distribution date from money available in the Collection Fund. A “**monthly servicing payment date**” will occur on the 25th day of each month, provided that if the 25th day of a month is not a business day, the monthly servicing payment date for that month will occur on the next business day. In addition, each month money available in the Collection Fund will be used to pay fees and expenses of the trust, including amounts due to the U.S. Department of Education and the guarantee agencies with respect to student loans the trust owns.

On each quarterly distribution date, prior to an event of default, available funds in the Collection Fund will be used to make the following deposits and distributions, as set forth on the accompanying chart:

- *first*, to the servicers, the indenture trustee and the Delaware trustee, as applicable, *pro rata*, to pay servicing and trustees’ fees due to such parties plus prior unpaid servicing and trustees’ fees;
- *second*, any amount required to be deposited to the Remarketing Fee Fund;
- *third*, to the administrator, the administration fee and any prior unpaid administration fees;
- *fourth*, to the class A noteholders (other than the holders of reset rate notes if a currency swap agreement is then in effect) and swap counterparties, *pro rata*, interest on the class A notes, including any previously accrued and unpaid interest, and to pay amounts due on any derivative product or swap agreement, including any currency

swap agreement for the reset rate notes, *pari passu* with the class A notes including priority termination payments;

- *fifth*, to the class B noteholders, *provided* no subordinate interest trigger event is in effect, interest on the class B notes, including any previously accrued and unpaid interest;
- *sixth*, to the class A noteholders, the class A principal distribution amount in the following order:
 - to the class A-1 noteholders until the outstanding principal balance on the class A-1 notes is paid in full;
 - to the class A-2 noteholders until the outstanding principal balance on the class A-2 notes is paid in full;
 - to the class A-3 noteholders until the outstanding principal balance on the class A-3 notes is paid in full;
 - to the class A-4 noteholders until the outstanding principal balance on the class A-4 notes is paid in full;
 - to the class A-5 noteholders until (a) the outstanding principal balance on the class A-5 notes is paid in full or (b) the amounts on deposit in the Accumulation fund are sufficient to reduce the outstanding balance of the class A-5 notes to zero, *provided that*
 - if the reset rate notes are denominated in U.S. Dollars and are structured not to receive a payment of principal until the end of the related reset period, principal payments will be allocated to the Class A-5 Accumulation Account of the Accumulation Fund until amounts on deposit therein are sufficient to pay the outstanding principal balance of the class A-5 notes in full; or
 - if the reset rate notes are denominated in a currency other than U.S. Dollars (as is the case during the initial reset period), principal payments will be made

either to the currency swap counterparty or will be allocated to the Class A-5 Accumulation Account of the Accumulation Fund (if the reset rate notes are structured not to receive a payment of principal until the end of the reset period) until the U.S. Dollar equivalent of the outstanding principal balance of the class A-5 notes has been distributed to the currency swap counterparty or allocated to the Class A-5 Accumulation Account of the Accumulation Fund; and

- to the class A-6 noteholders until the outstanding principal balance on the class A-6 notes is paid in full;
- *seventh*, if applicable, to the Supplemental Interest Fund, any supplemental interest deposit amount;
- *eighth*, to the class B noteholders, on and after the stepdown date and provided no subordinate principal trigger event is in effect on such quarterly distribution date, the class B principal distribution amount until the class B notes are paid in full;
- *ninth*, to the Reserve Fund, the amount, if any, necessary to restore the Reserve Fund to the specified reserve fund balance;
- *tenth*, to any derivative product or swap counterparty, any non-priority termination payments due to such counterparty under the applicable derivative product or swap agreement not payable above;
- *eleventh*, to the administrator, as reimbursement for payments made by it in connection with a remarketing pursuant to the remarketing agreement;
- *twelfth*, to the class A and class B noteholders, if the student loans are not sold pursuant to the optional purchase or mandatory auction, to pay as accelerated payments of principal to the holders of the notes in the same order and priority as set forth above until the notes are paid in full;

- *thirteenth*, if applicable, to the class C noteholders, any remaining amounts until the class C notes are paid in full; and
- *fourteenth*, to the depositor, any remaining amounts.

A “**subordinate interest trigger event**” will occur on any quarterly distribution date on which the product of (a) outstanding principal amount of the class A notes after giving effect to any payments of principal with respect to the offered notes on that quarterly distribution date and (b) 98% exceeds (i) the sum of (A) the pool balance and (B) the sum of the amounts on deposit in the Capitalized Interest Fund and the Reserve Fund minus (ii) the specified reserve fund balance. If a subordinate interest trigger event is in effect on a quarterly distribution date, distributions of interest otherwise payable to class B noteholders will not be paid on that quarterly distribution date; *provided, however*, that funds in the Capitalized Interest Fund and the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund may be used (in that order) to pay class B interest on that quarterly distribution date to the extent such funds are available after giving effect to priorities *first* through *fourth* above, regardless of whether a subordinate interest trigger event is in effect.

Flow of Funds After Events of Default

Following the occurrence of an event of default that results in an acceleration of the maturity of the offered notes, no distributions of principal or interest will be made with respect to the class B notes until payment in full of principal and interest on the class A notes. Payments of principal on the class A notes will be made *pro rata* to the class A noteholders, without preference or priority of any kind, until the class A notes are repaid in full. See “*Summary of the Indenture Provisions—Remedies on Default*” in the accompanying prospectus.

Credit Enhancement

Credit enhancement for the offered notes will include cash on deposit in the Reserve Fund and the Capitalized Interest Fund, as described above under the captions “—*Description of the Trust—Reserve Fund*” and “—*Description of the Trust—Capitalized Interest Fund*”, and, for the class A notes, the subordination of the class B notes, as described under the caption “*Description of the Offered Notes—Flow of Funds*”.

Servicing

Great Lakes Educational Loan Services, Inc. (“GLELSI”) and ACS Education Services, Inc. (“ACS”) will act as servicers for the student loans held by the trust. Pursuant to servicing agreements with the trust, GLELSI and ACS will each agree to assume responsibility for servicing and making collections on certain of the trust’s student loans. In the event that a student loan is denied the benefit of a guarantee due to a servicing error, GLELSI or ACS, as appropriate, will reimburse the trust for principal and interest due on the affected loan. Servicing fees will include per-borrower servicing fees as well as other discrete servicing fees. Servicing fees are not expected to exceed 0.30% per annum of the outstanding principal balance of the trust’s student loans. See “*The Student Loan Operations of Goal Capital Funding Trust 2006-1—Servicing of the Student Loans*” and “—*Fees and Expenses*” in this prospectus supplement. Servicing fees will be paid from monies on deposit in the Collection Fund. See “*Description of the Offered Notes—Flow of Funds*” in this prospectus supplement.

Administrator

Goal Financial, LLC will act as the trust’s administrator pursuant to an administration agreement dated as of the closing date. The administrator will receive an administration fee of 0.05% of the outstanding principal amount of the trust’s student loans per annum, which will be payable on a quarterly basis. See “*The Student Loan Operations of Goal Capital Funding Trust 2006-1—The Administration Agreement*” and “—*Fees and Expenses*” in this prospectus supplement. The administration fee will be paid from monies on deposit in the Collection Fund. See “*Description of the Offered Notes—Flow of Funds*” in this prospectus supplement.

Optional Purchase

The sponsor or its assignee may, but is not required to, purchase the remaining student loans in the trust when the pool balance is 10% or less of the initial pool balance. If this purchase option is exercised, the student loans will be sold to the sponsor or its assignee and the proceeds will be used on the corresponding quarterly distribution date to repay outstanding notes, which will result in early retirement of the offered notes.

If the sponsor or its assignee exercises its purchase option, the purchase price will equal the amount required to repay in full, including all accrued interest, the remaining student loans held by the trust, but not less than a prescribed minimum purchase price. The prescribed minimum purchase price is the amount that, when combined with amounts on deposit in the funds and accounts held under the indenture, would be sufficient to:

- reduce the outstanding principal amount of each class of offered notes then outstanding on the related quarterly distribution date to zero;
- pay to the noteholders the interest payable on the related quarterly distribution date;
- pay any unpaid servicing fees, administration fees and trustees’ fees; and
- pay any amounts due on any derivative product agreement.

Mandatory Auction

If any offered notes are outstanding and the sponsor or its assignee does not notify the indenture trustee of its intention to exercise its right to purchase student loans in the trust when the pool balance is 10% or less of the initial pool balance, an amount of the loans sufficient to redeem the outstanding notes will be offered for sale by the indenture trustee on or before the next succeeding quarterly distribution date. The sponsor or one or more of its designated affiliates and unrelated third parties may offer to purchase the trust's student loans in the auction. The proceeds of any auction sale will be used to retire any outstanding notes.

The indenture trustee will solicit and resolicit new bids from all participating bidders until only one bid remains or the remaining bidders decline to resubmit bids. The indenture trustee will accept the highest bid remaining if it equals or exceeds both the minimum purchase price described above and the fair market value of the student loans remaining in the trust estate. If the highest bid after the solicitation process does not equal or exceed both the minimum purchase price described above and the fair market value of the student loans remaining in the trust estate, the indenture trustee will not complete the sale. If the sale is not completed, the indenture trustee may, but will not be obligated to, solicit bids for the sale of the trust's student loans with respect to future quarterly distribution dates using procedures similar to those described above. If the administrator requests it to do so, the indenture trustee will be obligated to make such solicitations. The indenture trustee may or may not succeed in soliciting acceptable bids for the trust's student loans either on the auction date or subsequently.

If the trust's student loans are not sold as described above, on each subsequent quarterly distribution date, all amounts on deposit in the Collection Fund after giving effect to all withdrawals, except withdrawals payable to any class C noteholder and the depositor, will be distributed as accelerated payments of principal on the offered notes, until they have been paid in full.

Book-Entry Registration

The offered notes (other than the class A-5 notes during their initial reset period) will be available only in book-entry form through The Depository Trust Company, Clearstream, Luxembourg and Euroclear. The class A-5 notes will be issued in book-entry form and will be held by a common depository for the

European clearing systems that will be settled and clearable only through Clearstream, Luxembourg and Euroclear during the initial reset period. Noteholders will not receive certificates representing the offered notes except in very limited circumstances.

Federal Income Tax Consequences

Mayer, Brown, Rowe & Maw LLP will deliver an opinion that for federal income tax purposes, the offered notes will be treated as indebtedness and that the trust will not be characterized as an association or publicly traded partnership taxable as a corporation each for federal tax purposes. You will be required to include in your income the interest on the offered notes as paid or accrued in accordance with your regular accounting method and the provisions of the Internal Revenue Code. See "*Material Federal Income Tax Consequences*" in the prospectus.

ERISA Considerations

The offered notes are eligible for purchase by employee benefit plans and other retirement accounts, subject to those considerations discussed under "*ERISA Considerations*" in this prospectus supplement and in the accompanying prospectus.

You should refer to "ERISA Considerations" in this prospectus supplement and in the accompanying prospectus. If you are a benefit plan fiduciary considering purchase of the offered notes you are, among other things, encouraged to consult with your counsel in determining whether all required conditions have been satisfied.

Rating of the Offered Notes

We anticipate that the class A notes will be rated in the highest long-term investment category by at least two of Standard & Poor's Ratings Services, Moody's Investors Service, Inc. and Fitch, Inc. and the class B notes will be rated in one of the three highest long-term investment categories by at least two of Standard & Poor's Ratings Services, Moody's Investors Service, Inc. and Fitch, Inc.

Listing Information

Application will be made for the offered notes to be admitted to the official list of the Irish Stock Exchange subject to the Irish Stock Exchange listing rules and the prospectus rules of the Irish Financial Services Regulatory Authority and to be admitted to trading on the Irish Stock Exchange. There can be no

assurance that such listing will be obtained. You may consult with the Irish listing agent to determine the status of the offered notes.

CUSIP/ISIN/Common Codes

The Committee on Uniform Securities Identification Procedures (“**CUSIP**”) numbers, International Securities Identification Numbers (“**ISIN**”), and European Common Codes assigned to the offered notes will be as follows:

Class	CUSIP	ISIN	Common Code
A-1	38021B AA 8	US38021BAA89	025502051
A-2	38021B AB 6	US38021BAB62	025502060
A-3	38021B AC 4	US38021BAC46	025502078
A-4	38021B AD 2	US38021BAD29	025502086
A-5	N/A	XS0255777103	025577710
A-6	38021B AF 7	US38021BAF76	025502094
B	38021B AG 5	US38021BAG59	025502116

RISK FACTORS

The discussion under the heading “*Risk Factors*” in the prospectus describes the risks associated with your investment in the offered notes. In addition, you should consider the following factors:

The assets pledged to the trust estate may not be sufficient to pay the offered notes.

Upon the issuance of the notes, the aggregate principal balance of the student loans and the other assets pledged as collateral for the notes and held in the trust estate will be less than the aggregate principal balance of the offered notes. As a result, if an event of default should occur under the indenture requiring repayment of all of the notes, the amount due on the offered notes may exceed the assets held in the trust estate. If this were to occur, the holders of the offered notes, and in particular holders of the class B notes, may not be repaid in full.

A high rate of prepayments may adversely affect repayment of the offered notes.

The aggregate principal balance and accrued interest of the student loans expected to be pledged to the trust estate on the closing date, together with amounts on deposit in the Acquisition Fund, the Capitalized Interest Fund and the Reserve Fund, will be approximately 98.0% of the aggregate principal amount of the offered notes. Noteholders must rely primarily on interest payments on the student loans held in the trust estate to reduce the aggregate principal amount of the offered notes to the principal balance of the student loans. The holders of the offered notes, especially class B noteholders, could be adversely affected by a high rate of prepayments, which would reduce the amount of interest available for this purpose. The principal balance of the student loans on which interest will be collected will be less than the principal amount of the offered notes for some period.

Subordination of the class B notes and payment priorities may result in a greater risk of loss.

Payments of interest on the class B notes are subordinated in priority of payment to payments of interest on class A notes and to payments due to counterparties under derivative product agreements (other than certain termination payments). Similarly, payments of principal on the class B notes are subordinated to payments of interest and principal on the class A notes. Principal on the class B notes will not begin to be paid until the stepdown date. Moreover, the class B notes will not receive any payments of principal on or after the stepdown date if a subordinate principal trigger event is in effect on any quarterly distribution date until the class A notes have been paid in full. Thus, investors in the class B notes will bear a greater risk of loss than the holders of class A notes. Investors in the class B notes will also bear the risk of any adverse changes in the anticipated yield and weighted average life of their notes resulting from any variability in payments of principal or interest on the class B notes.

Class B notes are subordinated to class A notes as to the direction of remedies upon an event of default. In addition, as long as the class A notes are outstanding, the failure to pay interest or principal on the class B notes will not constitute an event of default under the indenture. Consequently, holders of the class B notes may bear a greater risk of losses or delays in payment.

Notes within a class may receive payments of principal after other notes in the same class. For example, the class A-1 notes may receive principal payments before class A-2 notes, class A-3 notes, class A-4 notes, class A-5 notes and class A-6 notes. Consequently, holders of certain notes within a class, particularly holders of class A notes with longer maturities, may bear a greater risk of loss.

Potential purchasers of the offered notes should consider the priority of payment of each class of offered notes before making an investment decision.

Changes to the Higher Education Act may adversely affect your notes.

The Higher Education Act and other relevant federal or state laws may be amended or modified in the future. The Higher Education Act is currently subject to periodic reauthorization. The President signed the Deficit Reduction Act of 2005 into law on February 8, 2006, which extended the Department of Education's authority to provide interest subsidies and federal insurance for loans originated under the Higher Education Act through September 30, 2012. The act made certain other changes to the FFELP, including, but not limited to:

- reducing student loan insurance from 98% to 97% for loans for which the first disbursement is made on or after July 1, 2006;
- providing that student loans serviced by servicers designated for exceptional performance shall receive 99% insurance coverage; and
- providing for the payment by lenders to the Department of Education of any interest paid by borrowers on student loans first disbursed on or after April 1, 2006 that exceeds the special allowance support level applicable to such loans.

We cannot predict whether further changes will be made to the Higher Education Act in future legislation or the effect of such legislation on the trust's student loan program.

The United States military build-up may result in delayed payments from borrowers called to active military service.

The recent build-up of the United States military has increased the number of citizens who are in active military service. The Servicemembers Civil Relief Act limits the ability of a lender under the Federal Family Education Loan Program to take legal action against a borrower during the borrower's period of active duty and, in some cases, during an additional three month period thereafter.

It is not known how many student loans have been or may be affected by the application of the Servicemembers Civil Relief Act. Payments on student loans acquired by the trust may be delayed as a result of these requirements, which may reduce the funds available to the trust to pay principal and interest on the offered notes.

Higher Education Relief Opportunities for Students Act of 2003 may result in delayed payments from borrowers.

The Higher Education Relief Opportunities for Students Act of 2003 ("HEROS Act of 2003"), signed by the President on August 18, 2003, authorizes the Secretary of Education, during the period ending September 30, 2007, to waive or modify any statutory or regulatory provisions applicable to student financial aid programs under Title IV of the Higher Education Act as the Secretary deems necessary for the benefit of "affected individuals" who:

- are serving on active military duty or performing qualifying national guard duty during a war or other military operation or national emergency;

- reside or are employed in an area that is declared by any federal, state or local office to be a disaster area in connection with a national emergency; or
- suffered direct economic hardship as a direct result of war or other military operation or national emergency, as determined by the Secretary.

The Secretary is authorized to waive or modify any provision of the Higher Education Act to ensure that:

- such recipients of student financial assistance are not placed in a worse financial position in relation to that assistance;
- administrative requirements in relation to that assistance are minimized;
- calculations used to determine need for such assistance accurately reflect the financial condition of such individuals;
- to provide for amended calculations of overpayment; and
- institutions of higher education, eligible lenders, guaranty agencies and other entities participating in such student financial aid programs that are located in, or whose operations are directly affected by, areas that are declared to be disaster areas by any federal, state or local official in connection with a national emergency may be temporarily relieved from requirements that are rendered infeasible or unreasonable.

The number and aggregate principal balance of student loans that may be affected by the application of the HEROS Act of 2003 is not known at this time. Accordingly, payments we receive on student loans made to a borrower who qualifies for such relief may be subject to certain limitations. If a substantial number of borrowers become eligible for the relief provided under the HEROS Act of 2003, there could be an adverse effect on the total collections on the trust's student loans and our ability to pay principal and interest on the offered notes.

The trust may not be able to use all of the note proceeds to purchase student loans.

Approximately 14.5% of the proceeds from the sale of the offered notes will be deposited in the Prefunding Account of the Acquisition Fund to be used to purchase student loans within 36 days of the date of issuance of the notes and in the Add-On Consolidation Loan Account of the Acquisition Fund to be used to purchase student loans within 220 days of the date of issuance of the notes. In the interim, we plan to purchase short-term, liquid investments with those funds. The securities purchased, however, may earn less interest than is due on the offered notes. In addition, we may be unable to purchase additional student loans during the prefunding period or the add-on consolidation loan period. If we are unable to acquire additional student loans, any proceeds remaining in the Prefunding Account or the Add-On Consolidation Loan Account of the Acquisition Fund will be transferred to the Collection Fund for use in making principal payments on or redeeming offered notes.

The acquisition of additional student loans after the closing date may change the characteristics of the pool of student loans from that which is described in this prospectus supplement.

Money held in the Prefunding Account of the Acquisition Fund will be used to purchase additional student loans within 36 days of the date of issuance of the notes and money held in the Add-On Consolidation Loan Account of the Acquisition Fund will be used to purchase additional student loans within 220 days of the date of issuance of the notes. The student loans so acquired may cause the characteristics of the pool of student loans held by the trust to differ significantly from the characteristics described in this prospectus supplement. The characteristics that may differ include the composition of the student loans, changes in the relative concentration of the guarantee agencies guaranteeing the student loans, the distribution by loan type, the distribution by interest rate, the distribution by principal balance, the distribution by disbursement date (and corresponding guarantee rate) and the distribution by remaining terms. You should consider potential variances when making your investment decision concerning the offered notes. See *“Characteristics of the Student Loans”* in this prospectus supplement.

The offered notes may have basis risk which could affect payment of principal and interest on the offered notes.

There is a degree of basis risk associated with the offered notes. Basis risk is the risk that shortfalls might occur because the interest rates of the student loans and those of the offered notes adjust on the basis of different indexes. If a shortfall were to occur, payment of principal or interest on the offered notes could be adversely affected.

Different rates of change in interest rate indexes may affect our cash flow.

The interest rates on the offered notes may fluctuate from one interest period to another in response to changes in the specified index rates. The student loans that will be financed with the proceeds from the sale of the offered notes bear interest at fixed rates. In addition, the student loans may be entitled to receive special allowance payments from the Department of Education based on a three-month commercial paper rate. See *“Description of the Federal Family Education Loan Program”* in the accompanying prospectus. If there is a decline in the rates payable on student loans held in the trust estate, the amount of funds representing interest deposited into the Collection Fund may be reduced. If the interest rates payable on offered notes the trust issues do not decline in a similar manner and time, the trust may not have sufficient funds to pay interest on the offered notes when due. Even if there is a similar reduction in the rates applicable to the offered notes, there may not necessarily be a reduction in the other amounts required to be paid out of the trust, such as administrative expenses, causing interest payments to be deferred to future periods. Similarly, if there is a rapid increase in the interest rates payable on the offered notes without a corresponding increase in rates payable on the student loans, the trust may not have sufficient funds to pay interest on the offered notes when due. Sufficient funds may not be available in future periods to make up for any shortfalls in the current payments of interest on the offered notes or expenses of the trust estate.

In the event of an early termination of a swap agreement due to certain termination events, the trust may be required to make a large termination payment to the swap counterparty.

For any reset period when the reset rate notes bear a fixed rate of interest or are based on an index other than LIBOR, the trust may be required to enter into one or more interest rate swap agreements to hedge basis risk. Similarly, if at any time the reset rate notes are denominated in a currency other than U.S. dollars the trust may be required to enter into one or more currency swap agreements to hedge against currency risk. In addition, if the remarketing agents, in consultation with the administrator, determine that it would be in the best interests of the trust based on then-current market conditions, or if otherwise required to satisfy the rating agency condition, the trust will enter into additional interest rate or currency swap

agreements. If a termination event occurs under any of these swap agreements and the trust owes a swap counterparty a large termination payment that is required to be paid *pro rata* with interest due on the class A notes, the trust may not have sufficient funds on that or future distribution dates to make required payments of interest or principal, and the holders of all classes of offered notes may suffer a loss.

Your notes will have greater risk if a currency swap agreement terminates.

For any reset period where the reset rate notes are denominated in a currency other than U.S. dollars, the trust may be required to enter into one or more currency swap agreements to hedge against currency exchange risks.

Upon an early termination of a currency swap agreement, the trust may be unable to enter into a substitute swap agreement with similar currency exchange terms. As a result, we cannot assure you that the amount of credit enhancement will be sufficient to cover the currency risk associated with the reset rate notes if they are denominated in a currency other than U.S. Dollars.

If any currency swap counterparty fails to perform its obligations or if the related swap agreement is terminated, the trust will have to exchange U.S. Dollars for the applicable foreign currency at an exchange rate that may not provide sufficient amounts to make payments of principal and interest to all of the offered notes in full, including as a result of the inability to exchange U.S. Dollar amounts then on deposit in the Collection Fund or the Class A-5 Accumulation Account of the Accumulation Fund for the applicable currency. Moreover, there can be no assurance that the spread between LIBOR and any applicable foreign currency index will not widen. As a result, if any of these swap agreements are terminated and the trust is not able to enter into a substitute swap agreement, all of the offered notes will bear the resulting currency risk and basis risk.

In addition, if a payment is due to the trust under any of these swap agreements and the related swap counterparty defaults on such payment, the amount of funds available may be reduced, and the trust's ability to pay principal and interest on all of the offered notes may be reduced.

If a currency swap agreement terminates, additional interest will not be paid.

Each currency swap agreement, including any initial currency swap agreement, will provide for the payment to the reset rate noteholders of up to two business days of interest at the applicable rate resulting from a possible delay in the payment of principal and remarketing proceeds on a reset date through Euroclear and Clearstream. If a currency swap agreement is terminated, you will not receive interest for those additional days.

Your notes will have greater basis risk if an interest rate swap agreement terminates.

If on any quarterly distribution date a payment is due to the trust under an interest rate swap agreement, but the related swap counterparty defaults and the administrator is unable to arrange for a replacement swap agreement, holders of the offered notes will remain entitled to the established rate of interest and principal, even though the related swap agreement has terminated.

If this occurs, amounts available to make payments on the related notes will be reduced to the extent the interest rates on those notes exceed the rates that the trust would have been required to pay to the swap counterparty under the terminated interest rate swap agreement. In this event, the trust may not have sufficient available funds on that or future distribution dates to make required payments of interest or principal to all classes of offered notes and you may suffer a loss.

Even if you do not receive timely notices, you will be deemed to have tendered your reset rate notes.

Holders of beneficial interests in the reset rate notes may not receive timely notifications of the reset terms for any reset date due to procedures used by the clearing agencies and financial intermediaries. Even though you do not receive a copy of the notice delivered on a remarketing terms determination date, you will be deemed to have tendered your reset rate notes unless the remarketing agents have received a hold notice, if applicable, prior to the related notice date.

If a failed remarketing is declared, you will be required to rely on a sale through the secondary market if you wish to sell your reset rate notes.

On any reset date, if a failed remarketing is declared, your reset rate notes will not be sold even if you attempted or were required to tender them for remarketing. In this event, you will be required to rely on a sale through the secondary market. There can be no assurances that any secondary market will exist at that time.

If a failed remarketing is declared, the failed remarketing rate you will receive may be less than the then-prevailing market rate of interest.

If a failed remarketing is declared, your reset rate notes will become subject to the failed remarketing rate. If the reset rate notes are denominated in U.S. Dollars, you will receive interest until the next reset date at a failed remarketing rate of three-month LIBOR plus 0.75%. If the reset rate notes are denominated in a currency other than U.S. Dollars, you will receive interest until the next reset date at the failed remarketing rate established on the related spread determination date, which will be three-month EURIBOR plus 0.55% on the initial reset date, and a floating rate of interest thereafter. A failed remarketing rate may differ significantly from the rate of interest you received during any previous reset period. We cannot assure you that the failed remarketing rate will always be at least as high as the then-prevailing market rate of interest for similar securities, and your yield may be lower than you could have achieved investing in other securities.

If investments in the Accumulation Fund do not perform as anticipated, your notes may be downgraded or you may suffer a loss.

During any reset period when the reset rate notes are structured not to receive a payment of principal until the end of that reset period, the administrator, on behalf of the trust, will invest any funds on deposit in the Accumulation Fund in eligible investments that satisfy the applicable minimum rating requirements set by the rating agencies and have an expected maturity at least one business day before the next reset date.

There can be no assurance that these investments will not default or that they will always retain their initial rating. Any downgrade in these investments will also likely reduce the market value of these investments. In this event, if the administrator were to cause the trust to sell these investments prior to their maturity, whether to minimize potential future losses or for any other reason, or if the indenture trustee were to liquidate these investments following an event of default and an acceleration of your notes, you may suffer a loss. We cannot assure you that these investments will pay interest and principal at the rates, at the times or in the full amounts owed. As a result, it is possible that you could suffer a loss on your investment.

In the event that money is deposited into the Supplemental Interest Fund, principal payments to class B noteholders may be delayed or class B noteholders may suffer a loss.

On and after the stepdown date and provided no subordinate principal trigger event is then in effect, the class B notes will be entitled to allocations of principal. However, if amounts on deposit in the Accumulation Fund during any reset period become sufficiently large, it is possible that required deposits into the related Supplemental Interest Fund may result in a shortage of available funds, and principal would not be paid to the class B noteholders on that or succeeding quarterly distribution dates until there are sufficient available funds.

You may have difficulty selling your notes.

Application will be made for the offered notes to be admitted to the official list of the Irish Stock Exchange subject to the Irish Stock Exchange listing rules and the prospectus rules of the Irish Financial Services Regulatory Authority and to be admitted to trading on the Irish Stock Exchange. There can be no assurance that this listing will be obtained. If the offered notes are not listed on a securities exchange and you want to sell your notes, you will have to locate a purchaser that is willing to purchase them. The underwriters intend to make a secondary market for the offered notes and may do so by offering to buy the offered notes from investors that wish to sell. However, the underwriters will not be obligated to make offers to buy the offered notes and may stop making offers at any time. In addition, the prices offered, if any, may not reflect prices that other potential purchasers would be willing to pay, were they to be given the opportunity. There have been times in the past where there have been very few buyers of asset-backed securities, and there may again be such a time in the future. As a result, you may not be able to sell your notes when you want to or you may not be able to obtain the price that you wish to receive.

GOAL CAPITAL FUNDING TRUST 2006-1

GENERAL

Goal Capital Funding Trust 2006-1 is a Delaware statutory trust formed by Goal Capital Funding, LLC pursuant to a trust agreement by and between Goal Capital Funding, LLC, as depositor and initial certificate holder, and Wilmington Trust Company, as Delaware trustee, for the transactions described in this prospectus supplement. The assets of the trust will include student loans acquired with the proceeds of the notes offered pursuant to this prospectus supplement, investments that are pledged to the indenture trustee, the payments received on those student loans and investments and any payments the trust has received under any derivative product agreements. The trust was created for the purpose of facilitating the financing of student loans and other financial assets, and to engage in activity in connection therewith. The trust's activities will include:

- acquiring and holding the student loans and the other assets of the trust;
- issuing the notes; and
- other activities related to the activities listed above.

See "*Formation of the Trusts—The Trusts*" in the prospectus.

Goal Capital Funding, LLC will hold all of the equity interests in the trust. The mailing address for Goal Capital Funding, LLC, is 9477 Waples Street, Suite 100, San Diego, California 92121 and its telephone number is (858) 869-1538. The trust's fiscal year ends on December 31st.

The notes will be secured by the trust's assets. The Collection Fund, the Capitalized Interest Fund, the Acquisition Fund, the Accumulation Fund, the Supplemental Interest Fund, any Currency Fund, any Collateral Fund and the Reserve Fund will be maintained in the name of the indenture trustee for the benefit of the noteholders. The Remarketing Fee Fund will be maintained in the name of the indenture trustee for the benefit of the remarketing agents and the noteholders.

CAPITALIZATION

As of the closing date, the capitalization of the trust after giving effect to the issuance of the notes and before deducting expenses of the offering will be as follows:

Class A-1 Notes	\$ 408,651,000
Class A-2 Notes	\$ 277,373,000
Class A-3 Notes	\$ 352,501,000
Class A-4 Notes	\$ 234,320,000
Class A-5 Remarketable	
Reset Rate Notes	\$ 448,560,000*
Class A-6 Notes	\$ 225,000,000
Class B Notes	\$ 70,595,000
Equity	\$ <u>1</u>
Total	\$2,017,000,001

*Using an exchange rate of €1.00=\$1.2816

ELIGIBLE LENDER TRUSTEE

The eligible lender trustee is The Bank of New York, a New York banking corporation with offices located at 10161 Centurion Parkway, 2nd Floor, Jacksonville, Florida 32256.

The Bank of New York has been, and currently is, serving as indenture trustee and eligible lender trustee for numerous securitization transactions and programs involving pools of student loans. The Bank of New York is one of the largest corporate trust providers of trust services in securitization transactions.

On the closing date, the eligible lender trustee will enter into an eligible lender trust agreement with the trust, and, pursuant to the agreement, will acquire on behalf of the trust legal title to all student loans to be held in the trust. The eligible lender trustee, on behalf of the trust, will enter into a separate guarantee agreement with each of the guarantee agencies described in this prospectus supplement with respect to the student loans held in the trust. The eligible lender trustee qualifies as an eligible lender and the holder of the trust's student loans for all purposes under the Higher Education Act and the guarantee agreements.

The duties of the eligible lender trustee in connection with the issuance and sale of the offered notes will consist of discharging the obligations set forth in the agreements to which it is a party, including the eligible lender trust agreement. The eligible lender trustee will not be liable in its individual capacity for any action or inaction under the eligible lender trust agreement that was not the result of its own negligence or willful misconduct. The eligible lender trustee will be entitled to be indemnified by the trust for any loss, liability or expense (including the costs and expenses of defending itself against any claim related to its performance under the eligible lender trust agreement) incurred by it in connection with the performance of its duties under the eligible lender trust agreement except for any loss, liability or expense caused by the eligible lender trustee's negligence or bad faith.

The eligible lender trustee may resign at any time by giving written notice to the trust. The trust may also remove the eligible lender trustee at any time upon payment to the eligible lender trustee of all money then due it under the eligible lender trust agreement. Such resignation or removal of the eligible lender trustee and appointment of a successor will generally become effective only when a successor accepts its appointment.

THE ELIGIBLE LENDER TRUSTEE IS ACTING AS "ELIGIBLE LENDER" WITH RESPECT TO THE STUDENT LOANS AS AN ACCOMMODATION TO THE TRUST AND NOT FOR THE BENEFIT OF ANY OTHER PARTY. NOTWITHSTANDING ANY RESPONSIBILITY THAT THE ELIGIBLE LENDER TRUSTEE MAY HAVE TO THE SECRETARY OF EDUCATION OR ANY GUARANTEE AGENCY UNDER THE HIGHER EDUCATION ACT, THE ELIGIBLE LENDER TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY FOR THE TRUST'S ACTION OR INACTION, OR ANY ACTION OR INACTION OF THE INDENTURE TRUSTEE OR ANY OTHER PARTY IN CONNECTION WITH THE STUDENT LOANS AND THE DOCUMENTS, AGREEMENTS, UNDERSTANDINGS AND ARRANGEMENTS RELATING TO THE STUDENT LOANS.

THE STUDENT LOAN OPERATIONS OF GOAL CAPITAL FUNDING TRUST 2006-1

The trust will use the proceeds from the sale of the offered notes to purchase student loans, to make deposits to the Acquisition Fund, including the Prefunding Account and the Add-On Consolidation Loan Account, the Capitalized Interest Fund and the Reserve Fund and to purchase any required derivative product or swap agreements. The depositor (through its eligible lender trustee) will first acquire student loans and will direct that the student loans be sold and transferred to the trust. The eligible lender trustee for the trust, on behalf of the trust, will acquire the student loans from the depositor pursuant to a loan purchase agreement among the trust, the eligible lender trustee and the depositor. The depositor will use the proceeds the trust pays to the depositor to acquire the student loans from affiliates of the sponsor pursuant to loan purchase agreements. See "*Formation of the Trusts—Acquisition of Student Loans*" in the prospectus.

The student loans we expect to acquire on the closing date and during the prefunding period and the add-on consolidation loan period are expected to be consolidation loans that will (a) be insured as to principal and interest by the Department of Education or guaranteed as to principal and interest by a guarantee agency under a guarantee

agreement and the guarantee agency is reinsured by the Department of Education in accordance with the Higher Education Act, and (b) comply with the Higher Education Act and other applicable law. Additionally, delinquent loans will not constitute more than 20%, as measured by dollar volume, of the pool of student loans acquired by the trust.

SERVICING OF STUDENT LOANS

On the closing date, the trust will enter into servicing agreements with Great Lakes Educational Loan Services, Inc. (“GLELSI”) and ACS Education Services, Inc. (“ACS”) under which GLELSI and ACS, as servicers, will agree to service the trust’s student loans. We expect that substantially all of the student loans we acquire with proceeds of the offered notes will be serviced by GLELSI, with a small portion serviced by ACS. The percentage of the trust’s student loans that each servicer is expected to service is described below in “*Characteristics of the Student Loans.*” The trust will cause the indenture trustee to pay from the Collection Fund servicing fees to the servicers. See “*Fees and Expenses*” below.

The servicers will be responsible for reporting all pertinent information to the Department of Education in the manner required by regulations of the Department of Education.

The Higher Education Act, the rules and regulations of the guarantee agencies and the indenture require due diligence in the servicing and collection of student loans and the use of collection practices intended by Congress and the Department of Education to be no less extensive and forceful than those generally in use among financial institutions with respect to other consumer debt. The procedural due diligence requirements mandated by Congress and the Department of Education are substantively different from traditional consumer debt servicing.

PAYMENTS ON STUDENT LOANS

Payments received on a trust’s student loans generally will be deposited into a lockbox account at an insured depository institution in the name of the applicable servicer each business day. Payments received on the trust’s student loans will not be segregated from payments received on other student loans serviced by such servicer. Payments received on account of the trust’s student loans will generally be transferred to the indenture trustee for deposit into the Collection Fund no less frequently than on a weekly basis; however, payments are typically transferred more often than weekly. Prior to the transfer of such funds to the indenture trustee, the servicers may invest those funds for its own account.

SERVICER COMPLIANCE

Each servicer will agree to deliver to the trust and the indenture trustee an annual compliance report and a certificate signed by an authorized officer of such servicer stating that, to the officer’s knowledge, the servicer has fulfilled its obligations in all material respects under its applicable servicing agreement. If there has been a material default, the certificate will describe that default.

Each servicer will agree to notify the indenture trustee and the eligible lender trustee of defaults under its applicable servicing agreement. The compliance report will include, to the extent applicable for a particular servicer, assessments of compliance regarding:

- general servicing considerations;
- cash collection and administration;
- investor remittances and reporting; and
- administration of the student loan assets in the pool.

Each servicer will agree to engage a firm of independent public accountants to furnish to the trust and the indenture trustee an annual report attesting to an assertion by the servicer as to such servicer's compliance with certain minimum servicing standards.

These reports and certificates will be attached as exhibits to the trust's annual report filed with the SEC on Form 10-K. You may obtain copies of these reports and certificate by sending a written request to the administrator.

GREAT LAKES EDUCATIONAL LOAN SERVICES, INC.

General. GLELSI acts as a loan servicing agent for the trust. GLELSI is a wholly owned subsidiary of Great Lakes Higher Education Corporation (“**GLHEC**”), a Wisconsin nonstock, nonprofit corporation and is an affiliate of Great Lakes Higher Education Guaranty Corporation. See “*Information Relating to the Guarantee Agencies—Great Lakes Higher Education Guaranty Corporation*” below. The primary operations center for GLHEC and its affiliates (including GLELSI) is in Madison, Wisconsin, which includes the data processing center and operational staff offices for both guarantee support services provided by GLELSI to GLHEC and affiliates and third-party guaranty agencies and lender servicing and origination functions. GLHEC and affiliates also maintain regional offices in Columbus, Ohio and St. Paul, Minnesota and customer support staff located nationally.

In 1977, GLHEC (formerly known as Wisconsin Higher Education Corporation) established the Lender Servicing Program to encourage private lenders to participate in the FFELP. In 1985, GLHEC added loan origination services for lenders. In 1995, GLHEC began originating and servicing private Alternative loans for lenders. In 1996, GLELSI was formed as a loan servicing subsidiary corporation of GLHEC.

In June 2004, GLELSI received the Exceptional Performer designation from the U.S. Department of Education (the “**Department**”). As a result, lenders serviced by GLELSI are eligible to receive the maximum reimbursement on all claims submitted for insurance. Lenders risk sharing exposure is reduced as long as GLELSI retains the Exceptional Performer designation. GLELSI could lose its Exceptional Performer designation as a result of a variety of factors, including changes to the Higher Education Act. GLELSI could also lose Exceptional Performer status if subsequent audits fail to meet the Department's standards.

In March 2005, Moody's Investors Service assigned its highest servicer quality (SQ) rating of SQ1 to GLELSI as a servicer of FFELP student loans. Moody's SQ ratings represent its view of a servicer's ability to prevent or mitigate losses across changing markets. Moody's rating incorporates an assessment of performance measurements including delinquency transition rates, cure rates and claim reject rates – all valuable indicators of a servicer's ability to get maximum returns from student loan portfolios.

As of February 28, 2006, GLELSI serviced 1,863,699 student and parental accounts with an outstanding balance of \$28.5 billion for over 1,200 lenders nationwide. As of February 28, 2006, 63% of the portfolio serviced by GLELSI was in repayment status, 5% was in grace status and the remaining 32% was in interim status. GLELSI will provide a copy of GLHEC's most recent consolidated financial statements on receipt of a written request directed to 2401 International Lane, Madison, Wisconsin 53704, Attention: Chief Financial Officer.

The total number of serviced accounts has grown by an annual average of 10.3% over the past ten years and 12.6% over the past five years. The number of FFELP accounts has grown by an annual average of 8.9% over the past ten years and 11.4% over the past five years. The number of private Alternative loan accounts has grown by an annual average of 63.9% over the past ten years and 24.7% over the past five years.

The GLELSI servicing agreement. The GLELSI servicing agreement will continue until terminated according to its terms. The GLELSI servicing agreement may be terminated by either the trust or GLELSI at the end of any calendar quarter by advance written notice to the other party. GLELSI may assign its rights under the GLELSI servicing agreement only to an affiliate to which its FFELP lender servicing program is transferred in whole or substantial part; provided, however, that a rating confirmation must be obtained if the trust enters into a servicing agreement with a servicer other than GLELSI or ACS. A “**rating confirmation**” is a confirmation from each rating agency then rating any of the notes that a proposed action, failure to act, or other specified event will not,

in and of itself, result in a downgrade of any of the ratings then applicable to the notes, or cause any rating agency to suspend, withdraw or qualify the ratings then applicable to the notes.

Under the GLELSI servicing agreement, GLELSI agrees to service all student loans in the trust for which it is responsible in accordance with the Higher Education Act, the rules and regulations of the guarantee agencies and standards and practices that are customary for the servicing of FFELP loans. In accordance with such customary servicing standards and practices but subject to the express terms of the GLELSI servicing agreement, GLELSI will perform (among others) the following duties:

- service the trust's student loans in such a manner so as to maintain the guarantee in full force at all times;
- prepare and mail directly to the borrower all required statements, notices, disclosures and demands;
- retain records of contacts, follow-ups, collection efforts and correspondence regarding each student loan;
- provide accounting for all transactions related to individual student loans;
- process all deferments and forbearances;
- process all address changes and update address changes accordingly;
- as permitted by the Higher Education Act, take all steps necessary to file a claim for loss with the appropriate guarantor;
- provide data as required by any guarantor;
- prepare and deliver monthly certain reports about the prior month's activity;
- prepare and forward to the Department of Education on a quarterly basis a Lenders Interest and Special Allowance Request and Report;
- retain all documents concerning the loans received by GLELSI directly or from the depositor or the administrator pertaining to each education loan, in accordance with applicable requirements;
- establish a third-party lockbox account into which borrowers will make all loan payments; and
- provide such other services as servicers customarily provide and deem appropriate.

Under the GLELSI servicing agreement, GLELSI generally may cure a deficiency in its performance; provided, however, GLELSI will be obligated to pay the trust an amount equal to the outstanding principal balance, less the amount subject to the risk sharing provisions of the Higher Education Act, plus all accrued interest and other fees due to the date of purchase of a student loan in the event GLELSI causes the student loan to be denied the benefit of any applicable guarantee and are unable to cause the reinstatement of the guarantee within twelve months of denial by the applicable guarantee agency. Upon payment, the loan will be subrogated to GLELSI. In the event GLELSI cures any such student loan, the trust will repurchase the loan in an amount equal to the then outstanding principal balance plus all accrued interest due on the student loan, less the amount subject to the risk sharing provisions of the Higher Education Act, whereupon the subrogation rights of GLELSI will terminate.

Under the GLELSI servicing agreement, GLELSI may perform additional servicing activities not otherwise specified at the request of the trust.

ADMINISTRATION AGREEMENT

Goal Financial, LLC has entered into an administration agreement with the trust, Wilmington Trust Company, as Delaware trustee, and The Bank of New York, as indenture trustee and as eligible lender trustee. Under the administration agreement, on each monthly servicing payment date and on each quarterly distribution date, the administrator will direct the indenture trustee to make the required distributions from the funds established under the indenture. In addition, the administrator will prepare, based on data received from the servicers, and provide periodic statements and reports to the trust, the eligible lender trustee and the indenture trustee and any related federal income tax reporting. See “*Servicing and Administration—The Administration Agreement*” in the prospectus.

Goal Financial, LLC will receive compensation quarterly for those services based on the outstanding principal balance of the trust’s student loans as described under “*Fees and Expenses*” below.

VERIFICATION AGENT AGREEMENT

The verification agent is The Bank of New York, a New York banking corporation, with offices located at 10161 Centurion Parkway, 2nd Floor, Jacksonville, Florida 32256. The Bank of New York is one of the largest corporate trust providers of trust services in securitization transactions. This is the first time the Bank of New York has served as verification agent for a securitization transaction involving pools of student loans.

Pursuant to a verification agent agreement among the trust, the administrator and the verification agent, the verification agent will deliver monthly to the indenture trustee a certificate certifying as to the accuracy and manner of calculation of certain items in the monthly reports prepared by the administrator on behalf of the trust, including amounts to be paid as trust expenses and principal and interest on the offered notes, outstanding principal amounts of the offered notes and aggregate balances of the student loans in the trust. The verification agent will agree to deliver to the depositor and the administrator an annual compliance report and a certificate signed by an authorized officer of the verification agent stating that, to the officer’s knowledge, the verification agent has fulfilled its obligations in all material respects under the verification agent agreement.

INDENTURE TRUSTEE

The indenture trustee is The Bank of New York, a New York banking corporation with offices located at 10161 Centurion Parkway, 2nd Floor, Jacksonville, Florida 32256

The Bank of New York has been, and currently is, serving as indenture trustee and eligible lender trustee for numerous securitization transactions and programs involving pools of student loans. The Bank of New York is one of the largest corporate trust providers of trust services in securitization transactions.

The trust will issue the notes under an indenture of trust to be dated as of the closing date. Under the indenture, The Bank of New York will act as indenture trustee for the benefit of and to protect the interests of the noteholders and will act as paying agent for notes denominated in U.S. dollars. The indenture trustee will act on behalf of the noteholders and represent their interests in the exercise of their rights under the indenture. See “*Summary of the Indenture Provisions – The Indenture Trustee*” in the accompanying prospectus for additional information regarding the responsibilities of the indenture trustee.

DELAWARE TRUSTEE

The depositor will establish the trust as a Delaware statutory trust by entering into a trust agreement with Wilmington Trust Company, as Delaware trustee.

Wilmington Trust Company is a Delaware banking corporation with trust powers incorporated in 1903. Wilmington Trust Company’s principal place of business is located at 1100 North Market Street, Wilmington, Delaware, 19890. Wilmington Trust Company has served as owner trustee in numerous asset-backed securities transactions involving student loan receivables.

Wilmington Trust Company is subject to various legal proceedings that arise from time to time in the ordinary course of business. Wilmington Trust Company does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its services as owner trustee.

Wilmington Trust Company has provided the above information for purposes of complying with Regulation AB under the Securities Act. Other than the above two paragraphs, Wilmington Trust Company has not participated in the preparation of, and is not responsible for, any other information contained in this prospectus supplement.

FEES AND EXPENSES

All fees and expenses, including servicing and administration fees, are not expected to exceed 0.36% per annum of the outstanding principal balance of the trust's student loans. The fees and expenses payable by the trust are set forth below. The priority of payment of such fees and expenses is described below in "*Description of the Offered Notes—Flow of Funds*" in this prospectus supplement.

	Recipient	Amount
Administration Fee	Goal Financial, LLC	0.05% per annum of the outstanding principal amount of the trust's student loans
Trustees' Fees		
Indenture Trustee	The Bank of New York	Annual administrative fee is an amount equal to 0.004% per annum of the aggregate principal amount of outstanding notes up to \$1,000,000,000 plus 0.0025% of the aggregate principal amount of outstanding notes in excess of \$1,000,000,000.*
Delaware Trustee	Wilmington Trust Company	\$5,000 per annum
Remarketing Fees	Remarketing Agents	0.20% of the outstanding principal amount of the class A-5 remarketable reset rate notes, payable on each reset date**

*A default administration fee based on the indenture trustee's applicable rate will apply following the occurrence of an uncured event of default and will be subject to change at the discretion of the indenture trustee.

**Estimated. Remarketing fees will be determined based on the assumed weighted average life of the class A-5 remarketable reset rate notes. The fee set forth in the above table is the maximum fee set forth on a schedule to the initial remarketing agreement.

The fees described above may be increased if the trust obtains a rating confirmation with respect to such increase.

The servicing fees payable to ACS and GLELSI, which are calculated on a discrete per-borrower or per-service basis, as applicable, are not expected to exceed 0.30% per annum of the outstanding principal balance of the trust's student loans.

USE OF PROCEEDS

The proceeds from the sale of the notes, net of any underwriting discount, are expected to be applied as follows:

Deposit to Acquisition Fund	\$1,927,748,179
Deposit to Reserve Fund	4,916,602
Deposit to Capitalized Interest Fund	80,000,000
Total	\$2,012,664,781

Approximately \$1,565,000 of the net proceeds deposited to the Acquisition Fund will be used to pay the costs of issuing the offered notes.

ACQUISITION OF STUDENT LOANS

We expect to use approximately \$1,633,534,773 of the proceeds of the offered notes being offered by this prospectus supplement to purchase student loans on the date of issuance of the offered notes from an eligible lender trustee holding the student loans on behalf of Goal Capital Funding, LLC. Approximately \$1,565,000 of the net proceeds deposited to the Acquisition Fund will be used to pay the costs of issuing the offered notes. The trust will purchase its student loans for a price equal to their aggregate outstanding principal balance (including accrued and unpaid interest) as of the cut-off date plus an applicable premium.

The eligible lender trustee on behalf of the depositor will acquire the student loans from Higher Education Finance, LLC, a wholly-owned subsidiary of the sponsor (the “**originating affiliate**”), which (through its eligible lender trustee) originated those student loans, and from other affiliates of the sponsor (the “**warehousing entities**”) that acquired student loans from the originating affiliate. See “*Affiliations Among Financing Participants*” in the prospectus. Each of the parties selling loans to the depositor will make representations and warranties with respect to the student loans to be sold and has agreed to repurchase any student loans for which any representation or warranty is later determined to be materially incorrect. See “*Formation of the Trusts—Acquisition of Student Loans*” in the prospectus.

PREFUNDING ACCOUNT AND ADD-ON CONSOLIDATION LOAN ACCOUNT

On the date of issuance of the notes, approximately \$241,600,486 of the deposit to the Acquisition Fund will be deposited in the Prefunding Account of the Acquisition Fund and approximately \$51,047,920 of the deposit to the Acquisition Fund will be deposited in the Add-On Consolidation Loan Account of the Acquisition Fund. During the prefunding period, the depositor will acquire student loans from the originating affiliate, the warehousing entities or one or more other affiliates of the sponsor, and the trust will acquire those loans using funds on deposit in the Prefunding Account. The prefunding period will begin on the closing date and end on June 30, 2006 or upon the determination of the administrator that the trust is unable to acquire additional student loans.

During the add-on consolidation loan period, the trust will use amounts on deposit in the Add-On Consolidation Loan Account to finance additional trust loans. The add-on consolidation loan period will begin on the closing date and end no later than December 31, 2006. Any amounts remaining in the Prefunding Account at the end of the prefunding period or in the Add-On Consolidation Loan Account at the end of the add-on consolidation loan period will be transferred to the Collection Fund. “**Additional trust loans**” are additional student loans to borrowers whose consolidation loans are in the trust, and include add-on consolidation loans. “**Add-on consolidation loans**” are loans the Higher Education Act permits borrowers to add to an existing consolidation loan within 180 days from the date such consolidation loan was made. See “*Description of the Federal Family Education Loan Program—Consolidation Loans*” in Appendix A to the accompanying prospectus.

In the event of a collection fund shortfall, amounts on deposit in the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund will be transferred to the Collection Fund to cover the shortfall to extent amounts on deposit in the Capitalized Interest Fund are insufficient to cover the shortfall (including amounts for payment of interest on the class B notes during a subordinate interest trigger event) and prior to any transfer being made from the Reserve Fund to cover the shortfall. A “**collection fund shortfall**” occurs if (i) on any quarterly distribution date or monthly servicing payment date, amounts on deposit in the Collection Fund are insufficient to pay amounts owed to the U.S. Department of Education or the guarantee agencies (other than amounts to repurchase loans from the guarantee agencies), servicing fees, trustees’ fees, administration fees, remarketing fees, interest then due on the offered notes and amounts due to any counterparty under any derivative product agreement (other than termination payments) or (ii) interest is not payable on the class B notes because a subordinate interest trigger event is in effect.

When an additional trust loan is added to an existing consolidation loan, one result may be that the consolidation loan has a different interest rate and a different final payment date than it had before the additional trust loan was added. Any additional trust loan added to a consolidation loan in the trust during the prefunding

period or the add-on consolidation loan period will be financed by a transfer from the Prefunding Account or the Add-On Consolidation Loan Account of the amount required to repay in full any student loan that is being discharged through such loan. Such amount will be paid by the indenture trustee to the holder or holders of such student loans to prepay such loans.

We expect that student loans acquired or financed during the prefunding period or financed during the add-on consolidation loan period will satisfy the same eligibility criteria as loans acquired on the closing date; however, the characteristics of those loans may be different than the characteristics of loans acquired on the closing date.

CHARACTERISTICS OF THE STUDENT LOANS (AS OF THE STATISTICAL CALCULATION DATE)

As of March 31, 2006, the statistical calculation date, the characteristics of the pool of student loans we expect to purchase on the closing date were as described below. Since the date for purchase of the loans to be acquired with the proceeds of the offered notes is other than the statistical calculation date, the characteristics of those loans will vary from the information presented below. Due to rounding, the percentage and balance totals may not be consistent in all tables presented below.

After purchasing the initial pool of student loans on the closing date, the trust may acquire additional student loans and finance additional trust loans, and, as a result, the aggregate characteristics of the entire pool of student loans, including the composition of the student loans and of the related borrowers, the related guarantors, the distribution by loan type, the distribution by interest rate, the distribution by principal balance, the distribution by disbursement date, and the distribution by remaining term to scheduled maturity, will vary from those of the student loans described in the following tables as of the statistical calculation date. We expect that, with respect to the student loans the trust acquires or finances after the closing date, the distribution of those loans by number of days delinquent will be similar to that shown in the tables below. However, the actual characteristics of the student loans that the trust subsequently purchases may be different. Some student loans acquired or financed after the closing date may be subject to a guarantee rate that is lower than the rate applicable to loans acquired on the closing date, as described below under the caption “—*Distribution of the Student Loans by Date of Disbursement*”.

A variety of borrower incentives are offered in connection with student loans originated or purchased by us and our affiliates, including our “auto-debit” incentive, which reduces a borrower’s interest rate by 0.25% if the borrower makes payments directly from a bank account by auto-debit, and a “timely repayment incentive” and a “high balance timely repayment incentive” for borrowers who consolidated on or after April 9, 2004 and make the first consecutive 36 on-time payments on their student loans, which reduce a borrower’s interest rate by 1% if a borrower has a balance of \$60,000 or less or by 1.25% if a borrower has a balance of more than \$60,000. For purposes of these repayment incentives, an “on-time payment” is no later than 14 days after the date the payment is due. We may suspend or terminate any of these incentives at any time with or without notice.

Composition of the Student Loan Portfolio (As of the Statistical Calculation Date)

Aggregate outstanding balance	\$1,272,955,262
Number of loans.....	33,406
Average outstanding principal balance per loan	\$38,106
Weighted average annual interest rate.....	5.455%
Weighted average remaining term (months).....	288
Percentage of loans with SAP index based on commercial paper	100%
Percentage of loans with graduated repayment characteristics	68.02%

The weighted average annual borrower interest rate shown above excludes special allowance payments. The weighted average spread, including special allowance payments, to the three-month commercial paper rate was 2.64% as of the statistical calculation date.

**Distribution of the Student Loans by Loan Type
(As of the Statistical Calculation Date)**

Loan Type	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
Subsidized Consolidation	16,011	\$ 570,330,110	44.80%
Unsubsidized Consolidation	17,395	702,625,152	55.20
	33,406	\$1,272,955,262	100.00%

**Distribution of the Student Loans by Interest Rate
(As of the Statistical Calculation Date)**

Interest Rate	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
2.000% - 2.499%.....	6	\$ 147,636	0.01%
2.500% - 2.999%.....	2,130	72,178,549	5.67
3.000% - 3.499%.....	2,661	97,617,238	7.67
3.500% - 3.999%.....	2,559	101,420,208	7.97
4.000% - 4.499%.....	3,188	123,727,766	9.72
4.500% - 4.999%.....	5,244	178,854,785	14.05
5.000% - 5.499%.....	4,963	157,242,447	12.35
5.500% - 5.999%.....	1,782	75,159,935	5.90
6.000% - 6.499%.....	2,655	103,507,123	8.13
6.500% - 6.999%.....	1,534	71,005,964	5.58
7.000% - 7.499%.....	737	36,836,010	2.89
7.500% - 7.999%.....	1,386	63,992,104	5.03
8.000% - 8.499%.....	4,561	191,265,496	15.03
	33,406	\$1,272,955,262	100.00%

**Distribution of the Student Loans by SAP Interest Rate Index
(As of the Statistical Calculation Date)**

SAP Interest Rate Index	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
Three-Month CP Index	33,406	\$1,272,955,262	100.00%
	33,406	\$1,272,955,262	100.00%

**Distribution of the Student Loans by Payment Status
(As of the Statistical Calculation Date)**

Payment Status	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
Deferment.....	3,062	\$ 143,862,279	11.30%
Forbearance.....	2,535	118,905,275	9.34
Repayment.....	27,809	1,010,187,708	79.36
	33,406	\$1,272,955,262	100.00%

**Scheduled Weighted Average Remaining Months in Status of the Trust Student Loans
(As of the Statistical Calculation Date)**

Current Status	Deferment	Forbearance	Repayment	Remaining
Deferment.....	13	0	307	319
Forbearance.....	0	5	305	310
Repayment.....	0	0	281	281
	1	0	286	288

**Distribution of the Student Loans by Number of Days Delinquent
(As of the Statistical Calculation Date)**

Days Delinquent	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
0-30.....	30,982	\$1,180,050,436	92.70%
31-60.....	1,172	42,488,030	3.34
61-90.....	850	33,749,922	2.65
91-120.....	399	16,475,479	1.29
121-150.....	3	191,395	0.02
	33,406	\$1,272,955,262	100.00%

**Distribution of the Student Loans by Date of Disbursement
(As of the Statistical Calculation Date)**

Disbursement Date	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
October 1, 1998 through June 30, 2006.....	33,406	\$1,272,955,262	100.00%
	33,406	\$1,272,955,262	100.00%

Student loans disbursed after October 1, 1993 and before July 1, 2006 are 98% guaranteed by the guarantee agency and are reinsured by the Department of Education up to a maximum of 98% of the guarantee payments and student loans that are disbursed on or after July 1, 2006 will be 97% guaranteed by the guarantee agency and reinsured by the Department of Education up to a maximum of 97% of the guarantee payments, *provided* that all loans serviced by a servicer deemed an “exceptional performer” by the Department of Education will be entitled to 100% (99% on and after July 1, 2006) reimbursement so long as the servicer retains its exceptional performer status.

The first disbursement with respect to each of the student loans that the trust will acquire on the closing date will have been made prior to July 1, 2006. Some of the student loans that the trust will acquire after the closing date may be subject to the guarantee rates applicable to loans that are disbursed on or after July 1, 2006. Currently, both GLELSI and ACS are deemed by the Department of Education to be exceptional performers. See “*The Student Loan Operations of Goal Capital Funding Trust 2006-1—Servicing of Student Loans*” in this prospectus supplement.

**Distribution of the Student Loans by Range of Principal Balance
(As of the Statistical Calculation Date)**

Principal Balance	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
\$9,999.99 or less	491	\$ 2,710,872	0.20%
\$10,000.00 - \$14,999.99	413	5,258,683	0.40
\$15,000.00 - \$19,999.99	2,858	51,379,107	4.00
\$20,000.00 - \$24,999.99	8,382	188,022,585	14.80
\$25,000.00 - \$29,999.99	5,409	147,987,034	11.60
\$30,000.00 - \$39,999.99	6,180	213,435,540	16.80
\$40,000.00 - \$49,999.99	3,436	153,085,235	12.00
\$50,000.00 - \$59,999.99	1,861	101,361,457	8.00
\$60,000.00 - \$69,999.99	1,241	80,404,736	6.30
\$70,000.00 - \$79,999.99	897	67,009,109	5.30
\$80,000.00 - \$89,999.99	586	49,608,283	3.90
\$90,000.00 - \$99,999.99	376	35,637,638	2.80
\$100,000.00 - \$124,999.99	612	68,174,684	5.40
\$125,000.00 - \$149,999.99	306	41,539,657	3.30
\$150,000.00 or greater	358	67,340,642	5.30
	33,406	\$1,272,955,262	100.00%

**Distribution of the Student Loans by Number Of Months
Remaining Until Scheduled Maturity (As of the Statistical Calculation Date)**

Number of Months	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
60 or less.....	3	\$ 76,503	0.01%
61 – 72.....	2	36,966	*
85 – 96.....	4	50,259	*
97 – 108.....	3	85,707	0.01
109 – 120.....	263	3,313,458	0.26
121 – 132.....	26	291,268	0.02
133 – 144.....	117	847,451	0.07
145 – 156.....	21	169,435	0.01
157 – 168.....	8	65,735	0.01
169 – 180.....	2,631	44,529,007	3.50
181 – 192.....	163	2,804,473	0.22
193 – 204.....	46	784,690	0.06
205 – 216.....	27	458,807	0.04
217 – 228.....	11	182,059	0.01
229 – 240.....	17,499	473,643,499	37.21
241 – 252.....	2,154	61,287,085	4.81
253 – 264.....	246	6,725,224	0.53
265 – 276.....	135	3,717,872	0.29
277 – 288.....	51	1,345,028	0.11
289 – 300.....	4,425	207,540,685	16.30
301 – 312.....	930	44,902,742	3.53
313 – 324.....	86	3,838,632	0.30
325 – 336.....	38	1,737,933	0.14
337 – 348.....	30	1,406,535	0.11
349 – 360.....	3,301	296,311,503	23.28
361 – 372.....	1,079	107,884,748	8.48
373 or greater.....	107	8,917,956	0.70
	33,406	\$1,272,955,262	100.00%

*Less than 0.01%.

**Distribution of the Student Loans by Servicer
(As of the Statistical Calculation Date)**

Servicer	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
ACS Education Services, Inc.	377	\$ 20,027,491	1.57%
Great Lakes Educational Loan Services, Inc.	33,029	1,252,927,770	98.43
	33,406	\$1,272,955,262	100.00%

**Distribution of the Student Loans by Geographic Location
(As of the Statistical Calculation Date)**

The following table shows the geographic distribution of the student loans based on the permanent billing addresses of the borrowers as shown on the applicable servicer's records:

Location	Number of Loans	Aggregate Outstanding Principal Balance	Percent of Loans by Aggregate Outstanding Balance
Alabama.....	419	\$ 15,735,275	1.24%
Alaska.....	65	2,734,845	0.21
Arizona.....	619	23,664,598	1.86
Arkansas.....	290	10,171,874	0.80
California.....	3,493	139,770,186	10.98
Colorado.....	691	25,301,039	1.99
Connecticut.....	389	14,713,836	1.16
Delaware.....	116	4,112,160	0.32
District of Columbia.....	123	5,545,303	0.44
Florida.....	1,823	74,057,808	5.82
Georgia.....	987	41,685,942	3.27
Hawaii.....	182	7,113,241	0.56
Idaho.....	158	6,099,811	0.48
Illinois.....	1,264	48,987,327	3.85
Indiana.....	647	23,010,442	1.81
Iowa.....	401	13,072,088	1.03
Kansas.....	352	12,491,224	0.98
Kentucky.....	362	12,536,286	0.98
Louisiana.....	481	17,731,182	1.39
Maine.....	145	5,651,877	0.44
Maryland.....	769	31,712,105	2.49
Massachusetts.....	796	28,885,712	2.27
Michigan.....	1,024	38,094,255	2.99
Minnesota.....	652	22,628,667	1.78
Mississippi.....	269	10,039,131	0.79
Missouri.....	711	26,253,445	2.06
Montana.....	103	4,106,157	0.32
Nebraska.....	205	7,301,988	0.57
Nevada.....	271	11,009,558	0.86
New Hampshire.....	159	5,993,285	0.47
New Jersey.....	1,015	37,534,328	2.95
New Mexico.....	191	7,145,790	0.56
New York.....	3,132	118,669,528	9.32
North Carolina.....	746	27,903,108	2.19
North Dakota.....	104	3,269,489	0.26
Ohio.....	1,311	48,120,475	3.78
Oklahoma.....	376	13,824,936	1.09
Oregon.....	459	17,093,507	1.34
Pennsylvania.....	1,865	70,788,797	5.56
Rhode Island.....	121	4,676,591	0.37
South Carolina.....	490	18,830,365	1.48
South Dakota.....	123	3,947,155	0.31
Tennessee.....	550	20,389,232	1.60
Texas.....	1,982	75,447,224	5.93
Utah.....	202	7,312,185	0.57
Vermont.....	53	1,950,316	0.15
Virginia.....	930	36,058,581	2.83

Washington.....	678	26,752,141	2.10
West Virginia.....	195	7,962,159	0.63
Wisconsin.....	616	22,056,679	1.73
Wyoming.....	51	1,664,344	0.13
Other.....	250	11,347,684	0.89
	33,406	\$1,272,955,262	100.00%

**Distribution of the Student Loans by Guarantee Agency
(As of the Statistical Calculation Date)**

<u>Guarantee Agency</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Principal Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Massachusetts Higher Education Assistance Corporation, d/b/a American Student Assistance	377	\$ 20,027,491	1.57%
Great Lakes Higher Education Guaranty Corporation	33,029	1,252,927,770	98.43
	33,406	\$1,272,955,262	100.00%

INFORMATION RELATING TO THE GUARANTEE AGENCIES

The payment of principal and interest on all of the student loans held in the trust estate created under the indenture will be guaranteed by designated guarantee agencies and will be reinsured by the United States Department of Education. The guarantee provided by each guarantee agency is an obligation solely of that guarantee agency and is not supported by the full faith and credit of the federal or any state government. However, the Higher Education Act provides that if the Secretary of Education determines that a guarantee agency is unable to meet its insurance obligations, the Secretary shall assume responsibility for all functions of the guarantee agency under its loan insurance program. For further information on the Secretary of Education’s authority in the event a guarantee agency is unable to meet its insurance obligations see “Description of the Guarantee Agencies” in the prospectus.

We expect that substantially all of the student loans we acquire with the proceeds of the offered notes will be guaranteed through Great Lakes Higher Education Guaranty Corporation (“**GLHEGC**”), with a small portion guaranteed through Massachusetts Higher Education Assistance Corporation, doing business as American Student Assistance (“**ASA**”). For information relating to the percentages and outstanding balances of the trust student loans guaranteed by GLHEGC and ASA as of the statistical calculation date, see “*Characteristics of the Student Loans — Distribution of the Student Loans by Guarantee Agency.*”

Presented below is information with respect to GLHEGC. See “*Description of the Guarantee Agencies*” in the prospectus for more detailed information concerning the characteristics of the guarantee agencies.

Great Lakes Higher Education Guaranty Corporation

GLHEGC is a Wisconsin nonstock, nonprofit corporation the sole member of which is Great Lakes Higher Education Corporation (“**GLHEC**”). GLHEGC’s predecessor organization, GLHEC, was organized as a Wisconsin nonstock, nonprofit corporation and began guaranteeing student loans under the Higher Education Act in 1967. GLHEGC is the designated guarantee agency under the Higher Education Act for Wisconsin, Minnesota, Ohio, Puerto Rico and the Virgin Islands. On January 1, 2002, GLHEC (and GLHEGC directly and through its support services agreement with GLHEC), transferred the majority of their student loan program guaranty support operations and personnel to Great Lakes Educational Loan Services, Inc. (“**GLELSI**”) a wholly owned subsidiary of GLHEC. GLHEGC continues as the “guaranty agency” as defined in Section 435(j) of the Higher Education Act and continues its default aversion, claim purchase and compliance, collection support and federal reporting

responsibilities as well as custody and responsibility for all revenues, expenses and assets related to that status. GLHEGC (through its support services agreement with GLHEC) also performs oversight of all student loan program guaranty support operations transferred to GLELSI and supportive of GLHEGC's "guaranty agency" responsibilities. The primary operations center for GLHEC and its affiliates (including GLHEGC and GLELSI) is in Madison, Wisconsin, which includes the data processing center and operational staff offices for both guaranty and servicing functions. GLHEC and affiliates also maintain regional offices in Columbus, Ohio and St. Paul, Minnesota and customer support staff located nationally. GLHEGC will provide a copy of GLHEC's most recent consolidated financial statements on receipt of a written request directed to 2401 International Lane, Madison, Wisconsin 53704, Attention: Chief Financial Officer.

GLHEGC has entered into a voluntary flexible agreement with the U.S. Department of Education pursuant to the 1998 Reauthorization Amendments. Under GLHEGC's agreement, which commenced October 1, 2000 and is currently effective through September 30, 2006, GLHEGC's revenues are tied directly to default aversion performance. Certain sources of GLHEGC's Operating Fund revenues are replaced by a single fee-for-service funding source tied directly to the percentage of delinquent loans that do not default during the measurement period. In lieu of statutory collection retention amounts, the U.S. Department of Education reimburses GLHEGC only for its actual post-default collection related expenses. This agreement also calls for GLHEGC to escrow the liquid assets of GLHEGC's Federal Fund for the benefit of the U.S. Department of Education. GLHEGC may also engage in negotiations with lenders to define whether the lender or GLHEGC will complete each of the due diligence requirements. Finally, this agreement allows GLHEGC to pilot a new approach to the claims review process, under which GLHEGC develops and implements with willing lenders and servicers a post-claim random sampling process that replaces the current claim-by-claim process. The GLHEGC agreement is automatically renewed for one-year effective periods, unless terminated 90 days prior to the end of an effective period.

The information in the following tables has been provided to the trust from reports provided by or to the U.S. Department of Education and has not been verified by GLHEGC or the underwriters. No representation is made by GLHEGC or the underwriters as to the accuracy or completeness of this information. Prospective investors may consult the United States Department of Education Data Books and Web site <http://www.ed.gov/finaid/prof/resources/data/opeloanvol.html> for further information concerning GLHEGC or any other guarantee agency.

Guarantee Volume. GLHEGC's guaranty volume for each of the last five federal fiscal years, including Stafford, Unsubsidized Stafford, SLS, PLUS and Consolidation loan volume, was as follows:

Federal Fiscal Year	Guaranty Volume (Millions)
2001	\$2,246.7
2002	4,473.1
2003	8,721.3
2004	7,707.6
2005	9,686.3

Claims Rate. For the past five *federal* fiscal years, GLHEGC's claims rate has not exceeded 5%, and, as a result, the highest allowable reinsurance has been paid on all GLHEGC's claims. The actual claims rates are as follows:

Fiscal Year	Claims Rate
2001	1.46%
2002	1.06%
2003	1.27%
2004	.68%
2005	.51%

Reserve Ratio. Following are GLHEGC’s reserve fund levels as calculated in accordance with 34 CFR 682.410(a)(10) for the last five federal fiscal years:

Federal Fiscal Year	Federal Guaranty Reserve Fund Level ^{1/}
2001	2.12%
2002	1.86%
2003	1.29%
2004	0.99%
2005	0.83%

The Department of Education’s website at <http://www.fp.ed.gov/PORTALSWebApp/fp/whatsnew.jsp>, has posted reserve ratios for GLHEGC for federal fiscal years 2003 and 2004 of 1.168% and .646%, respectively. GLHEGC believes the Department of Education has not calculated the reserve ratio in accordance with the Act and the correct ratio should be 1.29% and .99%, respectively, as shown above and as explained in the following footnote. According to the Department of Education, available cash reserves may not always be an accurate barometer of a guarantor’s financial health.

^{1/} In accordance with Section 428(c)(9) of the Higher Education Act, does not include loans transferred from the former Higher Education Assistance Foundation, Northstar Guarantee Inc., Ohio Student Aid Commission or Puerto Rico Higher Education Assistance Corporation. (The minimum reserve fund ratio under the Higher Education Act is .25%.)

Recovery Rate. The table below sets forth the recovery rates for GLHEGC for the past five federal fiscal years, as taken from the Department of Education’s website at <http://www.fsacollections.ed.gov/contractors/ga/stats/index.asp>^{1/}:

Federal Fiscal Year	Recovery Rate
2001	26.53%
2002	23.33%
2003	23.72%
2004	25.84%
2005	23.74%

^{1/} GLHEGC does not calculate recovery rates.

Loss Rate. GLHEGC’s loss rates (calculated by dividing the aggregate dollar amount of unreinsured loans and unreinsured portions of loans by the dollar amount of claims paid by GLHEGC) for the past five federal fiscal years are as follows:

Fiscal Year	Loss Rate
2001	.0001%
2002	.0002%
2003	.0002%
2004	.0004%
2005	.0017%

DESCRIPTION OF THE OFFERED NOTES

GENERAL

The notes will be issued pursuant to the terms of the indenture, a form of which, including a form of the offered notes, has been filed as an exhibit to the registration statement to which this prospectus supplement relates. The following summary describes the material terms of the indenture and the offered notes. However, it is not complete and is qualified in its entirety by the actual provisions of the indenture and the offered notes.

THE INDENTURE TRUSTEE DID NOT PARTICIPATE IN THE PREPARATION OF THIS PROSPECTUS SUPPLEMENT AND MAKES NO REPRESENTATIONS CONCERNING THE OFFERED NOTES, THE COLLATERAL OR ANY OTHER MATTER STATED IN THIS PROSPECTUS SUPPLEMENT. THE INDENTURE TRUSTEE HAS NO DUTY OR OBLIGATION TO PAY THE OFFERED NOTES FROM ITS OWN FUNDS, ASSETS OR CORPORATE CAPITAL OR TO MAKE INQUIRY REGARDING, OR INVESTIGATE THE USE OF, AMOUNTS DISBURSED FROM THE TRUST ESTATE.

LIBOR RATE NOTES

INTEREST PAYMENTS

Interest will accrue on the LIBOR rate notes at their respective interest rates during each interest accrual period. Interest on the LIBOR rate notes will be payable to the noteholders on each quarterly distribution date commencing August 25, 2006. Subsequent quarterly distribution dates for the LIBOR rate notes will be on the 25th day of each February, May, August and November, or if any such day is not a business day, the next business day. Interest accrued but not paid on any quarterly distribution date will be due on the next quarterly distribution date together with an amount equal to interest on the unpaid amount at the applicable rate per annum described below.

The interest rate on the class A-1 notes for each interest accrual period will be equal to three-month LIBOR plus 0.00%. The interest rate on the class A-2 notes for each interest accrual period will be equal to three-month LIBOR plus 0.10%. The interest rate on the class A-3 notes for each interest accrual period will be equal to three-month LIBOR plus 0.12%. The interest rate on the class A-4 notes for each interest accrual period will be equal to three-month LIBOR plus 0.15%. The interest rate on the class A-6 notes for each interest accrual period will be equal to three-month LIBOR plus 0.21%. The interest rate on the class B notes for each interest accrual period will be equal to three-month LIBOR plus 0.45%.

The administrator will determine the rate of interest on the LIBOR rate notes on the LIBOR determination date described below. The amount of interest distributable to holders of the LIBOR rate notes for each \$1,000 in principal amount will be calculated by applying the applicable interest rate for the interest accrual period to the principal amount of \$1,000, multiplying that product by the actual number of days in the interest accrual period divided by 360, and rounding the resulting percentage figure to the fifth decimal point.

CALCULATION OF LIBOR

For each interest accrual period, LIBOR will be determined by the administrator by reference to the London interbank offered rate for deposits in U.S. dollars having a maturity of three months (or, with respect to four-month LIBOR, four months) which appears on Telerate Page 3750 as of 11:00 a.m., London time, on the related LIBOR determination date. The LIBOR determination date will be the second business day before the beginning of each interest accrual period. If this rate does not appear on Telerate Page 3750, the rate for that day will be determined on the basis of the rates at which deposits in U.S. dollars, having the relevant maturity and in a principal amount of not less than U.S. \$1,000,000, are offered at approximately 11:00 a.m., London time, on that LIBOR determination date, to prime banks in the London interbank market by four major banks selected by the administrator. The administrator or the indenture trustee, as applicable, will request the principal London office of each bank to provide a quotation of its rate. If the banks provide at least two quotations, the rate for that day will be the arithmetic mean of the quotations. If the banks provide fewer than two quotations, the rate for that day will be

the arithmetic mean of the rates quoted by major banks in New York City, selected by the administrator or the indenture trustee, as applicable, at approximately 11:00 a.m., New York time, on that LIBOR determination date, for loans in U.S. Dollars to leading European banks having the relevant maturity and in a principal amount of not less than U.S. \$1,000,000. If the banks selected as described above are not providing quotations, three-month LIBOR (or four-month LIBOR, as applicable) in effect for the applicable interest accrual period will be three-month LIBOR (or four-month LIBOR, as applicable) in effect for the previous interest accrual period.

“**Business day**” means:

- for purposes of calculating LIBOR, any day on which banks in New York, New York and London, England are open for the transaction of international business; and
- for all other purposes, any day other than a Saturday, Sunday or other day on which banking institutions or trust companies in New York, New York or the city in which the principal office of the indenture trustee is located, are authorized or permitted by law, regulation or executive order to close.

THE RESET RATE NOTES

INTEREST PAYMENTS

The applicable currency and interest rate for the reset rate notes will be reset from time to time in a currency and at an interest rate determined using the procedures described below and in the prospectus under “*Description of the Notes—The Reset Rate Notes.*” During the initial reset period, the class A-5 remarketable reset rate notes, which are referred to in this prospectus supplement as the “**reset rate notes**” or the “**class A-5 notes**”, will be denominated in Euros and will bear interest at a rate equal to three-month EURIBOR plus 0.12%. Interest on the class A-5 notes during the initial reset period will accrue daily and will be based upon the actual number of days elapsed during the interest period divided by 360.

The initial interest accrual period for the class A-5 notes will begin on the closing date and end on August 24, 2006.

Interest on the reset rate notes, during any reset period when the reset rate notes bear interest at a fixed rate, will accrue daily and will be computed based on:

- if the reset rate notes are denominated in U.S. Dollars, a 360-day year consisting of twelve 30-day months; or
- if the reset rate notes are denominated in a currency other than U.S. Dollars, generally, the Actual/Actual (ISMA) accrual method as described in “*Description of the Notes—Index Rate Notes*” in the prospectus, or another day-count convention as set forth on the related remarketing terms determination date.

Interest on the reset rate notes, during any reset period when the reset rate notes are denominated in U.S. Dollars and bear interest at an index rate based on LIBOR, will be calculated using a rate of LIBOR that is determined for all interest accrual periods in the same manner as for the LIBOR rate notes. Interest will accrue daily and will be computed based on the actual number of days elapsed and a 360-day year. Interest on the reset rate notes, during any reset period when the reset rate notes bear interest at an index rate based on EURIBOR (as is the case in their initial reset period) or another index, will be computed based upon the actual number of days elapsed and a 360-day year, or based upon another day-count convention described under “*Description of the Notes—Index Rate Notes*” in the prospectus and set forth on the related remarketing terms determination date.

An interest accrual period during any reset period when the reset rate notes bear a fixed rate of interest will begin on the 25th day of the month of the last applicable quarterly distribution date and will end on the 24th day of the month of the applicable quarterly distribution date. Except for the initial interest accrual period, an interest accrual period during any reset period when the reset rate notes bear interest based on an index rate (including both

U.S. Dollar and non-U.S. Dollar denominated notes) will begin on a quarterly distribution date and end on the day before the next quarterly distribution date.

Interest accrual periods and the applicable distribution dates for payments of interest for subsequent reset periods may be quarterly, semi-annual or annual, as specified on the related remarketing terms determination date as described under “*Description of the Notes—The Reset Rate Notes—Remarketing Terms Determination Date*” in the prospectus.

However, during any reset period when the reset rate notes are denominated in a currency other than U.S. Dollars, as is the case in their initial reset period, if a quarterly distribution date coincides with a reset date, payments will be made to the reset rate noteholders no later than the second business day following that quarterly distribution date, which we sometimes refer to in this prospectus supplement as the special reset payment date, together with additional interest on the applicable principal balance at the related interest rate. For any reset period following a reset date for which a failed remarketing has occurred, up to and including the reset date resulting in a successful remarketing or an exercise of the call option, payments of interest and principal to the reset rate noteholders will be made on the special reset payment date without the payment of any additional interest.

CALCULATION OF EURIBOR

For each interest accrual period, EURIBOR will be determined by the administrator by reference to the Euro interbank offered rate for deposits in Euros having a maturity of three months, commencing on the first day of the interest accrual period which appears on Telerate Page 248 as of 11:00 a.m. Brussels time, on the related EURIBOR determination date. If an applicable rate does not appear on Telerate Page 248, the rate for that day will be determined on the basis of the rates at which deposits in Euros, having the applicable maturity and a principal amount of not less than €1,000,000, are offered at approximately 11:00 a.m., Brussels time on that EURIBOR determination date, to prime banks in the Euro-zone interbank market by the reference banks. The administrator will request the principal Euro-zone office of each reference bank to provide a quotation of its rate. If the reference banks provide at least two quotations, the rate for the day will be the arithmetic mean of the quotations. If the reference banks provide fewer than two quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the administrator, at approximately 11:00 a.m. Brussels time, on that EURIBOR determination date, for loans in Euros to leading European banks having the applicable maturity and in a principal amount of not less than €1,000,000. If the banks selected as described above are not providing quotations, three-month EURIBOR in effect for the applicable interest accrual period will be three-month EURIBOR in effect for the previous interest accrual period.

For this purpose:

- “**EURIBOR determination date**” means, for each interest accrual period, the day that is two Settlement Days before the beginning of that interest accrual period.
- “**Settlement Date**” means any day on which TARGET (the Trans-European Automated Real-time Gross Settlement Express Transfer System) is open which is also a day on which banks in New York City are open for business.
- “**Telerate Page 248**” means the display page so designated on the Moneyline Telerate Service or any other page that may replace that page on that service for the purpose of displaying comparable rates or prices.
- “**Reference Banks**” means four major banks in the Euro-zone interbank market selected by the administrator.

RESET PERIODS

The initial reset date for the class A-5 notes will be May 25, 2016. All subsequent reset dates will occur on a quarterly distribution date. Each reset period will be no less than three months and will always end on the day before a quarterly distribution date. No reset period may end after the day before the final maturity date for the reset rate notes.

The applicable currency, interest rate and the frequency of principal payments on the reset rate notes will be reset as of each reset date as determined by:

- the remarketing agents, in consultation with the administrator, with respect to the reset period, the applicable currency (U.S. Dollars, Euros, pounds sterling or another currency), whether the interest rate is fixed or based on an index and, if based on an index, the applicable interest rate index, the day count convention, the applicable interest rate determination dates, the interval between interest rate change dates during each interest accrual period, whether the reset rate notes will be structured to amortize periodically or to receive a payment of principal only at the end of the reset period, any change in relative priorities with respect to the right to receive payments of principal and the all-hold rate (if applicable); and
- the remarketing agents with respect to the determination of the applicable fixed rate of interest or spread to the chosen interest rate index, as applicable.

If the reset rate notes are reset to pay (or continue to pay) in a currency other than U.S. Dollars (as is the case during the initial reset period), the reset rate notes will be in foreign exchange mode. In that case, the administrator, on behalf of the trust, will enter into one or more currency swap agreements, including one or more initial currency swap agreements for the class A-5 notes during their initial reset period:

- to facilitate the trust's ability to pay principal and interest in the applicable currency;
- to pay additional interest at the applicable interest rate and in the applicable currency on the reset rate notes from and including the related reset date to, but excluding, the special reset payment date; and
- to facilitate the exchange of all secondary market trade proceeds from a successful remarketing (or proceeds from the exercise of the call option) on the applicable reset date to the applicable currency.

See "*Description of the Notes—The Reset Rate Notes—Foreign Exchange Mode*" in the prospectus.

Any applicable currency swap agreement may terminate as a result of the optional purchase of the trust's student loans by the sponsor, or its designated affiliates, or the mandatory auction of the trust's student loans by the indenture trustee. No currency swap agreement will terminate solely as a result of a failed remarketing.

Interest on the reset rate notes during each reset period after the initial reset period will accrue and be payable either:

- based on an index, in which case the reset rate notes are said to be in index rate mode; or
- at a fixed rate, in which case the reset rate notes are said to be in fixed rate mode, in each case as determined by the remarketing agents, in consultation with the administrator and in accordance with the remarketing agreement and the applicable remarketing agency agreement.

If the reset rate notes are reset to bear (or continue to bear) interest at a floating rate or a fixed rate of interest, or to be denominated in a currency other than U.S. dollars, and the remarketing agents, in consultation with the administrator, determine that entering into a swap agreement with respect to the reset rate notes would be in the best interests of the trust estate based on current market conditions, the administrator will be responsible for arranging, on behalf of the trust, the required interest rate swaps to hedge the basis risk and/or currency exchange

risk on the reset rate notes and, together with the remarketing agents, for selecting one or more eligible swap counterparties. See “*Description of the Notes—The Reset Rate Notes—Index Rate Mode*” and “*—Fixed Rate Mode*” in the prospectus.

Absent a failed remarketing, reset rate noteholders that wish to be repaid some or all of their reset rate notes on a reset date will be able to obtain a 100% repayment of principal by tendering the applicable amount of their reset rate notes pursuant to the remarketing process. Tender is not mandatory if the reset rate notes are denominated in U.S. Dollars in both the current reset period and in the upcoming reset period. In all other situations, as is the case for the reset rate notes during the initial reset period, tender is mandatory and the holders of the reset rate notes will be deemed to have tendered all of their reset rate notes. If there is a failed remarketing of the reset rate notes, however, reset rate noteholders will not be permitted to exercise any remedies as a result of the failure of the reset rate notes to be remarketed on the related reset date. See “*Description of the Notes—The Reset Rate Notes—Failed Remarketing*” in the prospectus.

TENDER OF RESET RATE NOTES; REMARKETING PROCEDURES

For each reset date, unless notice of exercise of the call option, as described below, has already been given, the remarketing agents will notify the reset rate noteholders whether tender is deemed mandatory or optional, depending on whether such reset rate notes are denominated in U.S. Dollars, and, in consultation with the administrator, will establish by the remarketing terms determination date the following terms for the reset rate notes:

- the expected weighted average life;
- the name and contact information of the remarketing agents;
- the next reset date and reset period;
- the applicable minimum denominations and additional increments;
- the interest rate mode (i.e., index rate or fixed rate);
- the currency denomination;
- if in foreign exchange mode, the identities of the eligible swap counterparties from which bids will be solicited;
- if in foreign exchange mode, the applicable distribution dates on which interest and principal will be paid, if other than quarterly;
- whether the reset rate notes will be structured to amortize periodically or to receive a payment of principal only at the end of the reset period;
- if in index rate mode, the applicable interest rate index;
- if in index rate mode, the interval between interest rate change dates;
- if in index rate mode, the applicable interest rate determination date;
- if in fixed rate mode, the applicable fixed rate pricing benchmark;
- if in fixed rate mode, the identities of any eligible swap counterparties from which bids will be solicited;
- if in index rate mode, whether there will be any derivative product agreement and if so, the identities of the eligible derivative product counterparties from which bids will be solicited;
- the applicable interest rate day count basis;
- the related all-hold rate, if applicable; and
- any other relevant terms incidental to the foregoing (other than the related spread or fixed rate of interest, as applicable) for the reset period.

Any index rate mode other than an index rate based on LIBOR or a commercial paper rate will require confirmation or reaffirmation of the then-current ratings on the offered notes.

The remarketing agents will communicate this information by written notice, through DTC, Euroclear and Clearstream, as applicable, to the reset rate noteholders, the indenture trustee and the rating agencies on the remarketing terms determination date.

If the reset rate notes are denominated in U.S. Dollars during the reset period and will continue to be denominated in U.S. Dollars during the following reset period, on the remarketing terms determination date, the remarketing agents, in consultation with the administrator, will establish the all-hold rate. In such case, on or before the notice date, the reset rate noteholders will have the option to deliver a hold notice, in the absence of which their reset rate notes will be deemed to have been tendered. If the reset rate notes either are in foreign exchange mode during the reset period, as is the case during the initial reset period, or will be reset into foreign exchange mode on the immediately following reset date, the reset rate noteholders will be deemed to have tendered their reset rate notes on the reset date, regardless of any desire by those reset rate noteholders to retain their ownership, and no all-hold rate will be applicable.

If applicable, the all-hold rate will be the minimum rate of interest that will be effective for the upcoming reset period. The all hold rate will only be applicable if 100% of the reset rate noteholders deliver timely hold notices wherein they elect to hold their reset rate notes for the next related reset period. In the event some but not all of the reset rate noteholders elect to hold their reset rate notes for the next reset period and the rate of interest using the spread or fixed rate of interest established on the spread determination date is higher than the all-hold rate, all noteholders who deliver a hold notice agreeing to be subject to the all-hold rate will be entitled to the higher rate of interest for the upcoming reset period.

If the remarketing agents, in consultation with the administrator, are unable to determine the terms set forth above that are required to be established on the applicable remarketing terms determination date, then, unless the holder of the call option chooses to exercise its call option, a failed remarketing will be declared. See “*Description of the Notes—The Reset Rate Notes—Failed Remarketing*” in the prospectus.

SPREAD DETERMINATION DATE

On each spread determination date, the remarketing agents will set the applicable spread above or below the applicable index (if the reset rate notes are in index rate mode during the next reset period) or applicable fixed rate of interest (if the reset rate notes will be in fixed rate mode during the next reset period), in either case, at a rate that, in the reasonable opinion of the remarketing agents, will enable all of the tendered reset rate notes to be remarketed at 100% of the principal balance of the reset rate notes. In addition, if applicable, the administrator and remarketing agents will select from the bids received from the eligible swap counterparties, with which the trust will enter into one or more swap agreements to hedge basis or currency risks for the next related reset period. Furthermore, if the reset rate notes are to be reset to foreign exchange mode, the currency exchange rate, the extension rate due to the related currency swap counterparty and the failed remarketing rate for the applicable reset period will be determined pursuant to the terms of the currency swap agreement. If required for the immediately following reset period, on or before the related spread determination date, the administrator will arrange for new or additional securities identification codes to be obtained.

TIMELINE

The following chart shows a timeline of the remarketing process:

Timing	Event
<i>Thirty To Fifteen Calendar Days Prior To Remarketing Terms Determination Date</i>	(Administrator to provide notice to clearing agencies specifying the identity of the remarketing agents and whether tender of the reset rate notes is voluntary or mandatory)
<i>At Least Twelve Business Days Prior To Reset Date</i>	Remarketing Terms Determination Date (Notices sent to reset rate noteholders stating the new terms of the reset rate notes, including the related all-hold rate, if applicable)
<i>Ten Business Days Prior To Reset Date</i>	Notice Date (Hold notices due from reset rate noteholders, if applicable, or they are deemed to have tendered their reset rate notes; remarketing agents determine the amount of remarketed reset rate notes available for sale)
<i>Three Business Days Prior To Reset Date</i>	Spread Determination Date (Based on market conditions, the spread or fixed rate is determined by the remarketing agents for the next reset period or a failed remarketing is declared; identity of any swap counterparty (or counterparties) is determined; last date that the call option may be exercised; and if in foreign exchange mode, the outstanding principal balance of the reset rate notes in the related non-U.S. Dollar currency, the applicable currency exchange rate, the related extension rate and the related failed remarketing rate for the next reset period will be determined)
<i>Reset Date</i>	Reset Date (New terms of the remarketed reset rate notes become effective; new swap agreement for next reset period becomes effective; payments to tendering noteholders of U.S. Dollar denominated notes; any interest rate swap agreement for the previous reset period terminates)
<i>Not More Than Two Business Days After Reset Date</i>	Special Reset Payment Date (Payments to noteholders of non-U.S. Dollar denominated reset rate notes; any currency swap agreement terminates)

CALL OPTION FOR RESET RATE NOTES

The sponsor, or its designated affiliates, will have the option to purchase the reset rate notes in their entirety on any reset date. This call option may be exercised by the sponsor, or its designated affiliates, at any time prior to the determination of the interest rate mode or the declaration of a failed remarketing on the spread determination date. The purchase price paid for the reset rate notes will be equal to their outstanding principal balance, plus accrued and unpaid interest. If the call option is exercised with respect to the reset rate notes, the interest rate will be the rate of interest that is either: (i) the rate applicable for the most recent reset period during which the failed remarketing rate was not in effect, if the reset rate notes did not have at least one related derivative product in effect during the previous reset period, or (ii) if the reset rate notes had one or more derivative products in effect during the previous reset period, the weighted average of the floating rates of interest that were due to the related counterparties from the trust estate during the previous reset period for the reset rate notes. This rate will remain in effect for each successive three-month reset period while the option holder retains the reset rate notes.

THE REMARKETING FEE FUND

On the closing date, the trust, the administrator and the remarketing agents will enter into a remarketing agreement for the remarketing of the reset rate notes. The administrator, in its sole discretion, may change the remarketing agents or designate a lead remarketing agent for the reset rate notes for any reset period at any time on or before the remarketing terms determination date. In addition, the administrator will appoint one or more additional remarketing agents, if necessary, for a reset date when the reset rate notes will be remarketed in a currency other than U.S. Dollars. A remarketing agent may resign at any time provided that no resignation may become effective on a date that is later than 15 business days prior to a remarketing terms determination date. On each remarketing terms determination date, the trust, the administrator and the remarketing agents will enter into a remarketing agreement that will set forth certain terms of the remarketing, and on the spread determination date that remarketing agreement will be supplemented to include all other required terms of the remarketing unless: (i) a failed remarketing is declared, (ii) 100% of the related reset rate noteholders have delivered a hold notice or (iii) the call option has been exercised.

Each of the remarketing agents will be entitled to receive a fee from amounts on deposit in the Remarketing Fee Fund in connection with their services for each reset date. The remarketing agents will also be entitled to reimbursement from the trust, on a subordinated basis, or from the administrator, if there are insufficient funds on a quarterly distribution date, for certain expenses associated with each remarketing. The fees associated with each successful remarketing and certain out-of-pocket expenses with respect to each reset date will be payable generally from amounts on deposit from time to time in the Remarketing Fee Fund. In addition, to the extent that the trust does not have sufficient available funds therefor on a reset date, the administrator will advance the amount of certain unpaid expenses (other than remarketing fees) associated with a remarketing, including, without limitation, the fees of the rating agencies in connection with any required satisfaction of the rating agency condition. On subsequent quarterly distribution dates, the administrator will be entitled to reimbursement from the trust for those remarketing related expenses, from available funds on a subordinated basis, as set forth under “*Description of the Offered Notes—Flow of Funds*” herein.

On each quarterly distribution date that is one year or less prior to a reset date, funds will be deposited into the Remarketing Fee Fund, prior to the payment of interest on the offered notes, in an amount up to the quarterly funding amount. If the amount on deposit in the Remarketing Fee Fund, after payment of any remarketing fees therefrom, exceeds the quarterly required amount on any quarterly distribution date, the excess may be withdrawn from the Remarketing Fee Fund and deposited into the Collection Fund and included in available funds for that quarterly distribution date. In addition, all investment earnings on deposit in the Remarketing Fee Fund will be withdrawn on each quarterly distribution date, deposited into the Collection Fund and included in available funds for that quarterly distribution date. If on any quarterly distribution date money in the Collection Fund is insufficient to pay interest on the class A notes, or if on the maturity date for any class of class A notes, money in the Collection Fund is insufficient to reduce the principal balance of that class to zero, money in the Remarketing Fee Fund may be transferred to the Collection Fund and used for payment of interest or principal on the class A notes, in each case, after giving effect to any transfers to the Collection Fund from the Capitalized Interest Fund, the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund and the Reserve Fund.

“**Quarterly funding amount**” means for any quarterly distribution date that is:

- more than one year before the next reset date, zero; and
- one year or less before the next reset date, an amount to be deposited to the Remarketing Fee Fund so that the amount therein equals the quarterly required amount.

“**Quarterly required amount**” means:

- on any reset date, the reset period target amount, or
- on a quarterly distribution date that is one year or less before the next reset date, the reset period target amount multiplied by 5 minus the number of quarterly distribution dates remaining until the next reset date, and divided by 5.

The “**rating agency condition**” will be satisfied when each rating agency then rating the reset rate notes has been given 10 days’ prior written notice of an action and has notified the administrator, the indenture trustee and the remarketing agents, if applicable, in writing that the action will not result in and of itself in the reduction or withdrawal of its then-current rating of the reset rate notes.

“**Reset period target amount**” means for any quarterly distribution date that is:

- more than one year before the next reset date, zero; and
- one year or less before the next reset date, the highest remarketing fee payable to the remarketing agents for the reset rate notes on the next reset date as determined by the administrator based on the assumed weighted average life of the reset rate notes and the maximum fee set forth on a schedule to the remarketing agreement, as that schedule may be amended from time to time.

PRINCIPAL DISTRIBUTIONS ON THE OFFERED NOTES

The aggregate outstanding principal balance of each class of offered notes will be due and payable in full no later than the stated maturity date set forth below opposite the class to which that maturity date applies:

Class A-1 Notes:	August 25, 2020
Class A-2 Notes:	August 25, 2023
Class A-3 Notes:	November 25, 2026
Class A-4 Notes:	November 27, 2028
Class A-5 Notes:	May 25, 2034
Class A-6 Notes:	May 27, 2042
Class B Notes:	August 25, 2042

The actual date on which the final distribution on each class of offered notes will be made may be earlier than the maturity dates set forth above as a result of a variety of factors.

Principal payments will be made on the class A notes in an amount equal to the lesser of:

- the class A principal distribution amount for that quarterly distribution date; and
- funds available to pay principal on the class A notes as described below in “—*Flow of Funds.*”

The class A principal distribution amount will be paid first on the class A-1 notes until paid in full, second on the class A-2 notes until paid in full, third on the class A-3 notes until paid in full, fourth on the class A-4 notes until paid in full, fifth on the class A-5 notes until paid in full and sixth on the class A-6 notes until paid in full.

If in any reset period the class A-5 notes are denominated in a currency other than U.S. Dollars, as is the case in their initial reset period, any payments due on the class A-5 notes will be made to the currency swap counterparty in U.S. Dollars and the payments received from the currency swap counterparty in the applicable currency will be used to pay the class A-5 notes. Amounts received by the trust in a non-U.S. Dollar currency from a swap counterparty with respect to principal will be paid or allocated to the applicable noteholders from the Currency Fund on the related quarterly distribution date. In addition, if in any reset period the class A-5 notes are structured not to receive principal payments until the end of such reset period, any principal payments allocated to the class A-5 notes will be deposited into the Class A-5 Account of the Accumulation Fund described below.

Principal payments will be made on the class B notes in an amount equal to the lesser of:

- the class B principal distribution amount for that quarterly distribution date; and
- funds available to pay principal on the class B notes as described below in “—*Flow of Funds.*”

The class B principal distribution amount will be allocated to the class B notes on and after the stepdown date, so long as no subordinate principal trigger event is in effect on the quarterly distribution date.

There may not be sufficient funds available to pay the full principal distribution amount on each quarterly distribution date. Amounts on deposit in the Reserve Fund, other than amounts in excess of the specified reserve fund balance that are transferred to the Collection Fund, will not be available to make principal payments on the offered notes except upon their final maturity. If an event of default occurs under the indenture, payments will not be made in the order described above. Instead, payments will be made as described in the prospectus under “*Summary of the Indenture Provisions—Remedies on Default.*”

The “**stepdown date**” will be the earlier of May 25, 2012 and the first date on which no class A notes remain outstanding. A “**subordinate principal trigger event**” will occur on any quarterly distribution date while any class A notes are outstanding if the outstanding principal balance of the offered notes, less any amounts on deposit in the Accumulation Fund exclusive of investment earnings and, after giving effect to distributions to be made on that quarterly distribution date, exceeds the adjusted pool balance as of the end of the related collection period.

The “**principal distribution amount**” on a quarterly distribution date is the excess, if any, of the outstanding principal balance of the offered notes over the result of (i) the adjusted pool balance divided by (ii) one hundred and one-quarter percent (100.25%). On any quarterly distribution date on which a subordinate principal trigger event occurs, any funds remaining in the collection fund will be deemed to be principal distribution amounts.

The “**class A principal distribution amount**” is equal to the principal distribution amount times the class A percentage. The “**class B principal distribution amount**” is equal to the principal distribution amount times the class B percentage.

For each quarterly distribution date the “**class A percentage**” will equal 100% minus the class B percentage. The “**class B percentage**” will equal:

- 0% prior to the stepdown date or on any other quarterly distribution date if a subordinate principal trigger event is in effect; or
- on all other quarterly distribution dates, the percentage equivalent of a fraction, the numerator of which is the aggregate principal balance of the class B notes and the denominator of which is the aggregate principal balance of all outstanding offered notes, or U.S. Dollar equivalent based on the currency exchange rate in any applicable currency swap agreement, less any amounts on deposit in the Class A-5 Account of the Accumulation Fund, exclusive of investment earnings, and in each case determined on the determination date for that quarterly distribution date.

“**Adjusted pool balance**” means, for any quarterly distribution date,

- if the pool balance as of the last day of the related collection period is greater than 40% of the initial pool balance, the sum of that pool balance, any amounts on deposit in the Capitalized Interest Fund and the specified reserve fund balance for that quarterly distribution date; or
- if the pool balance as of the last day of the related collection period is less than or equal to 40% of the initial pool balance, that pool balance.

“**Pool balance**” for any date means the aggregate principal balance of the trust’s student loans on that date, including accrued interest that is expected to be capitalized and money on deposit in the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund (excluding amounts that will become available funds on the next quarterly distribution date), as reduced by the principal portion of:

- all payments received by the trust through that date from borrowers on the student loans, the guarantee agencies and the U.S. Department of Education;

- all amounts received by the trust through that date from purchases of student loans by the depositor, a servicer or the sponsor (or its designated affiliate);
- all liquidation proceeds and realized losses on the student loans through that date;
- the amount of any adjustment to balances of the student loans that any servicer is permitted to make under a servicing agreement through that date; and
- the amount by which guarantor reimbursements of principal on defaulted student loans through that date are reduced from 100%, as required by the risk sharing provisions of the Higher Education Act.

The “**initial pool balance**” means the pool balance as of the cut-off date plus amounts on deposit in the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund as of the closing date.

“**Available funds**” includes:

- all collections on the student loans, except:
 - collections of principal applied to repurchase loans from a guarantee agency or a servicer; and
 - amounts paid to the Department of Education or borrowers;
- interest benefit payments and special allowance payments;
- net amounts collected with respect to defaulted loans;
- amounts received from the depositor and the servicers for repurchased loans;
- interest and gains on amounts on deposit in any fund or account other than a collateral fund;
- payments received from the currency swap counterparty;
- certain amounts transferred from the Remarketing Fee Fund; and
- any other amounts deposited to the collection fund.

ALLOCATION OF PRINCIPAL TO ACCUMULATION FUND

If on any quarterly distribution date principal would be payable to the reset rate notes during a reset period when the reset rate notes are structured not to receive a payment of principal until the end of the reset period, principal generally will be allocated to the reset rate notes and deposited into the Class A-5 Account of the Accumulation Fund. Those principal amounts will remain in the Class A-5 Account of the Accumulation Fund until the next reset date for the reset rate notes, unless there occurs, prior to that reset date, an optional purchase or mandatory auction of the student loans held in the trust estate. On that reset date, all amounts on deposit in the Class A-5 Account of the Accumulation Fund, less any investment earnings, including any allocation of principal made on that quarterly distribution date, will be distributed to the reset rate noteholders, as of the related record date, as a payment of principal (or if in foreign exchange mode, on or about that reset date to the related swap counterparty, in exchange for the equivalent amount of the applicable non-U.S. Dollar currency to be paid to the reset rate noteholders on or about that reset date).

However, in the event that on any quarterly distribution date the amount on deposit in the Class A-5 Account of the Accumulation Fund, less any investment earnings, would equal the outstanding principal balance (or if in foreign exchange mode, the U.S. Dollar equivalent thereof) of the reset rate notes, then no additional amounts will be deposited into the Class A-5 Account of the Accumulation Fund, and all amounts therein, less any

investment earnings, will be distributed on the next reset date to the reset rate noteholders (or if in foreign exchange mode, on or about that reset date to the related currency swap counterparty, in exchange for the equivalent amount of the applicable non-U.S. Dollar currency to be paid to the reset rate noteholders on or about that reset date). On that reset date the outstanding principal balance of the reset rate notes will be reduced to zero. Amounts on deposit in the Class A-5 Account of the Accumulation Fund, less any investment earnings, may be used only to pay principal on the reset rate notes or to make payments to a currency swap counterparty (but solely in exchange for the equivalent amount of the applicable non-U.S. Dollar currency at the conversion rate set forth in a currency swap agreement) and for no other purpose. All investment earnings on deposit in the Class A-5 Account of the Accumulation Fund will be transferred into the Collection Fund on each quarterly distribution date.

If amounts are deposited into or are on deposit in the Class A-5 Account of the Accumulation Fund, the indenture trustee, subject to available funds, will deposit into the Supplemental Interest Fund the supplemental interest deposit amount as described below in “*Flow of Funds*.” The supplemental interest deposit amount equals with respect to any quarterly distribution date during a reset period when the reset rate notes are structured not to receive a payment of principal until the end of the reset period, the product of:

- the difference between (a) the weighted average of the LIBOR-based rates (as determined on the LIBOR Determination Date immediately preceding that quarterly distribution date) that will be payable by the trust to any related swap counterparties on the next quarterly distribution date, or the LIBOR-based rate (as determined on the LIBOR Determination Date immediately preceding that quarterly distribution date) that will be payable by the trust to the reset rate noteholders on the next quarterly distribution date, as applicable, and (b) an assumed rate of investment earnings that satisfies the rating agency condition,
- the amount on deposit in the Class A-5 Account of the Accumulation Fund immediately after that quarterly distribution date, and
- the actual number of days from that quarterly distribution date to the next reset date, divided by 360.

FLOW OF FUNDS

Servicing fees will be paid to each servicer on each monthly servicing payment date that is not a quarterly distribution date from money available in the Collection Fund. A “**monthly servicing payment date**” will occur on the 25th day of each month, provided that if the 25th day of a month is not a business day, the monthly servicing payment date for that month will occur on the next business day. In addition, each month money available in the Collection Fund will be used to pay fees and expenses of the trust, including amounts due to the U.S. Department of Education and the guarantee agencies with respect to student loans the trust owns. On each quarterly distribution date, prior to an event of default, available funds in the Collection Fund will be used to make the following deposits and distributions, in the following order:

- *first*, to the servicers, the indenture trustee and the Delaware trustee, as applicable, *pro rata*, to pay servicing and trustees’ fees due to such parties plus prior unpaid servicing and trustees’ fees;
- *second*, any amount required to be deposited to the Remarketing Fee Fund;
- *third*, to the administrator, the administration fee and any prior unpaid administration fees;
- *fourth*, to the class A noteholders (other than the holders of reset rate notes if a currency swap agreement is then in effect) and swap counterparties, *pro rata*, interest on the class A notes, including any previously accrued and unpaid interest, and to pay amounts due on any derivative product or swap agreement, including any currency swap agreement for the reset rate notes, *pari passu* with the class A notes including priority termination payments;
- *fifth*, to the class B noteholders, *provided* no subordinate interest trigger event is in effect, interest on the class B notes, including any previously accrued and unpaid interest;

- *sixth*, to the class A noteholders, the class A principal distribution amount in the following order:
 - to the class A-1 noteholders until the outstanding principal balance on the class A-1 notes is paid in full;
 - to the class A-2 noteholders until the outstanding principal balance on the class A-2 notes is paid in full;
 - to the class A-3 noteholders until the outstanding principal balance on the class A-3 notes is paid in full;
 - to the class A-4 noteholders until the outstanding principal balance on the class A-4 notes is paid in full;
 - to the class A-5 noteholders until (a) the outstanding principal balance on the class A-5 notes is paid in full or (b) the amounts on deposit in the Accumulation fund are sufficient to reduce the outstanding balance of the class A-5 notes to zero, *provided* that
 - if the reset rate notes are denominated in U.S. Dollars and are structured not to receive a payment of principal until the end of the related reset period, principal payments will be allocated to the Class A-5 Account of the Accumulation Fund until amounts on deposit therein are sufficient to pay the outstanding principal balance of the class A-5 notes in full; or
 - if the reset rate notes are denominated in a currency other than U.S. Dollars (as is the case during the initial reset period), principal payments will be made either to the currency swap counterparty or will be allocated to the Class A-5 Account of the Accumulation Fund (if the reset rate notes are structured not to receive a payment of principal until the end of the reset period) until the U.S. Dollar equivalent of the outstanding principal balance of the class A-5 notes has been distributed to the currency swap counterparty or allocated to the Class A-5 Account of the Accumulation Fund; and
 - to the class A-6 noteholders until the outstanding principal balance on the class A-6 notes is paid in full;
- *seventh*, if applicable, to the Supplemental Interest Fund, any supplemental interest deposit amount;
- *eighth*, to the class B noteholders, on and after the stepdown date, and provided no subordinate principal trigger event is in effect on such quarterly distribution date, the class B principal distribution amount until the class B notes are paid in full;
- *ninth*, to the Reserve Fund, the amount, if any, necessary to restore the Reserve Fund to the specified reserve fund balance;
- *tenth*, to any derivative product or swap counterparty, any non-priority termination payments due to such counterparty under the applicable derivative product or swap agreement not payable above;
- *eleventh*, to the administrator, as reimbursement for payments made by it in connection with a remarketing pursuant to the remarketing agreement;
- *twelfth*, to the class A and class B noteholders, if the student loans are not sold pursuant to the optional purchase or mandatory auction, to pay as accelerated payments of principal to the holders of the notes in the same order and priority as set forth above until the notes are paid in full;

- *thirteenth*, if applicable, to the class C noteholders any remaining amounts until the class C notes are paid in full; and
- *fourteenth*, to the depositor, any remaining amounts.

A “**subordinate interest trigger event**” will occur on any quarterly distribution date on which the product of (a) outstanding principal amount of the class A notes, after giving effect to any payments of principal with respect to the offered notes on that quarterly distribution date and (b) 98% exceeds (i) the sum of (A) the pool balance and (B) the sum of the amounts on deposit in the Capitalized Interest Fund and the Reserve Fund minus (ii) the specified reserve fund balance. If a subordinate interest trigger event is in effect on a quarterly distribution date, distributions of interest otherwise payable to class B noteholders will not be paid on that quarterly distribution date; *provided, however*, that funds in the Capitalized Interest Fund and the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund may be used (in that order) to pay class B interest on that quarterly distribution date to the extent such funds are available after giving effect to priorities *first* through *fourth* above, regardless of whether a subordinate interest trigger event is in effect.

OPTIONAL PURCHASE AND MANDATORY AUCTION

The sponsor or its assignee may, but is not required to, repurchase the remaining student loans in the trust when the pool balance is 10% or less of the initial pool balance. If this purchase option is exercised, the student loans will be sold to the sponsor or its assignee and the proceeds will be used on the succeeding quarterly distribution date to repay outstanding notes, which will result in early retirement of the offered notes.

If the sponsor or its assignee exercises its purchase option, the purchase price will equal the amount required to prepay in full, including all accrued interest, the remaining student loans held by the trust plus the appraised value of the other property in the trust (other than funds and accounts), but not less than a prescribed minimum purchase price. The prescribed minimum purchase price is the amount that, when combined with amounts on deposit in the funds and accounts held under the indenture, would be sufficient to:

- reduce the outstanding principal amount of each class of offered notes then outstanding on the related quarterly distribution date to zero;
- pay to the noteholders the interest payable on the related quarterly distribution date;
- pay any unpaid servicing fees, administration fees and trustees’ fees; and
- pay any amounts due on any derivative product agreement.

If any offered notes are outstanding and the sponsor or its assignee does not notify the indenture trustee of its intention to exercise its right to purchase student loans in the trust when the pool balance is 10% or less of the initial pool balance, an amount of loans sufficient to redeem the outstanding notes will be offered for sale by the indenture trustee on or before the next succeeding quarterly distribution date. The sponsor or one or more designated affiliates and unrelated third parties may offer to purchase the trust’s student loans in the auction. The proceeds of any auction sale will be used to retire any outstanding notes.

The indenture trustee will solicit and resolicit new bids from all participating bidders until only one bid remains or the remaining bidders decline to resubmit bids. The indenture trustee will accept the highest bid remaining if it equals or exceeds both the minimum purchase price described above and the fair market value of the student loans remaining in the trust estate. If the highest bid after the solicitation process does not equal or exceed both the minimum purchase price described above and the fair market value of the student loans remaining in the trust estate, the indenture trustee will not complete the sale. If the sale is not completed, the indenture trustee may, but will not be obligated to, solicit bids for the sale of the trust’s student loans with respect to future quarterly distribution dates using procedures similar to those described above. If the administrator requests it to do so, the indenture trustee will be obligated to make such solicitations. The indenture trustee may or may not succeed in soliciting acceptable bids for the trust’s student loans either on the auction date or subsequently.

If the trust's student loans are not sold as described above, on each subsequent quarterly distribution date, all amounts on deposit in the Collection Fund after giving effect to all withdrawals, except withdrawals payable to any class C noteholder and the depositor, will be distributed as accelerated payments of principal on the offered notes, until they have been paid in full.

PREPAYMENT, YIELD AND MATURITY CONSIDERATIONS

Generally, all of the trust's student loans are prepayable in whole or in part, without penalty, by the borrowers at any time, or as a result of a borrower's default, death, disability or bankruptcy and subsequent liquidation or collection of guarantee payments with respect to such loans. The rates of payment of principal on a class of offered notes and the yield on a class of offered notes may be affected by prepayments of the trust's student loans. Because prepayments generally will be paid through to noteholders as distributions of principal, it is likely that the actual final payments on a class of offered notes will occur prior to such class of notes' final maturity date. Accordingly, in the event that the trust's student loans experience significant prepayments, the actual final payments on a class of offered notes may occur substantially before their final maturity date, causing a shortening of the notes' weighted average life. Weighted average life refers to the average amount of time that will elapse from the date of issuance of an offered note until each dollar of principal of such note will be repaid to the investor.

The rate of prepayments on the trust's student loans cannot be predicted and may be influenced by a variety of economic, social and other factors. Generally, the rate of prepayments may tend to increase to the extent that alternative financing becomes available on more favorable terms or at interest rates significantly below the interest rates payable on the trust's student loans. In addition, the depositor is obligated to repurchase any student loan as a result of a breach of any of its representations and warranties relating to the trust's student loans, and each servicer is obligated to repurchase any student loan as a result of a breach of certain covenants with respect to such student loan, in the event such breach materially adversely affects the interests of the trust in that student loan and is not cured within the applicable cure period.

However, scheduled payments with respect to, and maturities of, the trust's student loans may be extended, including pursuant to grace periods, deferral periods and forbearance periods. The rate of payment of principal on a class of offered notes and the yield on such notes may also be affected by the rate of defaults resulting in losses on the trust's student loans that may have been liquidated, by the severity of those losses and by the timing of those losses, which may affect the ability of the guarantors to make guarantee payments on such student loans. In addition, the maturity of certain of the trust's student loans may extend beyond the final maturity date for a class of offered notes.

See "*Weighted Average Lives, Expected Maturities and Percentages of Original Principal Remaining at Each Quarterly Distribution Date for the Offered Notes*" attached to this prospectus supplement as Appendix I.

CREDIT ENHANCEMENT

RESERVE FUND

Approximately \$4,916,602 of the proceeds of the offered notes will be deposited into the Reserve Fund on the closing date. The "**specified reserve fund balance**" will be the greater of (a) one quarter of one percent (0.25%) of the pool balance and (b) \$2,949,961; provided that in no event will the specified reserve fund balance exceed the principal amount of the offered notes. Amounts in the Reserve Fund may be reduced in connection with the reduction of the outstanding principal balance of the trust student loans. The specified reserve fund balance may be decreased with a rating confirmation. Any amounts in the Reserve Fund in excess of the specified reserve fund balance following such decrease will be deposited in the Collection Fund. In the event of a collection fund shortfall, amounts on deposit in the Reserve Fund will be transferred to the Collection Fund to cover the shortfall to the extent amounts on deposit in the Capitalized Interest Fund and the Prefunding Account and the Add-On Consolidation Loan Account of the Acquisition Fund are not sufficient to cover the shortfall, *provided*, that amounts transferred from the Reserve Fund to the Collection Fund while a subordinate interest trigger event is in effect will not be used to pay interest on the class B notes. To the extent the amount in the Reserve Fund falls below the specified reserve fund balance, the Reserve Fund will be replenished on each quarterly distribution date from funds available in the Collection Fund as described above under "*Description of the Offered Notes—Flow of Funds*."

The Reserve Fund is intended to enhance the likelihood of timely distributions of interest to the noteholders and to decrease the likelihood that the noteholders will experience losses. In some circumstances, however, the Reserve Fund could be reduced to zero. Except on the final maturity date of a class of notes, amounts on deposit in the Reserve Fund, other than amounts in excess of the specified reserve fund balance that are transferred to the Collection Fund, will not be available to cover any principal payment shortfalls. On the final maturity date of a class of notes, amounts on deposit in the Reserve Fund will be available to pay principal on the notes and accrued interest.

SUBORDINATED NOTES

The class B notes are subordinate notes. The rights of the class B noteholders to receive payments of interest are subordinated to the rights of the class A noteholders to receive payments of interest. Similarly, the rights of the class B noteholders to receive payments of principal are subordinated to the rights of the class A noteholders to receive payments of interest and principal. This subordination is intended to enhance the likelihood of regular receipt by the class A noteholders of the full amount of the payments of interest and principal due them and to protect the class A noteholders against losses. See “*Risk Factors—Subordination of the class B notes and payment priorities may result in a greater risk of loss*” above and “*Description of Credit Enhancement and Derivative Products—Credit Enhancement—Subordinate Notes*” in the prospectus.

CAPITALIZED INTEREST FUND

Approximately \$80,000,000 of the proceeds from the sale of the offered notes will be deposited into a Capitalized Interest Fund. In the event of a collection fund shortfall, amounts on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the shortfall prior to any amounts being transferred from the Prefunding Account or the Add-On Consolidation Loan Account of the Acquisition Fund or the Reserve Fund. Amounts released from the Capitalized Interest Fund will not be replenished. On the quarterly distribution date in each month set forth below, any amounts remaining in the Capitalized Interest Fund in excess of the amount set forth opposite such month will be transferred to the Collection Fund.

August 2006	\$67,000,000
November 2006	57,000,000
February 2007	49,000,000
May 2007	43,000,000
August 2007	38,000,000
November 2007	33,000,000
February 2008	29,000,000
May 2008	25,000,000
August 2008	21,000,000
November 2008	0

CURRENCY SWAP AGREEMENT

On the closing date, the trust will enter into a currency swap agreement for the class A-5 notes with Barclays Bank PLC as the currency swap agreement counterparty.

SUMMARY OF THE SWAP AGREEMENT

The currency swap agreement will be documented under a 1992 ISDA Master Agreement (Multicurrency—Cross Border) modified to reflect the terms of the class A-5 notes and the indenture. The significance percentage for the currency swap agreement, calculated in accordance with Item 1115 of Regulation AB, is estimated to exceed 20% of the aggregate outstanding principal balance of the class A-5 notes on the date of issuance.

Because the purchase price for the class A-5 notes will be paid by investors in Euros, but the trust will purchase the student loans in U.S. Dollars, on the closing date the currency swap counterparty will convert amounts received in Euros by the trust from the sale of the class A-5 notes into U.S. Dollars, which will be delivered to the trust as net proceeds from the sale of the class A-5 notes. The amounts received in Euros by the trust will be converted to U.S. Dollars using an exchange rate of €1.00 = \$1.2816. We sometimes refer to this exchange rate as the “**initial Euro exchange rate**”.

PAYMENTS PRIOR TO FAILED REMARKETING

Prior to the occurrence of a failed remarketing, generally on or before the third business day immediately preceding each quarterly distribution date through the initial reset date for the class A-5 notes, the trust will be obligated to pay to the currency swap agreement counterparty under the currency swap agreement, from available funds, and if necessary, the Capitalized Interest Fund, the Acquisition Fund and the Reserve Fund, *pari passu* with interest payments to the class A noteholders, an amount in U.S. Dollars equal to the product of:

- three-month LIBOR plus 0.1075%;
- an amount equivalent to the U.S. Dollar equivalent of the outstanding principal balance of the class A-5 notes immediately preceding that quarterly distribution date; and
- a fraction, the numerator of which is the actual number of days elapsed in the related interest accrual period, and the denominator of which is 360.

In exchange for the interest payments made under the currency swap agreement, the currency swap agreement counterparty will be obligated to pay to a paying agent, on behalf of the trust, an amount of Euros equal to the product of:

- EURIBOR (determined as of the same time and in the same manner as for the class A-5 notes for the related interest accrual period) plus the interest rate margin applicable to the class A-5 notes;
- an amount equivalent to the outstanding principal balance of the class A-5 notes denominated in Euros, immediately preceding that quarterly distribution date; and
- a day count fraction using the Actual/360 accrual method, as described under “*Description of the Notes—Index Rate Notes*” in the prospectus.

Furthermore, on or before each quarterly distribution date prior to the occurrence of a failed remarketing, the trust will deliver to the currency swap agreement counterparty all principal otherwise allocated to the class A-5 notes in reduction of their outstanding principal balance. In return, the currency swap agreement counterparty will deliver to the paying agent, for distribution to the class A-5 noteholders, the equivalent amount of Euros, using the initial Euro exchange rate, in reduction of the outstanding principal balance of the class A-5 notes.

SUCCESSFUL REMARKETING; EXERCISE OF THE CALL OPTION

On the reset date corresponding to the successful remarketing or an exercise of the call option for the class A-5 notes, the currency swap agreement will also be utilized to convert an amount equal to the payment of principal in U.S. Dollars by the trust that would have been made to the class A-5 noteholders on the reset date if not for the existence of the currency swap agreement and all secondary market trade proceeds received by the remarketing agents in U.S. Dollars directly from the purchasers of the class A-5 notes (or indirectly from the currency swap agreement counterparty pursuant to a new currency swap agreement) or call option amounts into the amount of Euros required to pay principal in full to the selling class A-5 noteholders, using the initial Euro exchange rate.

FAILED REMARKETING

In the event that a failed remarketing occurs on the initial reset date for the class A-5 notes, and continues for each three-month reset period thereafter until the currency swap agreement terminates in accordance with its terms, the interest payable by the trust to the currency swap agreement counterparty under the currency swap agreement on or before the third business day immediately preceding each quarterly distribution date will be changed to equal the product of:

- the extension rate;
- an amount equivalent to the U.S. Dollar equivalent of the outstanding principal balance of the class A-5 notes immediately following the preceding quarterly distribution date; and
- a fraction, the numerator of which is the actual number of days elapsed in the related interest accrual period, and the denominator of which is 360;

and the interest payable by the currency swap agreement counterparty under the currency swap agreement will be payable to the paying agent on or before the third business day immediately preceding each quarterly distribution date in an amount equal to the product of:

- the failed remarketing rate;
- an amount equivalent to the outstanding principal balance of the class A-5 notes, denominated in Euros, immediately following the preceding quarterly distribution date; and
- a day count fraction using the Actual/360 accrual method, as described under “*Description of the Notes—Index Rate Notes*” in the prospectus.

Furthermore, in the event that the currency swap agreement for the class A-5 notes remains in effect due to one or more consecutive failed remarketings, on or before each quarterly distribution date after the initial reset date for the class A-5 notes, the trust will deliver to the currency swap agreement counterparty all principal otherwise allocated to the class A-5 notes in reduction of their outstanding principal balance. In return, the currency swap agreement counterparty will deliver to the paying agent, for distribution to the class A-5 noteholders, the equivalent amount of Euros, using the initial Euro exchange rate, in reduction of the outstanding principal balance of the class A-5 notes.

For the reset date for the class A-5 notes, the trust will make payments of interest and principal to the applicable class A-5 noteholders, from amounts received from the currency swap agreement counterparty, no later than the second business day following the reset date together with additional interest on the applicable principal balance at the related interest rate and in Euros from and including the reset date to, but excluding, the actual payment date. For any reset period thereafter following a reset date upon which a failed remarketing has occurred, up to and including the reset date resulting in a successful remarketing or an exercise of the call option, the trust will make payments of interest and principal to the applicable class A-5 noteholders from amounts received from the currency swap agreement counterparty, no later than the second business day following the reset date without the payment of any additional interest.

In addition, on or before the third business day immediately preceding the final maturity date for the class A-5 notes, if the currency swap agreement is still in effect, the trust is obligated to deliver to the currency swap agreement counterparty the amount of the remaining outstanding principal balance of the class A-5 notes in U.S. Dollars, and in return the currency swap agreement counterparty will deliver to the paying agent, for distribution to the class A-5 noteholders, the equivalent amount of Euros as payment in full of the outstanding principal balance of the class A-5 notes.

TERMINATION DATES

The currency swap agreement will terminate, in accordance with its respective terms, on the earliest to occur of:

- the next succeeding reset date for which there is a successful remarketing of the class A-5 notes;
- the reset date for which the call option is exercised;
- three business days prior to the quarterly distribution date on which the outstanding principal balance of the class A-5 notes is reduced to zero;
- the third business day prior to the scheduled termination date of the currency swap agreement which is the quarterly distribution date in May 2034; and
- the date on which the trust estate is liquidated following an event of default and the proceeds have been distributed pursuant to an indenture.

No currency swap agreement will terminate solely as a result of a failed remarketing.

As described above, the currency swap agreement counterparty is required to make a payment to the trust only to the extent that the corresponding payment in U.S. Dollars is made by the trust to the currency swap agreement counterparty.

MODIFICATIONS AND AMENDMENTS

The indenture contains provisions permitting the trust, with the consent of the indenture trustee, to enter into any amendments to a currency swap agreement to cure any ambiguity in, or correct or supplement any provision of, that currency swap agreement, so long as the trust determines, and the indenture trustee agrees in writing, that any related amendment will not materially adversely affect the interests of the noteholders, notice has been given to the rating agencies and the rating agency condition has been satisfied.

DEFAULT UNDER THE CURRENCY SWAP AGREEMENT

Events of default under the currency swap agreement are limited to:

- the failure of the trust or the currency swap agreement counterparty to pay any amount when due under the currency swap agreement after giving effect to any grace period; provided, that with respect to the trust, the trust has available, after all prior obligations of the trust, sufficient funds to make the payment;
- the occurrence of a bankruptcy of the trust or an event of insolvency or bankruptcy of the currency swap agreement counterparty; and
- the following other standard events of default under the 1992 ISDA Master Agreement. “Breach of Agreement” (not applicable to the trust), “Credit Support Default” (not applicable to the trust), “Misrepresentation” (not applicable to the trust), “Cross-Default” (not applicable to the trust) and “Merger Without Assumption” (not applicable to the trust), as described in Sections 5(a)(ii), 5(a)(iii), 5(a)(iv), 5(a)(vi) and 5(a)(viii), respectively, of the 1992 ISDA Master Agreement.

TERMINATION EVENTS

The currency swap agreement will contain usual and customary termination events and will also include an additional termination event relating to a downgrade of the currency swap agreement counterparty’s or its credit support provider’s credit rating. This additional termination event will occur if the currency swap agreement

counterparty has not, within an applicable grace period not to exceed 30 business days of a downgrade event, procured a collateral arrangement (and delivered any collateral required to be delivered at that time), a replacement currency swap agreement acceptable to the rating agencies for the notes or a swap agreement rating confirmation, or taken any other action required by the currency swap agreement. A “**swap agreement rating confirmation**” is a confirmation from each rating agency then rating the notes that an action or a rating event with respect to an interest rate swap agreement or currency swap agreement, as applicable, will not result in a reduction, qualification or withdrawal of the current rating of the notes.

In addition, the currency swap agreement will contain the following termination events:

- subject to an applicable grace period, the currency swap agreement counterparty fails to comply with or perform any agreement or undertaking contained in a disclosure agreement between the currency swap counterparty, the depositor, the sponsor, the issuing entity and the underwriters for the notes, which will require the currency swap agreement counterparty to deliver to the issuing entity specified financial and other information regarding the currency swap counterparty to enable the depositor and the issuing entity to comply with their reporting obligations to the SEC; and
- without the prior consent of the currency swap agreement counterparty, the issuing entity waives or modifies the indenture or other documents relating to the notes in any manner that would adversely and materially affect the currency swap agreement counterparty under the currency swap agreement.

EARLY TERMINATION OF A CURRENCY SWAP AGREEMENT

Upon the occurrence of any default or termination event under a currency swap agreement, the non-defaulting party or the non-affected party, as the case may be, will have the right to designate an early termination date upon the occurrence of that default or termination event.

Upon any early termination of a currency swap agreement, either the trust or the currency swap agreement counterparty, as the case may be, may be liable to make a termination payment to the other, regardless of which party has caused that termination. The amount of that termination payment will be based on the value of the swap transaction under the currency swap agreement computed in accordance with the procedures in that currency swap agreement. In the event that the trust is required to make a termination payment following a default under the applicable currency swap agreement resulting from a payment default by the trust or a bankruptcy event with respect to the trust, those payments will be payable *pari passu* with interest payable on the class A notes. However, in the event that a termination payment is owed to the currency swap agreement counterparty following any other default of the trust, any default resulting from a default of the currency swap agreement counterparty or a termination event under any currency swap agreement, the termination payment will be subordinate to the right of the noteholders to receive full payment of principal of and interest on the notes on that quarterly distribution date, to the required deposits to the Supplemental Interest Fund and to the replenishment of the Reserve Fund to the specified reserve fund balance.

CURRENCY SWAP AGREEMENT COUNTERPARTY

Barclays Bank PLC was established by Royal Charter on 1st June 1836 as the Colonial Bank. It was reincorporated in 1925 under the Colonial Bank Act 1925 in which year it amalgamated with the National Bank of South Africa Limited and the Anglo-Egyptian Bank Limited and changed its name to Barclays Bank (Dominion, Colonial and Overseas). The name was shortened to Barclays Bank D.C.O. in September 1954 and changed to Barclays Bank International Limited in October 1971. On 4th October 1971 it was registered under the Companies Acts 1948 to 1967. On 27th November 1981 it became a private company for the purposes of the Companies Act 1980. Pursuant to the Barclays Bank Act 1984, on 1st January 1985, it was re-registered as a public limited company and its name was changed from Barclays Bank International Limited to Barclays Bank PLC. Barclays Bank PLC is a company validly existing under the laws of England and Wales under registration number 1026167. It has its registered head office at 1 Churchill Place, London E14 5HP. Barclays Bank PLC and its subsidiary undertakings

(taken together, the "Group") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group and one of the largest financial services companies in the world by market capitalisation.

The short term unsecured obligations of Barclays Bank PLC are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated AA by Standard & Poor's, Aa1 by Moody's and AA+ by Fitch Ratings Limited.

By Regulation, the European Union agreed that virtually all listed companies must use International Financial Reporting Standards ("IFRS") adopted for use in the European Union in the preparation of their 2005 consolidated accounts. The Group has applied IFRS from 1 January 2004, with the exception of the standards relating to financial instruments (IAS 32 and IAS 39) and insurance contracts (IFRS 4) which were applied only with effect from 1 January 2005. Therefore, in the Group's 2005 Annual Report, the impacts of adopting IAS 32, IAS 39 and IFRS 4 are not included in the 2004 comparatives in accordance with First-time Adoption of International Financial Reporting Standards (IFRS 1). The results for 2005 are therefore not entirely comparable to those for 2004 in affected areas.

Based on the Group's audited financial information for the year ended 31 December 2005, the Group had total assets of £924,170 million (2004: £538,300 million), total net loans and advances¹ of £300,001 million (2004: £343,041 million), total deposits² of £313,811 million (2004: £328,516 million), and total shareholders' equity of £24,243 million (2004: £16,849 million) (including minority interests of £1,578 million (2004: £211 million)). The profit before tax of the Group for the year ended 31 December 2005 was £5,311 million (2004: £4,589 million) after impairment charges on loans and advances and other credit provisions of £1,571 million (2004: £1,093 million).

Barclays Bank PLC is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and in accordance therewith, files and submits reports and other information with the SEC. Barclays Bank PLC's SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document filed with the SEC at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The audited financial statements contained in the joint Annual Report of Barclays PLC and Barclays Bank PLC, as filed with the Securities and Exchange Commission on Form 20-F on April 3, 2006 in respect of the year ended December 31, 2005, are incorporated by reference herein.

All documents subsequently filed by Barclays Bank PLC pursuant to Section 13(a) or 15(d) of the Exchange Act prior to the termination of the offering also shall be deemed to be incorporated by reference into the prospectus.

EXPERTS

The report dated March 9, 2006 relating to the financial statements of Barclays PLC and Barclays Bank PLC, which appears in the 2005 Annual Report to Shareholders of Barclays PLC, which is incorporated by reference in the combined Annual Report on Form 20-F for Barclays PLC and Barclays Bank PLC for the year ended December 31, 2005, is incorporated by reference herein in reliance upon the audit report of PricewaterhouseCoppers LLP, London, England, an independent registered public accounting firm, given upon authority of said firm as experts in auditing and accounting.

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

ERISA CONSIDERATIONS

Subject to the important considerations described below and under “*ERISA Considerations*” in the accompanying prospectus, the offered notes are eligible for purchase by pension, profit-sharing or other employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), as well as individual retirement accounts, Keogh plans and other plans subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “**Code**”), as well as any entity holding “plan assets” of any of the foregoing (each, a “**Benefit Plan**”).

Although there is little guidance on the subject, assuming the offered notes constitute debt for local law purposes, the trust believes that, at the time of their initial issuance, the offered notes should be treated as indebtedness without substantial equity features for purposes of the Plan Assets Regulation (as defined in the accompanying prospectus). This determination is based in part upon the traditional debt features of the offered notes, including the reasonable expectation of purchasers of the offered notes that such notes will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the offered notes for ERISA purposes could change if the trust incurs losses. This risk of recharacterization is enhanced for offered notes that are subordinated to other classes of securities.

By acquiring an offered note, each purchaser and transferee will be deemed to represent, warrant and covenant that either (i) it is not acquiring the offered note with the assets of a Benefit Plan or any other plan that is subject to a law that is substantially similar to ERISA or Section 4975 of the Code; or (ii) the acquisition, holding and disposition of the note will not give rise to a non-exempt prohibited transaction under ERISA or Section 4975 of the Code based on the exemptive relief available under one of the Prohibited Transaction Class Exemptions identified under “*ERISA Considerations*” in the accompanying prospectus or another exemption, all of the conditions of which have been satisfied.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

On the closing date, Mayer, Brown, Rowe & Maw LLP will render, with respect to the offered notes, its opinion to the effect that the offered notes will be treated as debt, rather than as an interest in the student loans, and that the trust will not be characterized as an association or publicly traded partnership taxable as a corporation each for federal income tax purposes. Such opinion is not binding on the Internal Revenue Service and there is no assurance that such characterization would prevail if challenged. See “*Material Federal Income Tax Consequences*” in the prospectus.

REPORTS TO NOTEHOLDERS

Quarterly reports concerning Goal Capital Funding Trust 2006-1 will be delivered to noteholders. Generally, you will receive those reports not from the trust, but through the clearing agencies as the registered holders of the offered notes. See “*Book-Entry Registration*” in the prospectus.

The trust will file with the SEC periodic reports required under the Securities Exchange Act of 1934 and SEC rules.

ADDITIONAL INFORMATION

Pursuant to Item 1105 of Regulation AB, static pool information regarding the sponsor’s previous student loan securitizations is available on the internet at http://www.goalfinancial.net/investor_relations/staticpool.aspx. See “*Incorporation of Documents by Reference; Where to Find Additional Information*” in the prospectus. Static pool information concerning the sponsor’s securitization activities prior to January 1, 2006 is not part of this prospectus supplement or the accompanying prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this prospectus supplement and the prospectus, including those concerning expectations as to the trust's ability to purchase eligible student loans, to structure and to issue competitive securities, the trust's ability to pay notes, and certain other information presented in this prospectus supplement and the prospectus, constitute "**forward-looking statements**," which represent the sponsor's expectations and beliefs about future events. Actual results may vary materially from such expectations. For a discussion of the factors which could cause actual results to differ from expectations, please see the caption entitled "*Risk Factors*" in this prospectus supplement and in the prospectus.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the underwriting agreement dated as of May 18, 2006, among the depositor and the underwriters named below, the depositor has agreed to cause the trust to sell to each of the underwriters, and each of the underwriters has agreed to purchase from the trust, the principal amount of the notes set forth opposite its name.

	Class A-1	Class A-2	Class A-3	Class A-4	Class A-5	Class A-6	Class B
Banc of America Securities LLC.....	\$124,438,000	\$ 84,462,000	\$107,340,000	\$71,352,000	€ 0	\$ 68,514,000	\$21,496,000
Banc of America Securities Limited..	0	0	0	0	106,551,000	0	0
Barclays Capital Inc. .	131,505,000	89,260,000	113,436,000	75,405,000	0	72,406,000	22,717,000
Barclays Bank PLC...	0	0	0	0	112,604,000	0	0
Deutsche Bank Securities Inc.	152,708,000	103,651,000	131,725,000	87,563,000	0	84,080,000	26,382,000
Deutsche Bank AG, London Branch.....	0	0	0	0	130,764,000	0	0
Fortis Bank nv-sa.....	0	0	0	0	81,000	0	0
Total.....	<u>\$408,651,000</u>	<u>\$277,373,000</u>	<u>\$352,501,000</u>	<u>\$234,320,000</u>	<u>€350,000,000</u>	<u>\$225,000,000</u>	<u>\$70,595,000</u>

The underwriters have advised that they propose to offer the notes to the public initially at the respective offering prices set forth below, and to certain dealers at these prices less concessions not in excess of the concessions listed below. The underwriters may allow and the dealers may reallow concessions to other dealers not in excess of the reallowances listed below. After the initial public offering, these prices and concessions may change.

	Initial Public Offering Price	Underwriting Discount	Proceeds to the Trust*	Selling Concessions Not to Exceed	Reallowance Not to Exceed
Class A-1 Notes	\$408,651,000	0.155%	\$408,017,591	0.093%	0.047%
Class A-2 Notes	\$277,373,000	0.185%	\$276,859,860	0.111%	0.056%
Class A-3 Notes	\$352,501,000	0.210%	\$351,760,748	0.126%	0.063%
Class A-4 Notes	\$234,320,000	0.225%	\$233,792,780	0.135%	0.068%
Class A-5 Notes	€ 350,000,000	0.240%	€ 349,160,000	0.144%	0.072%
Class A-6 Notes	\$225,000,000	0.275%	\$224,381,250	0.165%	0.083%
Class B Notes	\$ 70,595,000	0.320%	\$70,369,096	0.192%	0.096%

*Before deducting certain costs of issuing the notes estimated to be \$1,565,000.

The prices and proceeds shown in the table do not include any accrued interest. The actual prices and proceeds will include interest, if any, from the closing date.

Any underwriter will be permitted to engage in the following transactions, to the extent permitted by Regulation M under the Securities Exchange Act of 1934, as amended:

- over-allotment transactions, which involve syndicate sales in excess of the offering size creating a syndicate short position;
- stabilizing transactions, which permit bids to purchase the notes so long as the stabilizing bids do not exceed a specified maximum; and
- syndicate covering transactions, which involve purchases of the notes in the open market after the distribution has been completed to cover syndicate short positions.

Over-allotment transactions, stabilizing transactions and syndicate covering transactions may cause prices of the notes to be higher than they would otherwise be in the absence of those transactions. Neither we nor any of the underwriters represent that the underwriters will engage in any of those transactions or that those transactions, once commenced, will not be discontinued without notice.

Neither the trust nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of the notes. In addition, neither the trust nor any of the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The notes are a new class of securities with no established trading market. The underwriters have advised that they presently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. We cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower or higher than the initial offering price or that an active trading market for the notes will develop and continue after this offering.

The underwriting agreement provides that the depositor will indemnify the underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933, and the depositor has agreed to reimburse the underwriters for the fees and expenses of their counsel. The sponsor has also entered into an indemnity agreement with the underwriters under which the sponsor agrees to indemnify the underwriters against certain civil liabilities.

We will acquire student loans from the depositor on the closing date in exchange for certain proceeds of the notes. The depositor will use such proceeds to acquire such student loans from the warehousing entities. Prior to the closing date, such student loans were financed by the warehousing entities pursuant to financing facilities with some of the underwriters or affiliates of some of the underwriters (the “**warehouse financing providers**”). Proceeds of the notes will be used to repay amounts owed by the warehousing entities to the warehouse financing providers.

The swap agreement counterparty is Barclays Bank PLC, which is one of the underwriters.

The underwriting agreement provides that the depositor and the sponsor will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933. The underwriting agreement also provides that the depositor or the sponsor will pay (to the extent that the proceeds at closing are not sufficient to pay) the underwriters for various fees and expenses.

Fortis Bank nv-sa has agreed that it will not offer or sell any notes in the United States or to U.S. persons for certain periods, except through a broker-dealer that is registered in the United States.

Each underwriter has represented and agreed that:

- it has not offered or sold and will not offer or sell any notes to persons in the United Kingdom prior to the expiration of the period of six months from the issue date of the notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments, as

principal or agent, for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended (the “**POS Regs**”);

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity, within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”), received by it in connection with the issue or sale of any notes in circumstances in which section 21(1) of the FSMA does not apply to the trust; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

No action has been or will be taken by the depositor or the underwriters that would permit a public offering of the notes in any country or jurisdiction other than in the United States, where action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither the prospectus, this prospectus supplement nor any circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose hands this prospectus supplement comes are required by the depositor and the underwriters to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, sell or deliver notes or have in their possession or distribute such prospectus supplement, in all cases at their own expense.

The depositor has not authorized any offer of the notes to the public in the United Kingdom within the meaning of the POS Regs and the FSMA. The notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the POS Regs or otherwise in compliance with all applicable provisions of the POS Regs and the FSMA.

LISTING AND GENERAL INFORMATION

Application will be made for the offered notes to be admitted to the official list of the Irish Stock Exchange subject to the Irish Stock Exchange listing rules and the prospectus rules of the Irish Financial Services Regulatory Authority and to be admitted to trading on the Irish Stock Exchange. There can be no assurance that such a listing will be obtained. This prospectus supplement and the accompanying prospectus constitute the prospectus (the “**Prospectus**”) in connection with the application for the offered notes to be admitted to the official list of the Irish Stock Exchange. Reference throughout this document to the prospectus supplement and the accompanying prospectus shall be taken to read “**Prospectus**” for this purpose. Certain information has been included in this prospectus supplement to comply with the Irish Stock Exchange listing rules and the prospectus rules of the Irish Financial Services Regulatory Authority.

For so long as the offered notes are listed on the Irish Stock Exchange, the material contracts referred to herein, including the indenture of trust, the trust agreement, the servicing agreement, the currency swap agreement, the remarketing agreement and the administration agreement will be made available for inspection in electronic or physical format at our principal office at 9477 Waples Street, Suite 100, San Diego, California 92121 USA.

The trust is a special purpose entity formed in connection with the issuance of the notes, as further described above in “*Summary—Description of the Trust—General*”. The trust was formed on April 24, 2006 pursuant to a certificate of trust filed with the Secretary of State of the State of Delaware (United States of America). The office of the trust is in care of the Delaware trustee as set forth below in “*Directory*”.

Each of the offered notes, the indenture of trust, the currency swap agreement and the remarketing agreement is governed by the laws of the State of New York. Each of the trust agreement and the administration agreement is governed by the laws of the State of Delaware. The GLELSI Servicing Agreement is governed by the laws of the State of Wisconsin.

Since our formation, we have not been involved in any governmental, litigation or arbitration proceedings relating to claims on amounts which are material in the context of the issue of the offered notes. Nor, so far as we are aware, are any such proceedings pending or threatened.

The issuance of the offered notes was authorized by a unanimous written consent of the board of directors of the depositor.

As of the closing date the trust had not commenced operations and no accounts had been made up.

The trust is not required by Delaware state law and does not intend to publish any financial statements. The indenture requires the trust to provide the indenture trustee with written notification, on an annual basis, that to the best of its knowledge, following review of the activities of the prior year, that no event of default or other matter which is required to be brought to the indenture trustee's attention has occurred.

LEGAL MATTERS

Certain legal matters, including certain income tax matters, will be passed upon for Goal Capital Funding Trust 2006-1 by Mayer, Brown, Row & Maw LLP. Certain legal matters will be passed upon for the underwriters by Kutak Rock LLP.

DIRECTORY

ISSUING ENTITY

Goal Capital Funding Trust 2006-1
c/o Wilmington Trust Company
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Wilmington, Delaware 19890
UNITED STATES OF AMERICA

SPONSOR AND ADMINISTRATOR

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San Diego, California 92121
UNITED STATES OF AMERICA

DEPOSITOR

Goal Capital Funding, LLC
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UNITED STATES OF AMERICA

DELAWARE TRUSTEE FOR THE ISSUING ENTITY

Wilmington Trust Company
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Wilmington, Delaware 19890
UNITED STATES OF AMERICA

INDENTURE TRUSTEE, PRINCIPAL PAYING AGENT AND NOTE REGISTRAR

The Bank of New York
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Attention: Corporate Trust Department
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COUNSEL TO THE INDENTURE TRUSTEE AND THE PRINCIPAL PAYING AGENT

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UNITED STATES OF AMERICA

**WEIGHTED AVERAGE LIVES,
EXPECTED MATURITIES AND PERCENTAGES
OF ORIGINAL PRINCIPAL REMAINING AT EACH QUARTERLY DISTRIBUTION
DATE FOR THE OFFERED NOTES**

Prepayments on pools of student loans can be calculated based on a variety of prepayment models. The model used to calculate prepayments in this term sheet is based on prepayment rates derived on a linear function that is ramped over time based on loan age. For purposes of this transaction we refer to this model as the “pricing prepayment curve” or “PPC.” The PPC applies a constant percentage rate (“CPR,” see discussion below) of prepayment that rises steadily from 0% CPR to 8% CPR over a 120 month period (growing 0.0672269% per month), leveling off at 8% thereafter.

100% PPC implies prepayment exactly according to the ramp. A rate of “x% PPC” implies the indicated constant percentage to each of the CPRs along the ramp.

CPR is stated as an annualized rate and is calculated as the percentage of the loan amount outstanding at the beginning of a period (including accrued interest to be capitalized), after applying scheduled payments, that prepays during that period. The CPR model assumes that student loans will prepay in each month according to the following formula:

Monthly Prepayments = (Balance (including accrued interest to be capitalized) after scheduled payments) x (1-(1-CPR)^{1/12})

CONSTANT PREPAYMENT RATE

PERCENT OF PPC	SEASONING (MONTHS)				
	24	48	72	96	120
50% PPC.....	0.80%	1.60%	2.40%	3.20%	4.00%
100% PPC.....	1.60%	3.20%	4.80%	6.40%	8.00%
150% PPC.....	2.40%	4.80%	7.20%	9.60%	12.00%
200% PPC.....	3.20%	6.40%	9.60%	12.80%	16.00%

The PPC model does not purport to describe historical prepayment experience or to predict the prepayment rate of any actual student loan pool. The student loans will not prepay according to the PPC, nor will all of the student loans prepay at the same rate. You must make an independent decision regarding the appropriate principal prepayment scenarios to use in making any investment decision.

The tables below show the weighted average remaining lives, expected maturity dates and percentages of original principal remaining of the notes at certain quarterly distribution dates under various PPC scenarios.

For purposes of calculating the information presented in the tables, it is assumed, among other things, that:

- the cutoff date for the trust student loans is as of May 1, 2006;
- the closing date is May 25, 2006;
- all trust student loans (as grouped within the “rep lines” described below) remain in their current status until their status end date and then move to repayment, and no trust student loan moves from repayment to any other status;

- the trust student loans that are (i) non-subsidized consolidation loans not in repayment status, or (ii) subsidized consolidation loans in forbearance status, have interest accrue and capitalized upon entering repayment;
- the trust student loans that are subsidized consolidation loans and are in deferment status, have interest paid (interest subsidy payments) by the Department of Education quarterly, based on a quarterly calendar accrual period;
- there are government payment delays of 60 days for interest subsidy and special allowance payments;
- no delinquencies or defaults occur on any of the trust student loans, no repurchases for breaches of representations, warranties or covenants occur, and all borrower payments are collected in full;
- index levels for calculation of borrower and government payments are:
 - 91-day Treasury bill rate of 4.68%;
 - three-month commercial paper rate of 4.91%; and
 - three-month LIBOR rate of 5.04%;
- quarterly distributions begin on August 25, 2006, and payments are made quarterly on the 25th day of every February, May, August and November thereafter, whether or not the 25th is a business day;
- the interest rate for each class of outstanding notes at all times will be equal to:
 - Class A-1 notes: 5.06%;
 - Class A-2 notes: 5.14%;
 - Class A-3 notes: 5.17%;
 - Class A-4 notes: 5.20%;
 - Class A-5 notes: 5.16% (for both the initial reset period and subsequent reset periods);
 - Class A-6 notes: 5.25%; and
 - Class B notes: 5.49%;
- an administration fee equal to 0.05% of the outstanding principal amount of the trust student loans paid quarterly by the trust to the administrator;
- trustee fees equal to (i) .004% of the outstanding principal amount of bonds, paid quarterly by the trust to the indenture trustee, and (ii) \$9,000 paid annually starting in May, 2006 by the trust to the Delaware trustee;
- aggregate servicing fees based on the per borrower fees set forth in the respective servicing agreements;
- a consolidation loan rebate fee equal to 1.05% of the outstanding principal amount of the trust student loans paid quarterly by the trust to the Department of Education;
- remarketing fees equal to 0.125% of the outstanding principal amount of the reset rate notes subject to remarketing;
- the Reserve Fund has an initial balance equal to \$4,916,602 and at all times a balance equal to the greater of (1) 0.25% of the applicable Pool Balance and (2) \$2,949,961;
- the Collection Fund has an initial balance equal to zero;

- the Capitalized Interest Fund has an initial balance equal to \$80,000,000. The Capitalized Interest Fund will step down to \$67,000,000 in August 2006, \$57,000,000 in November 2006, \$49,000,000 in February 2007, \$43,000,000 in May 2007, \$38,000,000 in August 2007, \$33,000,000 in November 2007, \$29,000,000 in February 2008, \$25,000,000 in May 2008, \$21,000,000 in August 2008, and to \$0 in November 2008;
- all payments are assumed to be made at the end of the month and amounts on deposit in the Collection Fund, Reserve Fund and Capitalized Interest Fund, including reinvestment income earned in the previous month, net of servicing fees, are reinvested in eligible investments at the assumed reinvestment rate of 4.97% per annum through the end of the collection period; reinvestment earnings are available for distribution from the prior collection period;
- an optional redemption of the offered notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance;
- the pool of trust student loans were grouped into 65 representative loans (“rep lines”), which have been created, for modeling purposes, from individual trust student loans based on combinations of similar individual student loan characteristics, which include, but are not limited to, loan status, interest rate, loan type, index, margin, rate cap and remaining term; and
- following a successful remarketing of the reset rate notes, the reset rate notes will be denominated in U.S. dollars.

**WEIGHTED AVERAGE LIVES AND EXPECTED MATURITY DATES
OF THE NOTES AT VARIOUS PERCENTAGES OF THE PPC⁽¹⁾**

CLASS	WEIGHTED AVERAGE LIFE (YEARS)⁽²⁾				
	0%	50%	100%	150%	200%
Class A-1 Notes	5.37	3.69	3.00	2.63	2.40
Class A-2 Notes	11.77	8.68	7.00	5.92	5.20
Class A-3 Notes	15.10	11.63	9.57	8.28	7.35
Class A-4 Notes	17.76	14.42	11.92	10.30	9.19
Class A-5 Notes	20.74	18.04	15.51	13.44	11.90
Class A-6 Notes	25.63	21.19	19.40	17.17	15.39
Class B Notes	16.97	14.37	12.76	11.50	10.59

CLASS	EXPECTED MATURITY DATE				
	0%	50%	100%	150%	200%
Class A-1 Notes	May 2016	August 2013	November 2011	February 2011	August 2010
Class A-2 Notes	August 2019	May 2016	August 2014	May 2013	August 2012
Class A-3 Notes	February 2023	August 2019	May 2017	November 2015	November 2014
Class A-4 Notes	February 2025	November 2021	May 2019	August 2017	May 2016
Class A-5 Notes	November 2030	November 2026	November 2024	November 2022	November 2020
Class A-6 Notes	February 2032	August 2027	November 2025	August 2023	November 2021
Class B Notes	February 2032	August 2027	November 2025	August 2023	November 2021

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

⁽²⁾ The weighted average life of the notes (assuming a 360-day year consisting of twelve 30-day months) is determined by: (1) multiplying the amount of each principal payment on the applicable class of notes by the number of years from the closing date to the related quarterly distribution date, (2) adding the results, and (3) dividing that sum by the aggregate principal amount of the applicable class of notes as of the closing date.

CLASS A-1 NOTES

**PERCENTAGES OF ORIGINAL PRINCIPAL OF THE NOTES
REMAINING AT CERTAIN QUARTERLY DISTRIBUTION DATES AT VARIOUS
PERCENTAGES OF THE PPC⁽¹⁾**

QUARTERLY DISTRIBUTION DATES	0%	50%	100%	150%	200%
Closing Date	100%	100%	100%	100%	100%
May 2007	90	89	88	86	85
May 2008	77	73	69	65	61
May 2009	62	53	45	37	29
May 2010	57	42	28	14	1
May 2011	53	30	9	0	0
May 2012	48	17	0	0	0
May 2013	43	3	0	0	0
May 2014	30	0	0	0	0
May 2015	15	0	0	0	0
May 2016	0	0	0	0	0

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

CLASS A-2 NOTES

**PERCENTAGES OF ORIGINAL PRINCIPAL OF THE NOTES
REMAINING AT CERTAIN QUARTERLY DISTRIBUTION DATES AT VARIOUS
PERCENTAGES OF THE PPC⁽¹⁾**

QUARTERLY DISTRIBUTION DATES	0%	50%	100%	150%	200%
Closing Date	100%	100%	100%	100%	100%
May 2007	100	100	100	100	100
May 2008	100	100	100	100	100
May 2009	100	100	100	100	100
May 2010	100	100	100	100	100
May 2011	100	100	100	83	54
May 2012	100	100	82	42	3
May 2013	100	100	48	0	0
May 2014	100	70	4	0	0
May 2015	100	34	0	0	0
May 2016	99	0	0	0	0
May 2017	71	0	0	0	0
May 2018	40	0	0	0	0
May 2019	7	0	0	0	0
May 2020	0	0	0	0	0

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

CLASS A-3 NOTES

**PERCENTAGES OF ORIGINAL PRINCIPAL OF THE NOTES
REMAINING AT CERTAIN QUARTERLY DISTRIBUTION DATES AT VARIOUS
PERCENTAGES OF THE PPC⁽¹⁾**

QUARTERLY DISTRIBUTION DATES	0%	50%	100%	150%	200%
Closing Date	100%	100%	100%	100%	100%
May 2007	100	100	100	100	100
May 2008	100	100	100	100	100
May 2009	100	100	100	100	100
May 2010	100	100	100	100	100
May 2011	100	100	100	100	100
May 2012	100	100	100	100	100
May 2013	100	100	100	98	61
May 2014	100	100	100	56	15
May 2015	100	100	66	14	0
May 2016	100	97	29	0	0
May 2017	100	65	0	0	0
May 2018	100	34	0	0	0
May 2019	100	4	0	0	0
May 2020	79	0	0	0	0
May 2021	50	0	0	0	0
May 2022	20	0	0	0	0
May 2023	0	0	0	0	0

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

CLASS A-4 NOTES

**PERCENTAGES OF ORIGINAL PRINCIPAL OF THE NOTES
REMAINING AT CERTAIN QUARTERLY DISTRIBUTION DATES AT VARIOUS
PERCENTAGES OF THE PPC⁽¹⁾**

QUARTERLY DISTRIBUTION DATES	0%	50%	100%	150%	200%
Closing Date	100%	100%	100%	100%	100%
May 2007	100	100	100	100	100
May 2008	100	100	100	100	100
May 2009	100	100	100	100	100
May 2010	100	100	100	100	100
May 2011	100	100	100	100	100
May 2012	100	100	100	100	100
May 2013	100	100	100	100	100
May 2014	100	100	100	100	100
May 2015	100	100	100	100	54
May 2016	100	100	100	60	0
May 2017	100	100	90	2	0
May 2018	100	100	40	0	0
May 2019	100	100	0	0	0
May 2020	100	63	0	0	0
May 2021	100	19	0	0	0
May 2022	100	0	0	0	0
May 2023	82	0	0	0	0
May 2024	32	0	0	0	0
May 2025	0	0	0	0	0

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

CLASS A-5 NOTES

**PERCENTAGES OF ORIGINAL PRINCIPAL OF THE NOTES
REMAINING AT CERTAIN QUARTERLY DISTRIBUTION DATES AT VARIOUS
PERCENTAGES OF THE PPC⁽¹⁾**

QUARTERLY DISTRIBUTION DATES	0%	50%	100%	150%	200%
Closing Date	100%	100%	100%	100%	100%
May 2007	100	100	100	100	100
May 2008	100	100	100	100	100
May 2009	100	100	100	100	100
May 2010	100	100	100	100	100
May 2011	100	100	100	100	100
May 2012	100	100	100	100	100
May 2013	100	100	100	100	100
May 2014	100	100	100	100	100
May 2015	100	100	100	100	100
May 2016	100	100	100	100	95
May 2017	100	100	100	100	65
May 2018	100	100	100	75	41
May 2019	100	100	96	53	22
May 2020	100	100	74	34	6
May 2021	100	100	55	18	0
May 2022	100	89	37	4	0
May 2023	100	68	21	0	0
May 2024	100	48	6	0	0
May 2025	88	28	0	0	0
May 2026	59	9	0	0	0
May 2027	31	0	0	0	0
May 2028	19	0	0	0	0
May 2029	10	0	0	0	0
May 2030	3	0	0	0	0
May 2031	0	0	0	0	0

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

CLASS A-6 NOTES

**PERCENTAGES OF ORIGINAL PRINCIPAL OF THE NOTES
REMAINING AT CERTAIN QUARTERLY DISTRIBUTION DATES AT VARIOUS
PERCENTAGES OF THE PPC⁽¹⁾**

QUARTERLY DISTRIBUTION DATES	0%	50%	100%	150%	200%
Closing Date	100%	100%	100%	100%	100%
May 2007	100	100	100	100	100
May 2008	100	100	100	100	100
May 2009	100	100	100	100	100
May 2010	100	100	100	100	100
May 2011	100	100	100	100	100
May 2012	100	100	100	100	100
May 2013	100	100	100	100	100
May 2014	100	100	100	100	100
May 2015	100	100	100	100	100
May 2016	100	100	100	100	100
May 2017	100	100	100	100	100
May 2018	100	100	100	100	100
May 2019	100	100	100	100	100
May 2020	100	100	100	100	100
May 2021	100	100	100	100	86
May 2022	100	100	100	100	0
May 2023	100	100	100	84	0
May 2024	100	100	100	0	0
May 2025	100	100	86	0	0
May 2026	100	100	0	0	0
May 2027	100	84	0	0	0
May 2028	100	0	0	0	0
May 2029	100	0	0	0	0
May 2030	100	0	0	0	0
May 2031	90	0	0	0	0
May 2032	0	0	0	0	0

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

CLASS B NOTES

**PERCENTAGES OF ORIGINAL PRINCIPAL OF THE NOTES
REMAINING AT CERTAIN QUARTERLY DISTRIBUTION DATES AT VARIOUS
PERCENTAGES OF THE PPC⁽¹⁾**

QUARTERLY DISTRIBUTION DATES	0%	50%	100%	150%	200%
Closing Date	100%	100%	100%	100%	100%
May 2007	100	100	100	100	100
May 2008	100	100	100	100	100
May 2009	100	100	100	100	100
May 2010	100	100	100	100	100
May 2011	100	100	100	100	100
May 2012	100	99	99	98	97
May 2013	99	95	92	89	86
May 2014	96	90	84	79	74
May 2015	92	84	76	68	61
May 2016	88	77	67	58	50
May 2017	84	70	59	48	40
May 2018	79	63	51	40	31
May 2019	74	57	43	33	25
May 2020	68	51	37	27	19
May 2021	62	44	31	22	15
May 2022	56	38	26	17	0
May 2023	50	33	21	13	0
May 2024	43	27	17	0	0
May 2025	36	22	13	0	0
May 2026	28	16	0	0	0
May 2027	21	12	0	0	0
May 2028	18	0	0	0	0
May 2029	16	0	0	0	0
May 2030	14	0	0	0	0
May 2031	12	0	0	0	0
May 2032	0	0	0	0	0

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the notes occurs on the quarterly distribution date immediately following the date on which the pool balance falls below 10% of the initial pool balance.

The above tables have been prepared based on the assumptions described above (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of trust student loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the trust student loans could produce slower or faster principal payments than implied by the information in these tables, even if the dispersions of weighted average characteristics, remaining terms and loan ages are the same as the characteristics, remaining terms and loan ages assumed.

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PROSPECTUS

STUDENT LOAN ASSET-BACKED NOTES

**GOAL CAPITAL FUNDING TRUSTS
ISSUING ENTITY**

**GOAL CAPITAL FUNDING, LLC
DEPOSITOR**

**GOAL FINANCIAL, LLC
SPONSOR AND ADMINISTRATOR**

Goal Capital Funding, LLC will periodically establish trusts that will issue student loan asset-backed notes. Each issue will have its own series designation and will include one or more classes of notes secured by the assets of that trust. A class of notes may be senior or subordinate to other classes. The specific terms of the notes included in each series will be described in a supplement to this prospectus.

Proceeds from the sale of the notes will be used to acquire portfolios of student loans originated by eligible lenders under the Federal Family Education Loan Program. Those student loans will be pledged to secure repayment of the notes. The notes will represent obligations of the issuing entity only and are not guaranteed by Goal Capital Funding, LLC, Goal Financial, LLC or any of their affiliates. The notes will be payable solely from the student loans each trust acquires and the other assets of each trust.

You should read this prospectus and any prospectus supplement carefully before you invest. This prospectus may be used to offer and sell the notes only if it is accompanied by a prospectus supplement or other permitted offering document.

Offers of the notes may be made by different methods, including offerings through underwriters, as more fully described under "Plan of Distribution" below and in the related prospectus supplement. Unless otherwise indicated in the prospectus supplement describing a series of notes, the notes will not be listed on a national securities exchange.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE NOTES OR DETERMINED THAT THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is May 17, 2006.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement filed with the Securities and Exchange Commission. Notes may be sold in one or more offerings pursuant to the registration statement.

Goal Capital Funding, LLC will establish one or more trusts in connection with the issuance of notes. Each trust will issue one or more series of notes, the repayment of which are secured primarily by student loans the trust will acquire with the proceeds from the sale of the notes. This prospectus provides you with a general description of the notes the trusts may offer along with certain other information concerning the collateral pledged to secure payment of the notes and the parties involved in the transaction. Each time notes are sold, we will provide a prospectus supplement relating to the series of notes being offered that will include:

- a description of the aggregate principal amount, authorized denominations and interest rate or rates, or the manner of determining the interest rate or rates, of each class of the notes to be sold;
- information on the timing of interest and principal payments on the notes;
- information concerning the student loans that will be purchased with the proceeds of the notes;
- information with respect to any notes the trust may have previously issued that are secured by a common pool of assets that secure payment of the notes described in the prospectus supplement;
- information concerning the companies that will be engaged to service the student loans that will be acquired with note proceeds;
- information with respect to any credit or cash flow enhancements designed to reduce the risk to investors caused by shortfalls in payments on the related student loans; and
- any updates or changes to the information presented in this prospectus.

You should rely only on the information contained in or incorporated by reference into this prospectus and any prospectus supplement. We have not authorized anyone to provide you with different information. Notes will not be offered for sale in any state where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date appearing on the front cover of those documents.

Appendix A and Appendix B are integral parts of this prospectus and are incorporated herein.

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CERTAIN U.S. FEDERAL INCOME TAX DOCUMENTATION REQUIREMENTS..... B-3

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SUMMARY OF THE OFFERING

This summary highlights selected information from this prospectus but does not contain all of the information you should consider before making an investment decision. Before deciding to purchase the notes, you should read the more detailed information appearing in this prospectus and in the related prospectus supplement.

OVERVIEW

Goal Capital Funding, LLC will from time to time establish separate trusts that will sell notes in one or more series and in one or more classes, and will purchase a pool or pools of student loans with the proceeds received from these sales. Each trust will be formed pursuant to a trust agreement and will pledge the student loans it purchases with the proceeds from the sale of its notes as collateral for repayment of such notes. The priority of payments among the various series and classes of notes each trust sells will be described in the related prospectus supplement. These payments will come principally from amounts received on the student loans held by the related trust.

PARTIES

ISSUING ENTITY: A Delaware statutory trust to be formed under a trust agreement between the depositor and the Delaware trustee.

DEPOSITOR: Goal Capital Funding, LLC. You may contact Goal Capital Funding, LLC at 9477 Waples Street, Suite 100, San Diego, California 92121, or by phone at (800) 869-1538.

SERVICER: The prospectus supplement for each series will identify one or more servicers for each trust. To the extent specified in the related prospectus supplement, a servicer may delegate its servicing duties to one or more sub-servicers.

ADMINISTRATOR: Goal Financial, LLC will perform administrative services for each trust.

SPONSOR: Goal Financial, LLC will be the sponsor of each trust. The sponsor is an education finance company that originates, consolidates, securitizes, holds and services student loans. The depositor is a subsidiary of the sponsor.

ELIGIBLE LENDER TRUSTEE AND INDENTURE TRUSTEE: The prospectus supplement for each series of notes will identify the eligible lender trustee for each trust's student loans and the indenture trustee under an indenture governing a trust's issuance of notes.

DELAWARE TRUSTEE: The prospectus supplement for each series of notes will identify the Delaware trustee for each trust.

ORIGINATOR: The prospectus supplement for each series of notes will identify each originator of student loans not affiliated with the sponsor responsible for originating 10% or more of a trust's student loans.

THE NOTES

Each trust will issue student loan asset-backed notes in one or more series and in one or more classes. The notes will be issued pursuant to an indenture of trust between the trust and the indenture trustee described in the related prospectus supplement. The notes will be denominated in U.S. Dollars or another currency as specified in the related prospectus supplement.

The prospectus supplement will describe the principal amount and the rate of interest that will be paid on the notes. The interest rate may be fixed for the full term of the notes, or the interest rate may be subject to periodic adjustment as described below.

AUCTION RATE NOTES. A trust may issue classes of notes that bear interest at a rate determined by auction. The initial interest rate for these auction rate notes, or the method for determining the initial interest rate, will be described in the related prospectus supplement. The interest rates for the auction rate notes will be reset at the end of each interest period pursuant to auction procedures. Under certain circumstances, if specified in the related prospectus supplement, the auction rate notes may be converted to index rate notes or reset rate notes upon the occurrence of the conditions specified therein.

The auction procedures are summarized and an example of an auction is included in this prospectus under “*Description of the Notes—Auction rate notes.*”

INDEX RATE NOTES. A trust may issue classes of notes that bear interest at a rate determined by reference to LIBOR, a United States Treasury security, a commercial paper rate or by reference to another index of interest rates for debt described in a prospectus supplement. These notes will bear interest at an initial rate described in the prospectus supplement. Thereafter, the interest rate for LIBOR rate notes will be determined periodically by reference to the designated LIBOR rate, the interest rate for treasury rate notes will be determined periodically by reference to the rate of interest paid on designated U.S. Treasury securities, the interest rate for commercial paper rate notes will be determined periodically by reference to the rate of interest paid on designated commercial paper and the interest rate for other index rate notes will be determined periodically by reference to the index described in a prospectus supplement. See “*Description of the Notes—LIBOR rate notes,*” “*—Treasury rate notes*” and “*—CP rate notes.*”

ORIGINAL ISSUE DISCOUNT NOTES. A trust may issue classes of notes at a discount from the principal amount payable at maturity that pay no interest or interest at a rate that is below market rates at the time of issuance. The interest paid on these original issue discount notes, if any, and the yield to maturity of the original issue discount notes, will be described in the related prospectus supplement. See “*Description of the Notes—Original issue discount notes.*”

RESET RATE NOTES. A trust may issue notes the applicable currency and interest rate for which will be reset from time to time in a currency and at an interest rate determined using procedures described in the related prospectus supplement. See “*Description of the Notes—The Reset rate notes.*”

PAYMENTS ON THE NOTES

The indenture trustee will make payments of principal and interest due on the notes on behalf of each trust solely from the assets held by the trust. The assets of each trust will consist of a pool of student loans, payments made on the student loans, funds in accounts held by the indenture trustee under an indenture and the trust’s interests in certain agreements, including any derivative product or swap agreement. Interest and principal on the notes will be paid on the dates specified in the related prospectus supplement. The principal balance of the notes of each series will be payable in full on the stated maturity date, unless earlier redeemed or repaid as described in this prospectus or in the related prospectus supplement. Generally, principal payments received on student loans will be used to make principal payments on the notes.

USE OF PRINCIPAL RECEIPTS - THE REVOLVING PERIOD

The net proceeds from the offering of notes by a trust will be deposited into an Acquisition Fund to be used to purchase student loans on or before a specified date. If so provided in a prospectus supplement, a trust may use the principal payments that it receives on its student loans to purchase additional student loans for a period of time specified in the prospectus supplement. During this revolving period, the trust will pay interest on the notes as it becomes due. However, the trust will not make principal payments on the notes or redeem notes during the revolving period, except as provided in a prospectus supplement.

SUBORDINATED NOTES

The rights of the owners of class B notes issued by a trust to receive payments of principal and interest will be subordinated to the rights of the owners of class A notes issued by that trust to receive payments of principal and

interest. The rights of the owners of any class C notes issued by a trust to receive payments of principal and interest will be subordinated to the rights of the owners of class B notes and class A notes issued by that trust to receive payments of principal and interest. This subordination is intended to enhance the likelihood that the owners of more senior notes will regularly receive the full amount of payments of principal and interest due to them and to protect such owners against losses.

OPTIONAL PURCHASE

If provided in the related prospectus supplement, the sponsor or another party specified in the prospectus supplement may, at its option, purchase, or arrange for the purchase of, some or all of the remaining student loans owned by a trust when the pool balance is 10% or less of the initial pool balance or at such other times as may be described in a prospectus supplement. The exercise of this purchase option will result in the early retirement of the notes issued by that trust.

MANDATORY AUCTION

If provided in the related prospectus supplement, the indenture trustee will offer for sale all of the student loans remaining in a trust at the end of a collection period if the sponsor or other designated party does not exercise its option to repurchase all of the student loans remaining in a trust as described above. The auction of the student loans remaining in a trust will result in the early retirement of the notes issued by that trust.

REDEMPTION PROVISIONS

MANDATORY REDEMPTION. If so provided in the related prospectus supplement, if the proceeds from the sale of a series of notes are not used to purchase student loans within the period of time specified in a prospectus supplement, those remaining proceeds will be used to redeem notes. Notes may also be subject to mandatory redemption from money on deposit in the Collection Fund representing principal payments on a trust's student loans, including principal payments received from guarantee agencies and principal proceeds from any sale of student loans permitted under the indenture, after required payments and transfers have been made from the Collection Fund, if so provided in the related prospectus supplement. Notes may also be redeemed from interest payments on a trust's student loans after required payments and transfers have been made from the Collection Fund, if so provided in the related prospectus supplement.

OPTIONAL REDEMPTION. If so provided in the related prospectus supplement, notes may be redeemed, in whole or in part, from available funds, including proceeds from the sale of student loans by a trust, as described in a related prospectus supplement.

EXTRAORDINARY OPTIONAL REDEMPTION. If so provided in the related prospectus supplement, notes may be redeemed in our sole discretion if we determine that the rate of return on student loans has materially decreased or that the costs of administering a trust have placed unreasonable burdens upon that trust's ability to perform its obligations under the applicable indenture.

PARTIAL REDEMPTION. If less than all of the notes of any series are to be redeemed, we will determine the classes of notes that will be redeemed. Generally, class A notes will be redeemed before class B notes. An indenture may provide for the issuance of class C notes, and if so, class B notes will generally be redeemed before class C notes. However, we may have the option of redeeming some or all of the class B notes before all of the class A notes are redeemed, and we may have the option to redeem some or all of the class C notes before the class A notes and class B notes are redeemed, if the applicable trust's ratio of assets to liabilities exceeds levels specified in the related prospectus supplement. See "*Description of the Notes—Notice and partial redemption of notes.*"

STUDENT LOAN ASSETS

The eligible lender trustee will be the legal owner on behalf of a trust of the student loans that comprise the assets of that trust. The student loans will have been originated under the Federal Family Education Loan Program to pay costs incurred by students enrolled in qualified, accredited institutions of higher education.

Each trust will use the proceeds of its notes to purchase student loans pursuant to the terms of student loan purchase agreements. Principal payments on a trust's student loans may also be used to purchase additional student loans during a revolving period if so provided in the related prospectus supplement. The eligible lender trustee will first acquire the student loans on behalf of the depositor. The depositor will then direct that the student loans be sold and transferred to the Acquisition Fund of a trust.

The characteristics of the portfolio of student loans to be acquired by a trust with the proceeds of the notes of any series, and the characteristics of any existing portfolio held by the eligible lender trustee for a trust, will be described in the related prospectus supplement.

SERVICING AND ADMINISTRATION

SERVICING AGREEMENTS. Each trust will enter into a servicing agreement or agreements under which one or more servicers will perform servicing obligations with respect to a trust's student loans. Each affiliated servicer and any servicer that services more than 10% of a trust's student loans will be described in the related prospectus supplement.

ADMINISTRATION AGREEMENT. Goal Financial, LLC, as administrator, will enter into an administration agreement with each trust, the Delaware trustee, the eligible lender trustee and the indenture trustee under which the administrator will provide various notices and perform other administrative services required under the indenture and the trust agreement. The administrator will receive an administration fee specified in the related prospectus supplement.

STUDENT LOAN GUARANTEES

The payment of principal and interest on all of the student loans that comprise the assets of a trust will be guaranteed by designated guarantee agencies and will be reinsured by the United States Department of Education pursuant to the Higher Education Act of 1965, as amended. This guarantee, however, is contingent upon compliance with a variety of regulations concerning origination and servicing of the student loans. Failure to follow these regulations may result in the guarantee claim for a student loan being denied.

Student loans originated prior to October 1, 1993 are fully guaranteed as to principal and accrued interest. Student loans originated after October 1, 1993 and before July 1, 2006 are guaranteed as to 98% of principal and accrued interest. Student loans originated on or after July 1, 2006 are guaranteed as to 97% of principal and accrued interest.

The Higher Education Act provides that if the Secretary of Education determines that a guarantee agency is unable to meet its obligations to holders of loans, such as the eligible lender trustee, then the holders may submit guarantee claims directly to the Department of Education. The Department of Education is required to pay the guarantee agency's full insurance obligation to the holders until the obligations are transferred to a new guarantee agency capable of meeting the obligations, or until a qualified successor guarantee agency assumes the obligations. Delays in receiving reimbursement could occur if a guarantee agency fails to meet its obligations.

FUNDS

The indenture governing a trust's issuance of notes will create the following funds, unless otherwise described in the related prospectus supplement. Additional funds and accounts may be created as described in a prospectus supplement. Funds held by the indenture trustee for one trust will not be available to pay the notes or expenses of another trust.

COLLECTION FUND. All funds received with respect to student loans will be deposited into a Collection Fund under an indenture. Generally, funds on deposit in the Collection Fund will be used to pay the fees and expenses of the trust and principal and interest on the notes issued by that trust. If so provided in a prospectus supplement, principal payments that we receive on the student loans during a revolving period will be transferred from the Collection Fund to the Acquisition Fund and used to purchase additional student loans. Amounts in the

Collection Fund will be transferred to the Reserve Fund to the extent necessary to restore the Reserve Fund to its required minimum balance, and any remaining amounts will be used in accordance with the terms of the indenture and as described in the related prospectus supplement.

CAPITALIZED INTEREST FUND. An indenture may provide for the establishment of a Capitalized Interest Fund, as described in the related prospectus supplement.

ACQUISITION FUND. Most of the proceeds from the issuance of a series of notes will be deposited into an Acquisition Fund. These funds will be used to acquire the student loans identified in the related prospectus supplement, and to pay certain costs related to the issuance of the notes.

Funds in an Acquisition Fund that are not used by a trust to acquire student loans will be used to make payments on the notes or to redeem notes issued by that trust as described in the related prospectus supplement.

PREFUNDING ACCOUNT. If so provided in a prospectus supplement, a specified percentage of the proceeds of the issuance of a series of notes will be deposited in a prefunding account in the Acquisition Fund. During the prefunding period, we will use funds in the prefunding account to purchase additional portfolios of student loans, to purchase serial loans and to originate consolidation loans to the extent provided in the related prospectus supplement. The prefunding period will begin on the date the notes are issued and end on the earlier of a date specified in the prospectus supplement or upon our determination that we are unable to acquire additional student loans.

RESERVE FUND. In connection with the issuance of each series of notes, a deposit will be made to a Reserve Fund in an amount specified in the related prospectus supplement. The Reserve Fund will be maintained at a balance specified in the related prospectus supplement from extra amounts in the Collection Fund. Moneys in the Reserve Fund will be used to pay the trust's operating expenses and interest and principal due on the notes if funds in the Collection Fund and the Acquisition Fund are insufficient to make those payments, as described in the related prospectus supplement. A reserve fund insurance policy may be provided in lieu of a deposit of moneys to the Reserve Fund if so provided in a prospectus supplement.

OTHER FUNDS. The prospectus supplement for each trust will also describe any other funds or accounts to be established for a series of notes. These may include, for any series that contains reset rate notes, one or more accumulation funds supplemental interest funds, supplemental reserve funds, remarketing fee funds and funds for the deposit of amounts denominated in a currency other than U.S. Dollars.

CREDIT AND CASH FLOW OR OTHER ENHANCEMENT AND DERIVATIVE PRODUCTS

Credit or cash flow enhancement for a series of notes may be established in the form of:

- insurance policies or surety bonds;
- subordination of certain classes or subclasses of notes;
- letters of credit;
- one or more special reserve funds;
- a capitalized interest fund; or
- derivative product agreements, limited to interest rate or currency swaps or interest rate caps.

See "*Description of Credit Enhancement and Derivative Products*" in this prospectus for a description of the credit and cash flow enhancements identified above. The specific details about a credit or cash flow enhancement or derivative product for a series of notes will be described in the related prospectus supplement.

REPORTS TO NOTEHOLDERS

Periodic reports concerning the notes and the security for the notes will be provided to the noteholders. Those reports will not be reviewed by a certified public accounting firm. If notes are issued in book-entry form and registered in the name of Cede & Co., the nominee of DTC, then all reports will be provided to those entities and the further distribution of the reports to eligible participants and beneficial owners will be governed by arrangements among them. See “*Book-Entry Registration*.”

Each trust will file with the SEC all periodic reports required under the Securities Exchange Act of 1934.

FEDERAL INCOME TAX CONSEQUENCES

On the closing date of the issuance of a series of notes, tax counsel to Goal Capital Funding, LLC, will deliver an opinion that the notes of that series will be treated as indebtedness and that the trust will not be characterized as an association or publicly traded partnership taxable as a corporation each for federal income tax purposes. See “*Material Federal Income Tax Consequences*” in this prospectus and “*Certain Federal Income Tax Considerations*” in the related prospectus supplement.

ERISA CONSIDERATIONS

If you are a pension employee benefit plan or other retirement account, you should review the considerations discussed under “*ERISA Considerations*” in this prospectus and the accompanying prospectus supplement and consult counsel before investing in the notes. In general, subject to those considerations and conditions described in that section and to the extent specified in the accompanying prospectus supplement, you may purchase notes of any series.

RISK FACTORS

You should consider the following factors regarding your purchase of the notes.

THE NOTES ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS

The notes are not a suitable investment if you require a regular or predictable schedule of payments or payment on any specific date. The notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyze the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

THE NOTES ARE PAYABLE SOLELY FROM THE TRUST ESTATE AND YOU WILL HAVE NO OTHER RECOURSE AGAINST US

Interest and principal on the notes will be paid solely from the funds and assets held in the trust estate created under an indenture for each trust. No insurance or guarantee of the notes will be provided by any government agency or instrumentality, by any affiliate of a trust, by any insurance company or by any other person or entity, except to the extent that credit enhancement is provided for a series or class of notes as described in a prospectus supplement. Therefore, your receipt of payments on the notes will depend solely on:

- the amount and timing of payments and collections on the student loans held in the trust estate and interest paid or earnings on the funds held in the accounts established pursuant to the related indenture;
- amounts on deposit in the Reserve Fund and other funds held in the related trust estate; and
- any form of credit enhancement described in the prospectus supplement.

You will have no additional recourse against any other party if those sources of funds for repayment of the notes are insufficient.

SUBORDINATION OF THE CLASS B AND CLASS C NOTES AND PAYMENT PRIORITIES MAY RESULT IN A GREATER RISK OF LOSS

A trust may issue one or more series of notes, in one or more classes. Payments of interest on class B notes are subordinated in priority of payment to payments of interest due on class A notes and payments of principal on class B notes are subordinated in priority of payment to payments of principal on class A notes. An indenture may also provide for the issuance of class C notes which will be subordinated in priority of payment to payments of interest and principal due on class B notes. Class B notes and class C notes are subordinated to class A notes, and class C notes are also subordinate to class B notes, as to the direction of remedies upon an event of default. Consequently, holders of class B notes and class C notes may bear a greater risk of losses or delays in payment.

If so provided in a prospectus supplement, notes within a class may receive payments of principal after other notes in the same class. For example, class A-1 notes may receive principal payments before class A-2 notes, and class B-1 notes may receive principal payments before class B-2 notes. Consequently, holders of certain notes within a class may bear a greater risk of loss.

FAILURE TO COMPLY WITH LOAN ORIGATION AND SERVICING PROCEDURES FOR STUDENT LOANS MAY RESULT IN LOSS OF GUARANTEE AND OTHER BENEFITS

We must meet various requirements in order to maintain the federal guarantee on a trust's student loans. These requirements establish servicing requirements and procedural guidelines and specify school and borrower eligibility criteria.

A guarantee agency may reject a loan for claim payment due to a violation of the Federal Family Education Loan Program due diligence collection and servicing requirements. In addition, a guarantee agency may reject claims under other circumstances, including, for example, if a claim is not timely filed or adequate documentation is not maintained. Once a loan ceases to be guaranteed, it is ineligible for federal interest subsidies and special allowance payments. If a loan is rejected for claim payment by a guarantee agency, we continue to pursue the borrower for payment or institute a process to reinstate the guarantee.

Guarantee agencies may reject claims as to portions of interest for certain violations of the due diligence collection and servicing requirements even though the remainder of a claim may be paid. Examples of errors that cause claim rejections include isolated missed collection calls, or failures to send collection letters as required.

The Department of Education has implemented school eligibility requirements, including default rate limits. In order to maintain eligibility in the Federal Family Education Loan Program, schools must maintain default rates below specified levels and both guarantee agencies and lenders are required to insure that loans are made to students attending schools that meet default criteria. If we fail to comply with any of the above requirements, we could incur penalties or lose the federal guarantee on some or all of a trust's student loans.

Each student loan purchase agreement to which the depositor and a trust are party requires the depositor to repurchase its loans if the representations and warranties made by the seller prove not to be true or if a claim for a loan is denied because of events occurring before the sale. However, the depositor may not be financially able to repurchase loans if called upon to do so.

IF THE DEPOSITOR OR A SERVICER OR THE SPONSOR FAILS TO REPURCHASE, PURCHASE OR MAKE A PAYMENT WITH RESPECT TO STUDENT LOANS, PAYMENTS ON YOUR NOTES COULD BE ADVERSELY AFFECTED

Upon the occurrence of a breach of representations and warranties by the depositor with respect to a student loan held by us, we may (subject to the terms of the loan purchase agreement) require the depositor to repurchase the related student loan from us. Upon the breach of a covenant in a servicing agreement, we may, subject to the terms of the servicing agreement, be able to require the applicable servicer to purchase from us, or otherwise make a payment to us with respect to, the related student loan. If the depositor is required to repurchase a student loan from us and fails to do so, and such student loan is not required to be purchased by a servicer pursuant to its servicing agreement, then we may be able to require the sponsor to purchase such student loan from us pursuant to a student loan repurchase agreement. If the depositor or a servicer or the sponsor were to become insolvent or otherwise be unable to repurchase, purchase or make payments in respect of the applicable student loans, the failure of the depositor or servicer or the sponsor to repurchase, purchase or make a payment with respect to the applicable student loans would constitute a breach of the related loan purchase agreement or servicing agreement or loan repurchase agreement. However, the breach would not constitute an event of default under the indenture or permit the exercise of remedies thereunder. It is anticipated that we will purchase student loans from the depositor, which has limited assets to satisfy any repurchase obligation. We cannot assure you that the depositor, any servicer or the sponsor will be able to fulfill any repurchase, purchase or payment obligation.

BANKRUPTCY OR INSOLVENCY OF GOAL CAPITAL FUNDING, LLC OR THE BANKRUPTCY OR INSOLVENCY OF THE ORIGINATORS OR SELLERS OF STUDENT LOANS COULD RESULT IN PAYMENT DELAYS

Goal Capital Funding, LLC will be the depositor of each trust. The depositor will acquire student loans either directly from the originator of the student loans or from one or more warehousing entities that are affiliates of Goal Capital Funding, LLC and will sell to each trust all of the loans acquired by the trust with the proceeds of the notes. We have taken steps to structure each student loan purchase by the trust from the depositor, by the depositor from the applicable seller and, if applicable, by the seller from the applicable originator, as a "true sale". If the depositor or one of the originators or other sellers of student loans to Goal Capital Funding, LLC seeks relief under bankruptcy or related laws, a bankruptcy court could conclude that the depositor or one of the originators or sellers of student loans effectively still own the student loans acquired by a trust. This could happen if a court presiding over the bankruptcy of the depositor or the applicable originator or seller of the student loans were to conclude either

that the transfers referred to above were not “true sales” or that the bankrupt party and the owner of the student loans should be treated as the same person for bankruptcy purposes. If that occurs, you can expect delays in receiving payments on your notes and even a reduction in payments on your notes as a result of:

- the automatic stay which prevents secured creditors from exercising remedies against a debtor in bankruptcy without permission from the court and provisions of the U.S. Bankruptcy Code that permit substitution of collateral; or
- tax or government liens on the depositor’s or an applicable originator’s or other seller’s property that arose prior to the transfer of a student loan to a trust having a right to be paid from collections before the collections are used to make payments on the notes.

If student loans are purchased from a bank and the bank becomes insolvent, it would become subject to receivership by the Federal Deposit Insurance Corporation. In that case, the FDIC could treat the transfer of the student loans as a secured loan rather than as a sale. If that were to happen, we would have only a security interest in the student loans and could experience delays in receiving payments with respect to those loans. In addition, the FDIC may seek a release of the loans to itself, as receiver, which would accelerate and prepay the “loan.” Under such circumstances, you could expect a delay in receiving payments on your notes or even a reduction in payments on your notes.

BANKRUPTCY OR INSOLVENCY OF ANY SERVICER OR ANY SUBSERVICER COULD RESULT IN PAYMENT DELAYS TO YOU

Each trust will engage one or more other entities to act as a servicer with respect to the student loans acquired by each trust and may engage one or more other entities to act as a subservicer with respect to such student loans. In the event of a default by any servicer resulting from events of insolvency or bankruptcy, a court, conservator, receiver or liquidator may have the power to prevent the indenture trustee or the noteholders from appointing a successor servicer and delays in collections in respect of the student loans may occur. Any delay in the collections of student loans may delay payments to you.

THE STUDENT LOANS THE TRUST PURCHASES MAY BE EVIDENCED BY A MASTER PROMISSORY NOTE

Student loans made under the Federal Family Education Loan Program may be evidenced by a master promissory note. Once a borrower executes a master promissory note with a lender, additional student loans made by the lender are evidenced by a confirmation sent to the borrower, and all such student loans are governed by the single master promissory note.

A student loan evidenced by a master promissory note may be sold independently of the other student loans governed by the master promissory note. If a trust purchases a student loan governed by a master promissory note and does not acquire possession of the master promissory note, other parties could claim an interest in the student loan. This could occur if the holder of the master promissory note were to take an action inconsistent with the trust’s rights to a student loan, such as delivery of a duplicate copy of the master promissory note to a third party for value. Although such action would not defeat the trust’s rights to the student loan or impair the security interest held by the indenture trustee for your benefit, it could delay receipt of principal and interest payments on the student loan.

YOU MAY INCUR LOSSES OR DELAYS IN PAYMENT ON YOUR NOTES IF BORROWERS DEFAULT ON THEIR STUDENT LOANS

For a variety of economic, social and other reasons all the payments that are actually due on student loans may not be made. Borrowers’ failures to make timely payments of the principal and interest due on the student loans will affect the revenues of the trust estate for a trust, which may reduce the amounts available to pay principal and interest due on the notes.

In general, a guarantee agency reinsured by the Department of Education will guarantee 98% of each student loan originated after October 1, 1993 and before July 1, 2006, and 97% of each student loan originated on or after July 1, 2006. As a result, if a borrower of a student loan defaults, the trust will experience a loss of approximately 2% or 3% of the outstanding principal and accrued interest on each of the defaulted loans depending upon when it was first disbursed. The trust does not have any right to pursue the borrower for the remaining unguaranteed portion. If any credit enhancement described in the related prospectus supplement is not sufficient, you may suffer a delay in payment or a loss on your investment.

THE INDENTURE TRUSTEE MAY BE FORCED TO SELL THE STUDENT LOANS AT A LOSS AFTER AN EVENT OF DEFAULT

Generally, if an event of default occurs under an indenture, certain noteholders may authorize the indenture trustee to sell a trust's student loans. However, the indenture trustee may not find a purchaser for the student loans or the market value of the student loans plus other assets in the trust estate might not equal the principal amount of outstanding notes plus accrued interest. Competition currently existing in the secondary market for student loans made under the Federal Family Education Loan Program also could be reduced, resulting in fewer potential buyers of the trust's student loans and lower prices available in the secondary market for those student loans. You may suffer a loss if the indenture trustee is unable to find purchasers willing to pay prices for a trust's student loans sufficient to pay the principal amount of the notes plus accrued interest.

SOME LIENS WOULD BE GIVEN PRIORITY OVER YOUR NOTES WHICH COULD CAUSE A LOSS IN YOUR INVESTMENT OR DELAYED PAYMENTS

A tax or governmental lien (or other liens imposed under applicable state or federal law, including, without limitation, a lien in favor of the Internal Revenue Service or Pension Benefit Guaranty Corporation) on the property of a trust, the depositor or another seller may arise before the origination or acquisition of student loans, or before a trust pledges its student loans under the indenture. Such a lien would have priority over your interest in those student loans and as a result, payments to you could be delayed or reduced.

THE RATE OF PAYMENTS ON STUDENT LOANS MAY AFFECT THE MATURITY AND YIELD OF THE NOTES

Student loans may be prepaid at any time without penalty. If a trust receives prepayments on its student loans, those amounts may be used to make principal payments on notes as described in the related prospectus supplement, which could shorten the average life of each class of its notes. Factors affecting prepayment of student loans include general economic conditions, prevailing interest rates and changes in the borrower's job, including transfers and unemployment. Refinancing opportunities which may provide more favorable repayment terms, including those offered under consolidation loan programs like the federal direct consolidation loan program and borrower incentive programs, also affect prepayment rates.

Scheduled payments with respect to, and the maturities of, student loans may be extended as authorized by the Higher Education Act. Also, periods of deferment, forbearance or refinancings through consolidation loans having longer maturities may lengthen the remaining term of the student loans and the average life of each class of notes. You will bear entirely any reinvestment risks resulting from a faster or slower incidence of prepayment of student loans.

The rate of principal payments to you on the notes will be directly related to the rate of payments of principal on the student loans each trust acquires. Changes in the rate of prepayments may significantly affect your actual yield to maturity, even if the average rate of principal prepayments is consistent with your expectations. In general, the earlier a prepayment of principal of a student loan, the greater the effect may be on your yield to maturity. The effect on your yield as a result of principal payments occurring at a rate higher or lower than the rate anticipated by you during the period immediately following the issuance of the notes will not be offset by a subsequent like reduction, or increase, in the rate of principal payments on the notes.

THE CHARACTERISTICS OF THE PORTFOLIO OF STUDENT LOANS HELD IN THE TRUST ESTATE MAY CHANGE

If so provided in a prospectus supplement, a trust may issue several series of notes and use the proceeds to add additional student loans to the trust estate. The prospectus supplement for a series of notes will describe the characteristics of a trust's student loans at that time. However, the actual characteristics at any given time will change due to factors such as repayment of the loans in the normal course of business, purchase of additional loans during a prefunding or revolving period or the occurrence of delinquencies or defaults.

Our cash flow, and our ability to make payments due on our notes will be reduced to the extent interest is not currently payable on our student loans. The borrowers on most student loans are not required to make payments during the period in which they are in school and for certain authorized periods thereafter, as described in the Higher Education Act. The Department of Education will make all interest payments while payments are deferred under the Higher Education Act on certain subsidized student loans that qualify for interest benefit payments. For all other student loans, interest generally will be capitalized and added to the principal balance of the loans. The trust estate will consist of student loans for which payments are deferred as well as student loans for which the borrower is currently required to make payments of principal and interest. The proportions of the loans in our portfolio for which payments are deferred and currently in repayment will vary during the period that the notes are outstanding.

STUDENT LOANS ARE UNSECURED AND THE ABILITY OF THE GUARANTEE AGENCIES TO HONOR THEIR GUARANTEES MAY BECOME IMPAIRED

The Higher Education Act requires that all student loans be unsecured. As a result, the only security for payment of the student loans held in each trust estate are the guarantees provided by the guarantee agencies.

A deterioration in the financial status of a guarantee agency and its ability to honor guarantee claims on defaulted student loans could delay or impair the guarantee agency's ability to make claims payments to the indenture trustee. The financial condition of a guarantee agency can be adversely affected if it submits a large number of reimbursement claims to the Department of Education, which results in a reduction of the amount of reimbursement that the Department of Education is obligated to pay the guarantee agency. The Department of Education may also require a guarantee agency to return its reserve funds to the Department of Education upon a finding that the reserves are unnecessary for the guarantee agency to pay its program expenses or to serve the best interests of the federal student loan program. The inability of any guarantee agency to meet its guarantee obligations could reduce the amount of money available to pay principal and interest to you as the owner of the notes or delay those payments past their due date.

If the Department of Education has determined that a guarantee agency is unable to meet its guarantee obligations, the student loan holder may submit claims directly to the Department of Education and the Department of Education is required to pay the full guaranty claim amount due with respect to such claims. See "*Description of the Guarantee Agencies*" below. However, the Department of Education's obligation to pay guarantee claims directly in this fashion is contingent upon the Department of Education making the determination that a guarantee agency is unable to meet its guarantee obligations. The Department of Education may not ever make this determination with respect to a guarantee agency and, even if the Department of Education does make this determination, payment of the guarantee claims may not be made in a timely manner.

PAYMENT OFFSETS BY GUARANTEE AGENCIES OR THE DEPARTMENT OF EDUCATION COULD PREVENT THE TRUST FROM PAYING YOU THE FULL AMOUNT OF THE PRINCIPAL AND INTEREST DUE ON YOUR NOTES

The eligible lender trustee may use the same Department of Education lender identification number for student loans in a trust as it uses for other student loans it holds on behalf of other trusts established by the sponsor. If so, the billings submitted to the Department of Education and the claims submitted to guarantee agencies will be consolidated with the billings and claims for payments for student loans under other trusts using the same lender identification number. Payments on those billings by the Department of Education as well as claim payments by the applicable guarantee agencies will be made to the eligible lender trustee, or to the servicer on behalf of the eligible

lender trustee, in lump sum form. Those payments must be allocated by the eligible lender trustee among the various trusts that reference the same lender identification number.

If the Department of Education or a guarantee agency determines that the eligible lender trustee owes it a liability on any student loan held in a trust, the Department of Education or the applicable guarantee agency may seek to collect that liability by offsetting it against payments due to the eligible lender trustee in respect of the student loans pledged to secure your notes. Any offsetting or shortfall of payments due to the eligible lender trustee could adversely affect the amount of funds available to the trust and thus the trust's ability to pay you principal and interest on the notes.

COMMINGLING OF PAYMENTS ON STUDENT LOANS COULD PREVENT THE TRUST FROM PAYING YOU THE FULL AMOUNT OF THE PRINCIPAL AND INTEREST DUE ON YOUR NOTES

Payments received on a trust's student loans generally are deposited into an account in the name of the servicer each business day. However, payments received on a trust's student loans will not be segregated from payments the servicer receives on other student loans it services. Such amounts are transferred to the indenture trustee for deposit into the related Collection Fund on at least a weekly basis. Prior to the transfer of such funds, the servicer may invest those funds for its own account and at its own risk. If the servicer is unable to transfer such funds to the indenture trustee, noteholders may suffer a loss.

PRINCIPAL OF THE STUDENT LOANS MAY AMORTIZE FASTER BECAUSE OF INCENTIVE PROGRAMS

The student loans purchased by a trust may be subject to various borrower incentive programs. Any incentive program that effectively reduces borrower payments or principal balances on trust student loans may result in the principal amount of trust student loans amortizing faster than anticipated.

IF A TRUST CANNOT PURCHASE STUDENT LOANS, IT WILL PAY PRINCIPAL ON OR REDEEM NOTES

We will use the proceeds of the notes sold by a trust to acquire student loans. A trust may also use principal payments on its student loans to purchase additional student loans during a revolving period, if so provided in the related prospectus supplement. If the student loan purchases are not completed, or if a trust is not able to purchase student loans that meet its requirements, the trust will use those amounts to pay principal on or to redeem your notes, as provided in the related prospectus supplement.

A SECONDARY MARKET FOR YOUR NOTES MAY NOT DEVELOP, AND THIS COULD DIMINISH THEIR VALUE

Each series of notes will be a new issue without an established trading market. While we may list the notes on a European exchange if specified in the related prospectus supplement, we do not intend to list any series of notes on any exchange in the United States. As a result, a secondary market for the notes may not develop, and therefore it may be difficult for you to resell your notes at the time and at a price you desire. If a secondary market does not develop, the spread between the bid price and the asked price for the notes may widen, thereby reducing the net proceeds to you from the sale of your notes.

CONGRESSIONAL ACTIONS MAY AFFECT A TRUST'S STUDENT LOAN PORTFOLIO

The Department of Education's authority to provide interest subsidies, special allowance payments and federal insurance for loans originated under the Higher Education Act terminates on a date specified in the Higher Education Act. The provisions of the Higher Education Act governing the Federal Family Education Loan Program are periodically amended and the Higher Education Act must be reauthorized by Congress periodically in order to prevent sunset of the Higher Education Act. The Higher Education Reconciliation Act of 2005 extended the authorization for the Federal Family Education Loan Program through September 30, 2012. While Congress has consistently extended the effective date of the Higher Education Act and the Federal Family Education Loan

Program, it may elect not to reauthorize the Department of Education's ability to provide interest subsidies and federal insurance for loans. While this failure to reauthorize would not affect the student loans a trust then owned, it would reduce the number of loans available for purchase in the future.

Funds for payment of interest subsidies and other payments under the Federal Family Education Loan Program are subject to annual budgetary appropriation by Congress. Federal budget legislation has in the past contained provisions that restricted payments made under the Federal Family Education Loan Program to achieve reductions in federal spending. Future federal budget legislation may adversely affect expenditures by the Department of Education, and the financial condition of the guarantee agencies.

Congressional amendments to the Higher Education Act or other relevant federal laws, and rules and regulations promulgated by the Secretary of Education, may adversely impact holders of student loans. For example, changes might be made to the rate of interest paid on student loans, to the level of insurance provided by guarantee agencies or to the servicing requirements for student loans. See "*Appendix A—Description of the Federal Family Education Loan Program*" and "*Description of the Guarantee Agencies*" below.

A TRUST MAY ISSUE ADDITIONAL NOTES SECURED BY THE TRUST ESTATE

A trust may issue additional series of notes, in one or more classes if so provided in the related prospectus supplement. The proceeds from the sale of such additional notes will be used to acquire additional student loans, and the additional student loans together with the existing student loans will secure all series of notes issued by the same trust. Those additional notes may be issued without the consent or approval of the owners of any notes then outstanding and will be subordinate to any notes previously issued by the same trust. However, before issuing additional notes, a trust must receive written evidence from each rating agency then rating any outstanding notes of that trust that the rating or ratings will not be reduced or withdrawn as a result of the issuance of the proposed additional notes. See "*Additional Notes.*"

THE NOTES MAY BE ISSUED ONLY IN BOOK-ENTRY FORM

Usually, each class of notes of any series will be initially represented by one or more certificates registered in the nominee name of a securities depository such as the Depository Trust Company, or, for notes denominated in a foreign currency, Clearstream Banking, Luxembourg or Euroclear, and will not be registered in your name or the name of your nominee. If we elect to issue definitive notes registered in the name of the holder in connection with the sale of a class or series of notes, that election will be contained in the related prospectus supplement. Unless and until definitive securities are issued, holders of the notes will not be recognized by the indenture trustee as registered owners as that term is used in the indenture. Until definitive securities are issued, holders of the notes will only be able to exercise the rights of registered owners indirectly through DTC and its participating organizations. See "*Book-Entry Registration.*"

THE RATINGS OF THE NOTES ARE NOT A RECOMMENDATION TO PURCHASE AND MAY CHANGE

It is a condition to issuance of the notes that they be rated as indicated in the related prospectus supplement. Ratings are based primarily on the creditworthiness of the underlying student loans, the level of subordination, the amount of credit enhancement and the legal structure of the transaction. The ratings are not a recommendation to you to purchase, hold or sell any class of notes inasmuch as the ratings do not comment as to the market price or suitability for you as an investor. An additional rating agency may rate the notes, and that rating may not be equivalent to the initial rating described in the related prospectus supplement. Ratings may be increased, lowered or withdrawn by any rating agency if, in the judgment of the rating agency, circumstances so warrant.

RATING AGENCIES CAN PERMIT CERTAIN ACTIONS TO BE TAKEN WITHOUT YOUR APPROVAL

Each indenture provides that the trust and the indenture trustee may undertake various actions based upon receipt by the indenture trustee of confirmation from the rating agencies that the outstanding ratings assigned by

such rating agencies to the notes are not thereby impaired. Such actions include, but are not limited to, amendments to the indenture, the issuance of additional notes and the execution by a trust of interest rate or currency swap agreements.

LESS THAN ALL OF THE HOLDERS CAN APPROVE AMENDMENTS TO THE INDENTURE OR WAIVE DEFAULTS UNDER AN INDENTURE

Under each indenture, holders of specified percentages of the aggregate principal amount of the notes may amend or supplement provisions of such indenture without the consent of the other holders. You have no recourse if the holders vote and you disagree with the vote on these matters. The holders may vote in a manner which impairs the ability to pay principal and interest on your notes. Also, so long as senior notes are outstanding, the holders of subordinate notes will not have the right to approve certain amendments, or exercise certain rights under an indenture.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus and any related prospectus supplement contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “predict,” “intend,” “potential,” and the negative of such terms or other similar expressions.

The forward-looking statements reflect our current expectations and views about future events. The forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on the forward-looking statements.

You should understand that the following factors, among other things, could cause our results to differ materially from those expressed in forward-looking statements:

- changes in terms of student loans and the educational credit marketplace arising from the implementation of applicable laws and regulations and from changes in these laws and regulations that may reduce the volume, average term, costs and yields on education loans under the Federal Family Education Loan Program;
- changes in the demand for educational financing or in financing preferences of educational institutions, students and their families, which could affect a trust’s ability to purchase eligible student loans;
- changes in the general interest rate environment and in the securitization market for student loans, which may increase the costs or limit the marketability of financings;
- losses from student loan defaults; and
- changes in prepayment rates and credit spreads.

We discuss many of these risks and uncertainties in greater detail under the heading “*Risk Factors.*”

You should read this prospectus and any related prospectus supplement and the documents that we reference in this prospectus and any related prospectus supplement and have filed as exhibits to the registration statement of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We may not update the forward-looking statements, even though our situation may change in the future, unless we have obligations under the federal securities laws to update and

disclose material developments related to previously disclosed information. We qualify all of the forward-looking statements by these cautionary statements.

FORMATION OF THE TRUSTS

THE TRUSTS

Each trust will be established as a Delaware statutory trust pursuant to a trust agreement by and between Goal Capital Funding, LLC, as depositor and initial certificate holder, and a Delaware trustee. Each trust will issue notes in one or more series, and in one or more classes. The trust agreement establishing each trust will limit the operations of a trust to the following activities:

- to acquire, hold, manage and sell student loans, other assets of the trust and any proceeds therefrom;
- to issue notes;
- to make payments of principal and interest on the notes; and
- to engage in any incidental or related activities.

In addition, the trust agreement for each trust will prohibit a trust from taking certain actions, including but not limited to:

- combining, consolidating or merging with or into any other person, converting into an entity that is not a Delaware statutory trust, reorganizing the trust in a jurisdiction other than Delaware or, to the fullest extent permitted by applicable law, dissolving, liquidating or transferring substantially all of its assets;
- becoming or holding itself out as being liable for the debts of any other person, or holding out its credit as being available to satisfy the obligations of any other person;
- pledging any assets of the trust (except pursuant to an indenture or other documents entered into with respect to the issuance of a series of notes), lending or advancing any money to any other person or endorsing or otherwise becoming contingently liable for, or paying from its funds, the obligations or indebtedness of any other person; and
- making an investment in or for the benefit of any other person.

Each trust will be a special purpose, bankruptcy-remote entity; however, a bankruptcy or similar proceeding with respect to a trust could occur. The trust agreement establishing each trust will prohibit a trust from taking or authorizing any bankruptcy action. Under the trust agreement, a bankruptcy action means:

- commencing any case, proceeding or other action or filing a petition under any existing or future bankruptcy, insolvency or similar law seeking:
 - to adjudicate the trust as bankrupt or insolvent;
 - to have an order for relief entered with respect to the trust; or
 - reorganization, arrangement, adjustment, wind-up, liquidation, dissolution, composition or other relief with respect to the trust or its debts;
- consenting to the institution of bankruptcy or insolvency proceedings against the trust;

- seeking or consenting to the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator (or other similar official) of the trust or a substantial part of its property;
- except as required by law, admitting its inability to pay its debts generally as they become due;
- failing generally to pay the debts of the trust as such debts become due within the meaning of the Federal Bankruptcy Code, as determined by a relevant bankruptcy court;
- making a general assignment for the benefit of creditors; or
- authorizing, taking any action in furtherance of, consenting to or acquiescing in any of the foregoing or any similar action or other proceedings under any United States Federal or state bankruptcy or insolvency or similar law on behalf of, or with respect to, the trust or in connection with any obligations relating to the trust's notes.

An eligible lender trustee will acquire legal title to the student loans on behalf of each trust and will enter into a guarantee agreement with each of the guarantee agencies for the student loans. The eligible lender trustee must qualify as an "eligible lender" under the Higher Education Act and the guarantee agreements. The eligible lender trustee will use the proceeds from the sale of notes to purchase student loans on behalf of the related trust.

Following the acquisition of student loans, the assets of a trust will include:

- student loans, legal title to which will be held by the eligible lender trustee;
- revenues, consisting of all principal and interest payments, proceeds, charges and other income the indenture trustee receives on account of any student loan, including interest benefit payments and any special allowance payments with respect to any student loan, and investment income from all funds created under the indenture, and any proceeds from the sale or other disposition of the student loans;
- all moneys and investments held in the funds created under the indenture;
- rights under any loan purchase agreement and servicing agreement, including the right to require the depositor or a servicer to repurchase student loans or to substitute student loans under certain circumstances; and
- any other property described in the related prospectus supplement, including any credit enhancement for the notes and rights to receive payments under derivative product or swap agreements.

A trust will have no indebtedness apart from the issued notes. The notes will be issued pursuant to an indenture of trust and any supplemental indenture of trust described in the related prospectus supplement that each trust will enter into with the indenture trustee. The notes will represent indebtedness of the issuing trust only and will be secured only by the assets of that trust. Pursuant to the indenture of trust, each trust will grant to the indenture trustee a first priority, perfected security interest in its assets for and on behalf of the noteholders. Each trust will file financing statements and continuation statements in any jurisdictions necessary to perfect and maintain the security interest in the student loans. Each trust's fiscal year will be described in the related prospectus supplement.

The trust agreement establishing each trust may be amended by a written instrument signed by the Delaware trustee and the depositor, provided that:

- the Delaware trustee and the depositor receive a legal opinion indicating that the amendment will not materially adversely affect the interests of the depositor or any registered owner; or
- each rating agency confirms that such amendment will not cause a withdrawal, downgrade or qualification of the then-current rating of the trust's notes.

The Delaware trustee, however, may, in its sole discretion, decline to enter into such an amendment if the proposed amendment adversely affects any right, duty or liability of, or immunity or indemnity in favor of the Delaware trustee.

The trust agreement establishing each trust may also be amended to add any provisions to or change in any manner or eliminate any of the provisions of the trust agreement or to modify in any manner the rights of the registered owners or the certificateholders with the consent of the following:

- the registered owners of notes evidencing not less than a majority of the aggregate outstanding principal balance of the notes; and
- the certificateholders of trust certificates evidencing not less than a majority of the aggregate percentage interests,

provided, that no such amendment may reduce the percentage of the aggregate outstanding amount of the notes and the percentage interest of certificates required to consent to any such amendment without the consent of all the outstanding registered owners and certificateholders.

ACQUISITION OF STUDENT LOANS

The eligible lender trustee will purchase student loans originated under the Federal Family Education Loan Program from “eligible lenders” under the Higher Education Act pursuant to the terms of student loan purchase agreements. The eligible lender trustee will first acquire the student loans on behalf of the depositor, which will direct that the student loans be sold and transferred to the Acquisition Fund of a trust. The student loan purchase agreements will identify the portfolio of student loans to be purchased and will specify the purchase price to be paid for those student loans. The depositor will be obligated under the student loan purchase agreement to deliver each student loan note and related documentation to the servicer as an agent for the indenture trustee, and to deliver the instruments of transfer for the student loans as necessary for a valid transfer of the student loans.

The depositor will make representations, warranties and covenants with respect to the student loans sold pursuant to its respective student loan purchase agreement, including the following:

- each student loan has been duly executed and delivered and constitutes the legal, valid and binding obligation of the maker and the endorser, if any, thereof, enforceable in accordance with its terms;
- the depositor is the sole owner and holder of each student loan and has full right and authority to sell and assign the same free and clear of all liens, pledges or encumbrances;
- each student loan to be sold under the student loan purchase agreement is either insured or guaranteed;
- the depositor and any servicer have each exercised and will continue until the scheduled sale date to exercise due diligence and reasonable care in making, administering, servicing and collecting the student loans; and
- the depositor, or the lender that originated a student loan, has reported the amount of origination fees, if any, authorized to be collected with respect to the student loan pursuant to Section 438(c) of the Higher Education Act to the Secretary of the Department of Education for the period in which the fee was authorized to be collected; and the depositor, or originating lender, has made any refund of an origination fee collected in connection with any student loan that may be required pursuant to the Higher Education Act.

At the request of the administrator or indenture trustee, the depositor will be obligated to repurchase any student loan purchased from the seller if:

- any representation or warranty made or furnished by the depositor in or pursuant to its respective student loan purchase agreement will prove to have been materially incorrect as to the student loan;
- the Secretary of the Department of Education or a guarantee agency, as the case may be, refuses to honor all or part of a claim filed with respect to a student loan, including any claim for interest subsidy, special allowance payments, insurance, reinsurance or guarantee payments on account of any circumstance or event that occurred prior to the sale of the student loan to the trust; or
- on account of any wrongful or negligent act or omission of the depositor or its servicing agent that occurred prior to the sale of a loan, a defense that makes the student loan unenforceable is asserted by a maker or endorser, if any, of the student loan with respect to his or her obligation to pay all or any part of the student loan.

Upon the occurrence of any of the conditions set forth above and upon request by the administrator or indenture trustee, the depositor will be required to pay to the indenture trustee an amount equal to the then-outstanding principal balance of the student loan, plus the percentage of premium paid in connection with the purchase of the student loan and interest and special allowance payments accrued and unpaid with respect to the student loan, plus any attorneys' fees, legal expenses, court costs, servicing fees or other expenses incurred in connection with the student loan and arising out of the reasons for the repurchase.

If the depositor is required to repurchase a student loan from a trust and fails to do so, and such student loan is not required to be purchased by a servicer pursuant to its servicing agreement, then the sponsor will be obligated under certain circumstances to purchase such student loan from the trust pursuant to a student loan repurchase agreement.

Each transfer of student loans to a trust will be structured to constitute a "true sale" of the student loans. Upon each issuance of a series of notes, the depositor will receive an opinion of counsel that, subject to various facts, assumptions and qualifications, the applicable seller's transfer of the student loans to the depositor would be characterized as a "true sale" and the student loans and related proceeds would not be property of the applicable seller under applicable insolvency laws. The depositor will also represent and warrant that each sale of student loans to a trust is a valid sale of those student loans. In addition, the depositor, the indenture trustee, the eligible lender trustee and each trust will treat the conveyance of the student loans as a sale. The depositor and each seller will take all actions that are required so the eligible lender trustee will be treated as the legal owner of the student loans.

THE SPONSOR, THE DEPOSITOR AND THE ADMINISTRATOR

The following summary provides a general description of the sponsor, the depositor and the administrator to be involved in the establishment of the trusts and the issuance of the notes.

THE SPONSOR

Goal Financial, LLC, a California limited liability company ("Goal Financial"), and its affiliates will acquire the student loans transferred to each of the trusts. Goal Financial will select the student loans transferred to each of the trusts and is also the sponsor for each transaction described in this prospectus and the related prospectus supplement. Goal Financial is an education finance company focused on providing student loan products and services to students nationwide. Headquartered in San Diego, California, Goal Financial originates, consolidates, securitizes and holds student loans, principally loans originated under the Federal Family Education Loan Program.

Goal Financial's primary business is to provide student loan marketing, originations, acquisition and portfolio management services. Goal Financial owns a portfolio of student loan assets through a series of education lending subsidiaries, including the trusts. These education lending subsidiaries primarily invest in student loans, through an eligible lender trustee, made under the Higher Education Act of 1965. Certain of its subsidiaries may invest in non-federally insured student loans in the future. Goal obtains loans through direct origination or through acquisitions of loans, and also provides marketing, sales, managerial and administrative support related to its asset generation activities. Goal Financial and its subsidiaries have been securitizing student loans since 2002.

Goal Financial currently markets federal consolidation loans. The products are designed to make student loan repayment more convenient and affordable by combining a borrower's existing eligible federal student loans into a single new federal loan. The programs feature flexible repayment term options which extend the maturity on the borrower's original loans and which allow a borrower to customize a monthly repayment plan that meets his or her financial needs. In addition, Goal Financial also markets federally guaranteed Stafford loans and PLUS loans. Stafford loans enable qualifying students to borrow funds to pay their education expenses. PLUS loans enable parents with good credit histories to borrow to pay the education expenses of each child who is a dependent undergraduate student enrolled at least halftime. Graduate and professional students may also borrow under the PLUS Loan program. Goal Financial currently originates loans as an agent of other entities, which act as the lenders.

Goal Financial attributes much of its success to having uniquely positioned itself as a direct-to-consumer marketing company. Goal Financial markets education loans to customers nationwide through direct mail, telesales, print and internet advertising, and its website www.goalfinancial.net. Goal Financial's programs are also introduced to customers through partner relationships with other entities, such as sponsorship and affinity agreements with membership organizations.

Goal Financial has a call center located in its principal offices in San Diego, California where it employs over 250 full and part-time employees. The Company has approximately 150 employees dedicated to direct sales and marketing and approximately 50 employees involved in loan processing. Through its affiliates, Goal has originated between \$1.5 billion and \$2.0 billion of education loans annually since it began securitizing in 2002 and as of December 13, 2005 the Company has over \$6 billion of education loan receivables under management. The balance at December 31, 2005 represents a portfolio growth rate of approximately 40% per annum over the last two fiscal years.

Goal Financial's principal offices are located at 9477 Waples Street, San Diego, California 92101 and its telephone number is (800) 869-1538.

THE DEPOSITOR

The depositor, Goal Capital Funding, LLC ("Goal Capital Funding"), is a Delaware limited liability company formed on August 11, 2005. Goal Financial, LLC, is the sole equity member of Goal Capital Funding, LLC. Goal Capital Funding's Limited Liability Company Agreement limits Goal Capital Funding's activities to those that directly relate to the acquisition, financing, sale and securitization of student loans originated under the Federal Family Education Loan Program.

Goal Capital Funding will acquire student loans and will be the seller of the student loans each trust acquires with the proceeds of the notes. Goal Capital Funding will own all of the beneficial interests of each trust.

Goal Capital Funding has been securitizing student loans since its formation and has not been engaged in any activities other than securitizing assets.

THE ADMINISTRATOR

Goal Financial will act as the administrator to each trust.

SERVICING AND ADMINISTRATION

One or more servicers will service a trust's student loans pursuant to one or more servicing agreements, as described in the related prospectus supplement. The prospectus supplement will describe any affiliated servicer and any servicer that services more than 10% of a trust's student loans or any other material servicer. The related prospectus supplement will contain a summary of the terms of the trust's servicing agreement with each material servicer. Goal Financial will also enter into an administration agreement with each trust under which it will provide various administrative services to each trust. We have filed forms of the servicing agreement and the administration agreement as exhibits to the registration statement of which this prospectus is a part. The administration agreement

is summarized below. The summaries of the administration agreement and any servicing agreements do not cover every detail of these agreements and are subject to the terms and provisions of the servicing agreement and the administration agreement.

THE ADMINISTRATION AGREEMENT

The trust, the eligible lender trustee, the indenture trustee and the Delaware trustee will enter into an administration agreement with Goal Financial, as administrator. Under the administration agreement, the administrator will provide various notices and other administrative services required by the indenture and the trust agreement, including:

- directing the indenture trustee to make distributions required under the indenture on each applicable payment and distribution date as described in the related prospectus supplement;
- preparing and providing periodic reports concerning the property and operations (including distributions) of the trust and any related federal income tax reporting; and
- providing notices and performing other administrative services required by the indenture and the trust agreement.

The administrator will receive compensation for providing such services as specified in the related prospectus supplement.

Before each distribution date, the administrator will prepare and provide to the indenture trustee and eligible lender trustee as of the end of the preceding collection period, a statement that will include:

- the amount of principal distributions on the notes;
- the amount of interest distributions for each class of notes and the applicable interest rates;
- the pool balance at the end of the collection period;
- the outstanding principal amount for each class of the notes and for all of the outstanding notes; and
- the balance of student loans held by a trust that are delinquent in each delinquency period or with respect to which claims have been made with a guarantee agency as of the end of the previous collection period.

The administrator is not required to take any action unless it is instructed to do so by the Delaware trustee or the depositor with respect to matters it reasonably judges to be “non-ministerial,” including:

- amending certain trust related agreements, including certain amendments to the administration agreement;
- initiating actions, claims or lawsuits other than those in the ordinary course to collect amounts owed from the student loans;
- appointing successor administrators, successor Delaware trustees or successor trustees; and
- removing the Delaware trustee or the indenture trustee.

Goal Financial may resign as administrator upon 60 days’ written notice, provided that no resignation will become effective until a successor administrator has assumed Goal Financial’s duties under the administration agreement and the rating agencies confirm that the appointment of a successor administrator will not result in a downgrade or withdrawal of the ratings then applicable to the notes.

The administrator may be removed immediately upon written notice of termination from a trust or the indenture trustee to the administrator and the rating agencies then rating such trust's notes if any of the following events occurs:

- the administrator defaults in the performance of any of its duties under the administration agreement and, after notice of the default, does not cure such default within ten days (or, if the default cannot be cured in such time, does not give within ten days such assurance of cure as shall be reasonably satisfactory to the trust);
- a court having jurisdiction in the premises enters a decree or order for relief in respect of the administrator in any involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect and the decree or order is not vacated within sixty days or such a court appoints a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the administrator or any substantial part of its property or order the winding-up or liquidation of its affairs; or
- the administrator commences a voluntary case under any applicable bankruptcy, insolvency or other similar law, consents to the entry of an order for relief in an involuntary case under any such law, or consents to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the administrator or any substantial part of its property, consents to the taking of possession by any such official of any substantial part of its property, makes any general assignment for the benefit of creditors or shall fail generally to pay its debts as they become due.

If any of the foregoing events occurs, the administrator shall notify the issuer, the indenture trustee and the applicable rating agencies within seven days after the happening of the event. Under the administration agreement, the administrator agrees that it will not commence or consent to a voluntary bankruptcy case (as described above) without the prior written consent of the applicable trusts.

STATEMENTS AS TO COMPLIANCE

The administration agreement will require the administrator to deliver to the trust and indenture trustee an annual compliance report and a certificate signed by an authorized officer of the administrator stating that, to the officer's knowledge, the administrator has fulfilled its obligations under the administration agreement and has complied with certain servicing criteria identified in the administration agreement. If there has been a material default, the officer's certificate will describe that default.

The administration agreement will also provide that a firm of independent public accountants will furnish to each trust and the indenture trustee an annual report attesting to the administrator's certification, as to compliance. The accounting firm will base its report on its examination of various documents and records and on appropriate accounting and auditing procedures.

You may obtain copies of these reports and certificate by sending a written request to the administrator.

DESCRIPTION OF THE NOTES

The following description of the notes is only a summary of their principal terms. It is not complete. You should refer to the provisions of the indenture for a complete description of the terms of the notes. Definitions of some of the terms used in this description can be found in the Glossary of Terms appearing at page 82 of this prospectus.

FIXED RATE NOTES

The fixed rate notes will have a stated maturity set forth in the applicable prospectus supplement. The notes will bear interest from the date and at the rate per annum specified in the applicable prospectus supplement. The dates on which the holders of fixed rate notes will receive payments of principal and interest will be specified in the

applicable prospectus supplement. Interest due on fixed rate notes for any accrual period will generally be determined on the basis of a 360-day year consisting of twelve 30-day months.

AUCTION RATE NOTES

The auction rate notes will have a stated maturity set forth in the applicable prospectus supplement and will bear interest at the rate per annum specified in the prospectus supplement through the first auction date. The auction period for auction rate notes will initially consist of a number of days set forth in the applicable prospectus supplement. After the initial auction period, the interest rate for the auction rate notes will be reset on interest rate adjustment dates specified in the applicable prospectus supplement at the interest rate determined pursuant to the auction procedures described below, but the rate will not exceed the maximum rate per annum set forth in the applicable prospectus supplement. Interest on the auction rate notes will accrue daily and will be computed for the actual number of days elapsed on the basis of a year consisting of 360 days or 365 days as specified in the prospectus supplement. Interest on the auction rate notes will be payable on the first business day following the expiration of each interest period for the notes, and principal on the auction rate notes will also be payable as specified in the applicable prospectus supplement.

DETERMINATION OF NOTE INTEREST RATE. The procedures that will be used in determining the interest rates on the auction rate notes are summarized in the following paragraphs.

The interest rate on each class of auction rate notes will be determined periodically on interest rate determination dates specified in the applicable prospectus supplement by means of a “Dutch Auction.” In this Dutch Auction, investors and potential investors submit orders through an eligible broker-dealer as to the principal amount of auction rate notes they wish to buy or hold at a specified interest rate or the principal amount of auction rate notes that they wish to sell. The broker-dealers submit their clients’ orders to the auction agent. The auction agent processes all orders submitted by all eligible broker-dealers and determines the interest rate for the upcoming auction period. The broker-dealers are notified by the auction agent of the interest rate for the upcoming auction period and are provided with settlement instructions relating to purchases and sales of auction rate notes. Auction rate notes will be purchased and sold between investors and potential investors at a price equal to their then-outstanding principal balance plus any accrued interest.

In the auction, the following types of orders may be submitted:

- “bid/hold orders” - specify the minimum interest rate that a current investor is willing to accept in order to continue to hold auction rate notes for the upcoming auction period;
- “sell orders” - an order by a current investor to sell a specified principal amount of auction rate notes, regardless of the upcoming interest rate; and
- “potential bid orders” - specify the minimum interest rate that a potential investor, or a current investor wishing to purchase additional auction rate notes, is willing to accept in order to buy a specified principal amount of auction rate notes.

If an existing investor does not submit orders with respect to all its auction rate notes, the investor will be deemed to have submitted a hold order at the new interest rate for that portion of the auction rate notes for which no order was received.

A broker-dealer may submit orders in auctions for its own accounts. Any broker-dealer submitting an order for its own account in any auction will have an advantage over other bidders in that it would have knowledge of other orders placed through it in that auction (but it would not have knowledge of orders submitted by other broker-dealers, if any). As a result of the broker-dealer bidding, the auction clearing rate may be higher or lower than the rate that would have prevailed if the broker-dealer had not bid. A broker-dealer may also bid in order to prevent what would otherwise be a failed auction or an auction clearing at a rate that the broker-dealer believes does not reflect the market rate for such securities at the time of the auction. A broker-dealer may also encourage additional or revised bidding in order to prevent an “all hold” auction.

The following example helps illustrate how the auction procedures are used in determining the interest rate on the auction rate notes.

(a) Assumptions:

- (1) Denominations (Units)= \$50,000
- (2) Auction period= 28 days
- (3) Principal amount outstanding= \$50 Million (1000 Units)

(b) Summary of all orders received for the auction

Bid/Hold Orders	Sell Orders	Potential Bid Orders
20 Units at 2.90%	100 Units Sell	40 Units at 2.95%
60 Units at 3.02%	100 Units Sell	60 Units at 3.00%
120 Units at 3.05%	200 Units Sell	100 Units at 3.05%
200 Units at 3.10%	400 Units	100 Units at 3.10%
200 Units at 3.12%		100 Units at 3.11%
600 Units		100 Units at 3.14%
		200 Units at 3.15%
		700 Units

The total units under bid/hold orders and sell orders always equal the issue size (in this case 1000 units).

(c) Auction agent organizes orders in ascending order

Order Number	Number of Units	Cumulative Total (Units)	Percent	Order Number	Number of Units	Cumulative Total Units (Units)	Percent
1.	20 (W)	20	2.90%	7.	200 (W)	600	3.10%
2.	40 (W)	60	2.95%	8.	100 (W)	700	3.10%
3.	60 (W)	120	3.00%	9.	100 (W)	800	3.11%
4.	60 (W)	180	3.02%	10.	200 (W)	1000	3.12%
5.	100 (W)	280	3.05%	11.	100 (L)		3.14%
6.	120 (W)	400	3.05%	12.	200 (L)		3.15%

(W) Winning Order (L) Losing Order

Order #10 is the order that clears the market of all available units. All winning orders are awarded the winning rate (in this case, 3.12%) as the interest rate for the next auction period, at the end of which another auction will be held. Multiple orders at the winning rate are allocated units on a pro rata basis first to current investors and then to potential investors. Regardless of the results of the auction, the interest rate will not exceed the maximum rate specified in the applicable prospectus supplement.

The example assumes that a successful auction has occurred; that is, that all sell orders and all bid/hold orders below the new interest rate were fulfilled. However, there may be insufficient potential bid orders to purchase all the auction rate notes offered for sale. In these circumstances, the interest rate for the upcoming auction period will equal the maximum rate. Also, if all the auction rate notes are subject to hold orders (i.e., each holder of auction rate notes wishes to continue holding its auction rate notes, regardless of the interest rate), the interest rate for the upcoming auction period will equal the all hold rate specified in the related prospectus supplement.

If a payment default has occurred, the rate will be the non-payment rate specified in the related prospectus supplement.

MAXIMUM RATE; NET LOAN RATE AND INTEREST CARRY-OVERS. The interest to be paid on auction rate notes will not exceed the maximum rate described in the related prospectus supplement. If the auction rate for a class of auction rate notes is greater than the maximum rate described in a prospectus supplement, then the interest rate applicable to those auction rate notes will be the maximum rate. The maximum rate generally will be the least of the LIBOR rate for a comparable period plus a margin, the interest rate on specified U.S. Treasury Securities plus a margin, the interest rate on financial commercial paper for a comparable period plus a margin, the maximum rate permitted by law or the net loan rate, which is based on the weighted average return on the student loans held by the trust.

If the interest rate for a class of auction rate notes is set at the net loan rate, interest will be carried over for that class of auction rate notes in an amount equal to the difference between the least of the auction rate and the other interest rates included in the maximum rate calculation and the net loan rate. The carry-over amount will bear interest calculated at the one-month LIBOR rate, until paid. The carry-over amount, and interest accrued thereon, for a class of auction rate notes will be paid by the indenture trustee on the date of defeasance of the auction rate notes or an interest payment date if there are sufficient moneys in the Collection Fund to pay all interest due on the notes on that interest payment date, and in the case of subordinate notes, payment of the interest carry-over on more senior notes. Any carry-over amount, and any interest accrued on the carry-over amount, due on any auction rate note which is to be optionally redeemed will be paid to the registered owner on the redemption date. Any carry-over amount, and any interest accrued on that carry-over amount, for any auction rate note that is subject to mandatory redemption will be paid to the registered owner on the redemption date to the extent that funds are available. However, if sufficient funds are not available, the carry-over amount will be canceled and will not be paid.

CHANGES IN AUCTION PERIOD. We do not have unrestricted discretion to change the auction period; however, we may, from time to time, change the length of the auction period for a class of auction rate notes without the consent of noteholders in order to conform with then-current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the length of the auction period and the interest rate borne by the auction rate notes. We may initiate the auction period adjustment by giving written notice to the indenture trustee, the auction agent, the applicable broker-dealer, each rating agency and the registered owners of the notes at least 10 days prior to the auction date for the notes. The auction period adjustment will take effect only if the auction agent receives orders sufficient to complete the auction for the new auction period at a rate of interest below the maximum rate.

CHANGES IN THE AUCTION DATE. The applicable broker-dealer, with our written consent, may specify a different auction date for a class of auction rate notes in order to conform with then-current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an auction date for the auction rate notes. If we consent to the change, the broker-dealer will provide notice of its determination to specify an earlier auction date in writing at least 10 days prior to the proposed changed auction date to the indenture trustee, the auction agent, the trust, each rating agency and the registered owners.

Under certain circumstances, if specified in the related prospectus supplement, the auction rate notes may be converted to index rate notes or reset rate notes upon the occurrence of the conditions specified therein.

INDEX RATE NOTES

Each class of index rate notes will bear interest at an annual rate determined by reference to an interest rate index, plus or minus any spread, and multiplied by any spread multiplier, specified in the related prospectus supplement. The applicable prospectus supplement will designate the interest rate index for an index rate note. The index may be based on LIBOR, a commercial paper rate, a U.S. 91-day treasury bill rate, the CMT rate, the federal funds rate, the Prime Rate or the European Interbank Offered Rate (EURIBOR). The index rate notes will be dated their date of issuance and will have the stated maturities set forth in the related prospectus supplement.

Index rate notes also may have either or both of the following:

- a maximum limitation, or ceiling, on its interest rate, and
- a minimum limitation, or floor, on its interest rate.

In addition to any prescribed maximum interest rate, the interest rate applicable to any class of index rate notes will in no event be higher than any maximum rate permitted by law.

Each trust that issues a class of index rate notes will appoint a calculation agent to calculate interest on that class. The applicable prospectus supplement will identify the calculation agent, which may be the administrator, the eligible lender trustee or the indenture trustee for that series. In the absence of manifest error, all determinations of interest by the calculation agent will be conclusive for all purposes and binding on the holders of the index rate notes.

For any class of notes that bears interest at a LIBOR-based rate, interest due for any accrual period generally will be determined on the basis of an Actual/360 day year. The applicable day-count basis for other index rate notes will be determined in accordance with prevailing market conventions and existing market conditions, but generally will be limited to the following accrual methods:

- “30/360” which means that interest is calculated on the basis of a 360-day year consisting of twelve 30-day months;
- “Actual/360” which means that interest or any other relevant factor is calculated on the basis of the actual number of days elapsed in a year of 360 days;
- “Actual/365 (fixed)” which means that interest is calculated on the basis of the actual number of days elapsed in a year of 365 days, regardless of whether accrual or payment occurs in a leap year;
- “Actual/Actual (accrual basis)” which means that interest is calculated on the basis of the actual number of days elapsed in a year of 365 days, or 366 days for every day in a leap year;
- “Actual/Actual (payment basis)” which means that interest is calculated on the basis of the actual number of days elapsed in a year of 365 days if the interest period ends in a non-leap year, or 366 days if the interest period ends in a leap year, as the case may be; and
- “Actual/Actual (ISMA)” is a calculation in accordance with the definition of “Actual/Actual” adopted by the International Securities Market Association (“ISMA”), which means that interest is calculated on the following basis:
 - where the number of days in the relevant accrual period is equal to or shorter than the determination period during which such accrual period ends, the number of days in such accrual period divided by the product of (A) the number of days in such determination period and (B) the number of distribution dates that would occur in one calendar year; or
 - where the accrual period is longer than the determination period during which the accrual period ends, the sum of:
 - the number of days in such accrual period falling in the determination period in which the accrual period begins divided by the product of (x) the number of days in such determination period and (y) the number of distribution dates that would occur in one calendar year; and

- the number of days in such accrual period falling in the next determination period divided by the product of (x) the number of days in such determination period and (y) the number of distribution dates that would occur in one calendar year;

where “determination period” means the period from and including one calculation date to but excluding the next calculation date and “calculation date” means, in each year, each of those days in the calendar year that are specified in the related prospectus supplement as being the scheduled distribution dates.

LIBOR RATE NOTES. Interest on the LIBOR rate notes will be paid in arrears on each distribution date. The distribution date for the LIBOR rate notes will be the business day specified in the prospectus supplement following the end of the interest accrual period for the notes specified in the prospectus supplement. Principal on the LIBOR rate notes will be payable as specified in the applicable prospectus supplement.

For each interest accrual period, LIBOR will be determined by reference to the London interbank offered rate for deposits in U.S. Dollars having a maturity of three months which appears on Telerate Page 3750 as of 11:00 a.m., London time, on the related LIBOR determination date. The LIBOR determination date will be the second business day before the beginning of each interest accrual period. If this rate does not appear on Telerate Page 3750, the rate for that day will be determined on the basis of the rates at which deposits in U.S. Dollars, having the relevant maturity and in a principal amount of not less than U.S. \$1,000,000, are offered at approximately 11:00 a.m., London time, on that LIBOR determination date, to prime banks in the London interbank market by four major banks selected by the administrator, referred to herein as a reference bank. The administrator or the indenture trustee will request the principal London office of each reference bank to provide a quotation of its rate. If the reference banks provide at least two quotations, the rate for that day will be the arithmetic mean of the quotations. If the reference banks provide fewer than two quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the administrator or the indenture trustee, at approximately 11:00 a.m., New York time, on that LIBOR determination date, for loans in U.S. Dollars to leading European banks having the relevant maturity and in a principal amount of not less than U.S. \$1,000,000. If the banks selected as described above are not providing quotations, three-month LIBOR in effect for the applicable interest accrual period will be three-month LIBOR in effect for the previous accrual period.

If so provided in the related prospectus supplement, a trust may enter into a LIBOR rate note derivative product agreement. Under the terms of the agreement, the counterparty will pay to the trust the excess, if any, of the LIBOR rate for the notes over the adjusted student loan rate as provided by the terms of the agreement. The indenture trustee will use those funds to make interest payments on the notes at the LIBOR rate. Any payments due from the trust to the counterparty will be made from money in the Collection Fund on any distribution date as provided in the related prospectus supplement.

91-DAY TREASURY BILL RATE NOTES. Interest on the 91-day treasury bill notes will be paid in arrears on each interest payment date. Interest will be paid on 91-day treasury bill notes the first business day following the end of the interest period specified in the applicable prospectus supplement, unless another date is specified in the prospectus supplement. Principal will be payable on the 91-day treasury bill notes as specified in the applicable prospectus supplement.

The amount of interest payable on the 91-day treasury bill notes will generally be adjusted weekly on the calendar day following each auction of 91-day Treasury Bills which are direct obligations of the United States with a maturity of 13 weeks. The rate will be calculated to be the sum of the bond equivalent yield for auctions of 91-day Treasury Bills on a rate determination date for an interest period, plus a spread described in the related prospectus supplement. Interest on the 91-day treasury bill notes will be computed for the actual number of days elapsed on the basis of a year consisting of 365 or 366 days, as applicable.

CMT RATE NOTES. If the notes bear interest based on the Treasury constant maturity rate (the “CMT Rate”), the CMT Rate for any relevant interest rate determination date will be the rate displayed on the applicable Designated CMT Moneyline Telerate Page shown below by 3:00 p.m., New York City time, on that interest rate determination date under the caption “...Treasury Constant Maturities...Federal Reserve Board Release H.15...Mondays Approximately 3:45 p.m.,” under the column for:

- If the Designated CMT Moneyline Telerate Page is 7051, the rate on that interest rate determination date; or
- If the Designated CMT Moneyline Telerate Page is 7052, the average for the week, or the month or the quarter, as specified on the related prospectus supplement, ended immediately before the week in which the related interest rate determination date occurs.

The following procedures will apply if the CMT Rate cannot be determined as described above:

- If the rate described above is not displayed on the relevant page by 3:00 p.m., New York City time on that interest rate determination date, unless the calculation is made earlier and the rate is available from that source at that time on that interest determination date, then the CMT Rate will be the Treasury constant maturity rate having the designated index maturity, as published in H.15(519) or another recognized electronic source for displaying the rate.
- If the applicable rate described above is not published in H.15(519) or another recognized electronic source for displaying such rate by 3:00 p.m., New York City time on that interest rate determination date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT Rate will be the Treasury constant maturity rate, or other United States Treasury rate, for the index maturity and with reference to the relevant interest rate determination date, that is published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury and that the administrator determine to be comparable to the rate formerly displayed on the Designated CMT Moneyline Telerate Page shown above and published in H.15(519).
- If the rate described in the prior paragraph cannot be determined, then the administrator will determine the CMT Rate to be a yield to maturity based on the average of the secondary market closing offered rates as of approximately 3:30 p.m., New York City time, on the relevant interest rate determination date reported, according to their written records, by leading primary United States government securities dealers in New York City. The administrator will select five such securities dealers and will eliminate the highest and lowest quotations or, in the event of equality, one of the highest and lowest quotations, for the most recently issued direct noncallable fixed rate obligations of the United States Treasury (“Treasury Notes”) with an original maturity of approximately the designated index maturity and a remaining term to maturity of not less than the designated index maturity minus one year in a representative amount.
- If the administrator cannot obtain three Treasury Note quotations of the kind described in the prior paragraph, the administrator will determine the CMT Rate to be the yield to maturity based on the average of the secondary market bid rates for Treasury Notes with an original maturity longer than the designated CMT index maturity which have a remaining term to maturity closest to the designated CMT index maturity and in a representative amount, as of approximately 3:30 p.m., New York City time, on the relevant interest rate determination date of leading primary United States government securities dealers in New York City. In selecting these offered rates, the administrator will request quotations from at least five such securities dealers and will disregard the highest quotation (or if there is equality, one of the highest) and the lowest quotation. If two Treasury Notes with an original maturity longer than the designated CMT index maturity have remaining terms to maturity that are equally close to the designated CMT index maturity, the Administrator will obtain quotations for the Treasury Note with the shorter remaining term to maturity. If three or four but not five leading primary United States government securities dealers are quoting as described in the prior paragraph, then the CMT Rate for the relevant interest rate determination date will be based on the average of the bid rates obtained and neither the highest nor the lowest of those quotations will be eliminated. If fewer than three leading primary United States government securities dealers selected by the Administrator are quoting as described in the prior paragraph, the CMT Rate will remain the CMT Rate then in effect on that interest rate determination date.

FEDERAL FUNDS RATE NOTES. If the notes bear interest based on the federal funds rate (the “Federal Funds Rate”), the Federal Funds Rate for any relevant interest rate determination date will be the rate for U.S. dollar Federal funds, as published in H.15(519) for that day opposite the caption “Federal Funds (Effective)” or any successor publication, published by the Board of Governors of the Federal Reserve System. If such rate is not published in the relevant H.15(519) for any day, the rate for such day shall be the arithmetic mean of the rates for the last transaction in overnight Federal Funds arranged prior to 9:00 a.m., New York City time, on that day by each of four leading brokers in such transactions located in New York City selected by the Administrator. The Federal Funds Rate for each Saturday and Sunday and for any other that is not a business day shall be the Federal Funds Rate for the preceding business day as determined above.

PRIME RATE NOTES. If the notes bear interest based on the prime rate (the “Prime Rate”), the Prime Rate for any relevant interest rate determination date is the prime rate or base lending rate on that date, as published in H.15(519), prior to 3:00 p.m., New York City time, on that interest rate determination date under the heading “Bank Prime Loan.”

The administrator will observe the following procedures if the Prime Rate cannot be determined as described above:

- If the rate described above is not published in H.15(519) prior to 3:00 p.m., New York City time, on the relevant interest rate determination date, unless the calculation is made earlier and the rate was available from that source at that time, then the Prime Rate will be the rate for that interest rate determination date, as published in H.15 Daily Update or another recognized electronic source for displaying such rate opposite the caption “Bank Prime Loan.”
- If the above rate is not published in either H.15(519), H.15 Daily Update or another recognized electronic source for displaying such rate by 3:00 p.m., New York City time, on the relevant interest rate determination date, then the administrator will determine the Prime Rate to be the average of the rates of interest publicly announced by each bank that appears on the Reuters Screen designated as “USPRIME1” as that bank’s prime rate or base lending rate as in effect on that interest rate determination date.
- If fewer than four rates appear on the Reuters Screen USPRIME1 page on the relevant interest rate determination date, then the Prime Rate will be the average of the prime rates or base lending rates quoted, on the basis of the actual number of days in the year divided by a 360-day year, as of the close of business on that interest rate determination date by three major banks in New York City selected by the administrator.
- If the banks selected by the administrator are not quoting as mentioned above, the Prime Rate will remain the prime rate then in effect on that interest rate determination date.

CP RATE NOTES. Interest on the CP rate notes will be paid as described in the related prospectus supplement. Interest on the CP rate notes will be adjusted daily on each day within any accrual period in the manner described in the related prospectus supplement. For each Saturday, Sunday or other non-business day, the commercial paper rate will be the rate in effect for the immediately preceding business day.

The commercial paper rate will be for any relevant interest rate determination date prior to each related interest rate change date, the Bond Equivalent Yield, set forth below, of the rate for 90-day commercial paper, as published in H.15(519) prior to 3:00 p.m., New York City time, on that interest rate determination date under the heading “Commercial Paper--Financial.” If the rate described above is not published in H.15(519) by 3:00 p.m., New York City time, on that interest rate determination date, unless the calculation is made earlier and the rate was available from that source at that time, then the commercial paper rate will be the Bond Equivalent Yield of the rate on the relevant interest rate determination date, for commercial paper having the index maturity specified on the remarketing terms determination date, as published in H.15 Daily Update or any other recognized electronic source used for displaying that rate under the heading “Commercial Paper—Financial.”

The bond equivalent yield will be calculated as follows:

$$\text{Bond Equivalent Yield} = \frac{N * D * 100}{360 - (D * 90)}$$

where “D” refers to the per annum rate determined as set forth above, quoted on a bank discount basis and expressed as a decimal, and “N” refers to 365 or 366, as applicable.

“H.15(519)” means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System.

“H.15 Daily Update” means the daily update for H.15(519), available through the world wide web site of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publications.

GBP-LIBOR RATE NOTES. Interest on the GBP-LIBOR rate notes will be paid as described in the related prospectus supplement. GBP-LIBOR, for any accrual period, will be the London interbank offered rate for deposits in Pounds Sterling having the specified maturity commencing on the first day of the accrual period, which appears on Telerate Page 3750 as of 11:00 a.m. London time, on the related GBP-LIBOR determination date. If an applicable rate does not appear on Telerate Page 3750, the rate for that day will be determined on the basis of the rates at which deposits in Pounds Sterling, having the specified maturity and in a principal amount of not less than (pound)1,000,000 are offered at approximately 11:00 a.m. London time, on that GBP-LIBOR determination date, to prime banks in the London interbank market by the reference banks. The administrator will request the principal London office of each reference bank to provide a quotation of its rate. If the reference banks provide at least two quotations, the rate for that day will be the arithmetic mean of the quotations. If the reference banks provide fewer than two quotations, the rate for that day will be the arithmetic mean of the rates quoted by prime banks in London, selected by the administrator, at approximately 11:00 a.m. London time, on that GBP-LIBOR determination date, for loans in Pounds Sterling to leading European banks having the specified maturity and in a principal amount of not less than (pound)1,000,000. If the banks selected as described above are not providing quotations, GBP-LIBOR in effect for the applicable accrual period will be GBP-LIBOR for the specified maturity in effect for the previous accrual period.

EURIBOR RATE NOTES. Interest on the EURIBOR rate notes will be paid as described in the related prospectus supplement. Three-month EURIBOR, for any accrual period, is the Euro interbank offered rate for deposits in Euros having a maturity of three months, commencing on the first day of the accrual period which appears on Telerate Page 248 as of 11:00 a.m. Brussels time, on the related EURIBOR determination date. If an applicable rate does not appear on Telerate Page 248, the rate for that day will be determined on the basis of the rates at which deposits in Euros, having the applicable maturity and a principal amount of not less than (euro)1,000,000, are offered at approximately 11:00 a.m., Brussels time on that EURIBOR determination date, to prime banks in the Euro-zone interbank market by the reference banks. The administrator will request the principal Euro-zone office of each reference bank to provide a quotation of its rate. If the reference banks provide at least two quotations, the rate for the day will be the arithmetic mean of the quotations. If the reference banks provide fewer than two quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the administrator, at approximately 11:00 a.m. Brussels time, on that EURIBOR determination date, for loans in Euros to leading European banks having the applicable maturity and in a principal amount of not less than (euro)1,000,000. If the banks selected as described above are not providing quotations, three-month EURIBOR in effect for the applicable accrual period will be three-month EURIBOR in effect for the previous accrual period.

For this purpose:

- “EURIBOR determination date” means, for each accrual period, the day that is two Settlement Days before the beginning of that accrual period.

- “Settlement Day” means any day on which TARGET (the Trans-European Automated Real-time Gross Settlement Express Transfer System) is open which is also a day on which banks in New York City are open for business.
- “Telerate Page 248” means the display page so designated on the Moneyline Telerate Service or any other page that may replace that page on that service for the purpose of displaying comparable rates or prices.
- “Reference Banks” means four major banks in the Euro-zone interbank market selected by the administrator.

ORIGINAL ISSUE DISCOUNT NOTES

Original issue discount notes will have a stated maturity set forth in the applicable prospectus supplement. The notes will be issued at a discount from the principal amount payable at maturity. The notes may have a “zero coupon” and currently pay no interest, or may pay interest at a rate that is below market rates at the time of issuance. For original issue discount notes, all or some portion of the interest due will accrue during the life of the note and be paid only at maturity or upon earlier redemption. Upon redemption or optional purchase, the amount payable on an original issue discount note will be determined as described under the heading “*Description of the Notes—Redemption or Purchase Price.*” Each holder of an original issue discount note will be required to include in current income a ratable portion of the original issue discount, even though the holder may not receive any payment of interest during the period. See “*Material Federal Income Tax Consequences—Taxation of interest income on the Notes.*”

THE RESET RATE NOTES

GENERAL. The related prospectus supplement will describe the currency and interest rate initially applicable for each class of reset rate notes. From time to time, the currency and interest rate for the notes will be reset using the procedures described below. We refer to each initial reset date, together with each date thereafter on which a class of reset rate notes may be reset with respect to the currency and interest rate mode, as a “reset date” and each period in between the reset dates as a “reset period.”

INTEREST. Interest on each class of reset rate notes during each reset period will accrue and be payable either:

- at an index interest rate (see “—*Index Rate Notes,*” above), in which case such reset rate notes are said to be in index rate mode; or
- at a fixed interest rate, in which case such reset rate notes are said to be in fixed rate mode.

During the initial reset period for each class of reset rate notes, interest will be payable on each distribution date at the interest rates described in a related prospectus supplement.

Unless otherwise specified in the prospectus supplement, interest on a class of reset rate notes during any reset period when they bear a fixed rate of interest will accrue daily and will be computed based on:

- If a class of reset rate notes is denominated in U.S. Dollars, a 360-day year consisting of twelve 30-day months; or
- If a class of reset rate notes is denominated in a currency other than U.S. Dollars, generally, the actual/actual (ISMA) accrual method as described above under “—*Index rate notes,*” or such other day count convention as may be set forth in a related remarketing terms determination date notice and in the related prospectus supplement.

Interest on a class of reset rate notes during any reset period when they bear an index rate of interest based on LIBOR will accrue daily and will be computed based on the actual number of days elapsed and a 360 day year. Interest on a class of reset rate notes during any reset period when they bear a floating rate of interest based on EURIBOR or another index, may be computed on a different basis and use a different interval between interest rate determination dates.

Except for the initial accrual period, an accrual period during any reset period when any class of reset rate notes bears interest at a floating rate of interest, including both U.S. Dollar and non-U.S. Dollar denominated notes, will begin on the last applicable quarterly distribution date and end on the day before the next applicable quarterly distribution date. Accrual periods when a class of reset rate notes is denominated in U.S. Dollars and bears interest at a fixed rate will begin generally on the 25th day of the month of the immediately preceding quarterly distribution date and end on the 24th day of the month of the then-current quarterly distribution date, or as otherwise specified in the related prospectus supplement. Accrual periods and distribution dates for payments of interest during any reset period when a class of reset rate notes bears a fixed rate of interest and is denominated in a currency other than U.S. Dollars may be monthly, quarterly, semi-annual or annual, as specified in the related prospectus supplement and, with respect to a remarketing, in the related remarketing terms determination date notice.

PRINCIPAL. In general, payments of principal will be made or allocated to any class of reset rate notes on each quarterly distribution date in the amount and payment priorities as set forth in the related prospectus supplement. During any reset period, a class of reset rate notes may be structured not to receive payments of principal until the end of the reset period. See “—*Index Rate Mode*” and “—*Fixed Rate Mode*” below.

RESET DATES. All reset dates will occur on a quarterly distribution date. Each reset period will be no less than three months and will always end on the day before a quarterly distribution date, as determined by the remarketing agents, in consultation with the administrator, in connection with the establishment of each reset period. However, no reset period may end after the quarterly distribution date which is the final legal maturity date for the applicable class of reset rate notes.

The applicable currency and interest rate on each class of reset rate notes will be reset as of its applicable reset date as determined by:

- the remarketing agents, in consultation with the administrator, with respect to the reset period, the applicable currency (U.S. Dollars, Euros, pounds sterling or another currency), whether the interest rate is fixed or based on an index and, if based on an index, the applicable interest rate index, the day count convention, the applicable interest rate determination dates, the interval between interest rate change dates during each interest accrual period, whether the reset rate notes will be structured to amortize periodically or to receive a payment of principal only at the end of the reset period, any change in relative priorities with respect to the right to receive payments of principal and the all-hold rate (if applicable); and
- the remarketing agents with respect to the determination of the applicable fixed rate of interest or spread to the chosen interest rate index, as applicable.

The spread will be determined in the manner described below for each reset period.

In the event that a class of reset rate notes is reset to pay (or continues to pay) in a currency other than U.S. Dollars, the reset rate notes are said to be in foreign exchange mode. In such case, the administrator will arrange, on behalf of the trust, for currency swap agreements to hedge, in whole or in part, against the currency exchange risks that result from the required payment to the reset rate noteholders in a currency other than U.S. Dollars and, together with the remarketing agents, for selecting one or more eligible swap counterparties.

In the event that a class of reset rate notes is reset to bear a fixed rate of interest or a floating rate based upon an index other than LIBOR or the commercial paper rate and the remarketing agents, in consultation with the administrator, determine that entering into a swap agreement with respect to such class of notes would be in the best interests of the trust estate based on current market conditions, the administrator will be responsible for arranging one or more swap agreements to hedge the basis risk that results from the payment of a fixed rate of interest or

interest based on an index other than LIBOR or a commercial paper rate on such class of reset rate notes and, together with the remarketing agents, for selecting one or more eligible swap counterparties. No swap agreement may be entered into unless the indenture trustee receives a rating confirmation from each rating agency then rating the notes that the swap agreement will not adversely affect the ratings on any of the notes.

The administrator and the remarketing agents, in determining the counterparty to any swap agreement, will solicit bids from at least three counterparties and will select the lowest of these bids to provide the swap agreement. If the lowest bidder specifies a notional amount that is less than the outstanding principal amount of the related class of reset rate notes, the administrator and the remarketing agents may select more than one counterparty, but only to the extent that such additional counterparties have provided the next lowest received bid or bids, and enter into more than one swap agreement to fully hedge the then outstanding principal balance of that class of reset rate notes.

In exchange for providing a payment under a swap agreement for the applicable class of reset rate notes, the related counterparty will be entitled to receive on each quarterly distribution date, a payment from the trust estate in an amount, as determined from the bidding process described above, which satisfies the rating agency condition.

Absent a failed remarketing, holders that wish to be repaid on a reset date will be able to obtain a 100% repayment of principal by tendering their reset rate notes pursuant to the remarketing process, provided that tender is deemed mandatory when a class of reset rate notes is denominated in a currency other than U.S. Dollars, as more fully described below. If there is a failed remarketing of a class of reset rate notes, however, holders of that class will continue to hold their notes and will not be permitted to exercise any remedies as a result of the failure of their class of reset rate notes to be remarketed on the related reset date. Depending on the rate and timing of prepayments on a trust's student loans and the length of the revolving period, a class of reset rate notes may be repaid earlier than the next related reset date.

REMARKETING TERMS DETERMINATION DATE. The initial reset dates for each class of reset rate notes will be as set forth in the related prospectus supplement. On a date that is at least eight business days prior to each reset date, which date we refer to as the remarketing terms determination date, unless notice of exercise of the call option, any purchase option or redemption as described in the related prospectus supplement, has already been given, the remarketing agents, in consultation with the administrator, will establish the following terms for the applicable class of reset rate notes by the remarketing terms determination date:

- the expected weighted average life of that class of reset rate notes;
- the name and contact information of the remarketing agents;
- if two or more classes of reset rate notes are successfully remarketed on the same reset date, whether there will be any change in their relative priorities with respect to the right to receive payments of principal;
- the next reset date and reset period;
- the interest rate mode (i.e., fixed rate or index rate);
- the applicable currency;
- if in foreign exchange mode, the identities of the eligible swap counterparties from which bids will be solicited;
- if in foreign currency mode, the applicable distribution dates on which interest and principal will be paid, if other than quarterly;
- if in index rate mode, the applicable interest rate index;
- if in index rate mode, the interval between interest rate change dates;
- if in index rate mode, the applicable interest rate determination date;

- if in fixed rate mode, the applicable fixed rate pricing benchmark;
- if in fixed rate mode, whether there will be a derivative product or swap agreement and, if so, the identities of the counterparties from which bids will be solicited;
- if in index rate mode, based on an index other than LIBOR or a commercial paper rate, whether there will be a related derivative product or swap agreement and, if so, the identities of the counterparties from which bids will be solicited;
- the applicable interest accrual period and day-count basis;
- the reset rate notes all hold rate, if applicable;
- whether principal payments on such class of reset rate notes will be deferred until the next reset date; and
- the principal payment priority of the applicable class, if it will differ from that previously in effect.

Any index rate mode other than an index rate based on LIBOR or a commercial paper rate will require confirmation of the existing ratings on the notes.

The remarketing agents will communicate this information by written notice, through DTC, to the holders of the applicable class of reset rate notes, the indenture trustee and the rating agencies on the remarketing terms determination date. If a class of reset rate notes is denominated in U.S. Dollars during the then-current reset period and will continue to be denominated in U.S. Dollars during the next reset period, on each remarketing terms determination date, the remarketing agents, in consultation with the administrator, will establish the all hold rate, as described below. In this event, the reset rate noteholders of that class will be given not less than two business days to choose whether to hold their reset rate notes by delivering a hold notice to the remarketing agents, in the absence of which their reset rate notes will be deemed to have been tendered. See “*Tender of Reset Rate Notes; Remarketing Procedures*” below. If a class of reset rate notes is in foreign exchange mode, either during the then-current reset period or will be reset into foreign exchange mode on the next reset date, the noteholders will be deemed to have tendered their reset rate notes on the reset date, regardless of any desire by such holders to retain their ownership thereof, and no all hold rate will be applicable.

If applicable, the all hold rate will be the minimum rate of interest that will be effective for the upcoming reset period. If the rate of interest using the spread or fixed rate of interest established on the spread determination date, as defined below, is higher than the all hold rate, all note holders who delivered a hold notice agreeing to be subject to the all hold rate will be entitled to the higher rate of interest for the upcoming reset period. If 100% of the noteholders elect to hold their reset rate notes for the next reset period, the reset rate will be the all hold rate.

If the remarketing agents, in consultation with the administrator, are unable to determine the terms set forth above that are required to be established on the applicable remarketing terms determination date, then, unless the holder of the call option described below purchases the applicable class of reset rate notes by exercising its call option or the applicable class of reset rate notes have been redeemed, a failed remarketing will be declared on the spread determination date, all holders will retain their notes, the failed remarketing rate for such class of reset rate notes as described in the related prospectus supplement will apply, and a reset period of three months will be established.

Unless notice of the exercise of the call option, any purchase option or redemption as described in the related prospectus supplement has already been given, the administrator, not less than fifteen nor more than thirty calendar days prior to any remarketing terms determination date, will provide the required notices as described under “*Tender of Reset Rate Notes; Remarketing Procedures*” below.

If a failed remarketing has been declared, all applicable reset rate notes will be deemed to have been held by the applicable noteholders on the reset date at the applicable failed remarketing rate regardless of any desire to

tender their reset rate notes or any mandatory tender. With respect to any failed remarketing, the next reset period will be established as a three-month period.

SPREAD DETERMINATION DATE. On the “spread determination date,” which is three business days prior to the reset date, the remarketing agents will set the applicable spread above or below the applicable index (with respect to reset rate notes that will be in index rate mode during the next reset period) or applicable fixed rate of interest (with respect to reset rate notes that will be in fixed rate mode during the next reset period) in either case, at a rate that, in the reasonable opinion of the remarketing agents, will enable all of the tendered reset rate notes to be remarketed by the remarketing agents at 100% of the principal balance of the class of reset rate notes. Also, if applicable, the administrator and the remarketing agents will select from the bids received from a counterparty or counterparties to provide any derivative product or swap agreements for the next reset period. If a class of reset rate notes is to be reset to foreign exchange mode, the exchange rate for the applicable currency to be issued on the next reset date, the related extension rate and related failed remarketing rate for the upcoming reset period will be determined pursuant to the terms of the related currency swap agreement.

On each spread determination date, the remarketing agents will send a written notice to each securities depository (with instructions to distribute such notice to its participants in accordance with its procedures), the indenture trustee and the rating agencies setting forth the applicable spread or fixed rate of interest, as the case may be, and, if applicable, the identity of any counterparty or counterparties, including the index rate (or rates) of interest to be due to each selected counterparty on each distribution date during the upcoming reset period as well as the extension rate and failed remarketing rate, if applicable.

TIMELINE. The following chart shows a timeline of the remarketing process:

BUSINESS DAYS PRIOR TO RESET DATE	EVENT
THIRTY TO FIFTEEN CALENDAR DAYS PRIOR TO REMARKETING TERMS DETERMINATION DATE	Administrator to provide notices to clearing agents specifying the identity of the remarketing agents and whether tender of the related reset rate notes is voluntary or mandatory
AT LEAST TWELVE	REMARKETING TERMS DETERMINATION DATE (Notices sent to applicable noteholders stating the terms of the remarketed class of reset rate notes, including any reset rate notes all hold rate)
TEN	NOTICE DATE (Hold notices due from applicable noteholders or they are deemed to have tendered their reset rate notes; remarketing agents determine the amount of remarketed reset rate notes available for sale)
THREE	SPREAD DETERMINATION DATE (Based on market conditions, the spread or fixed rate is determined by the remarketing agents for the next reset period or a failed remarketing is declared; identity of any counterparty (or counterparties) is determined; last date that notice of exercise of the call option, purchase option or optional redemption may be given)
RESET DATE	RESET DATE (New terms of the remarketed class of reset rate notes become effective)

FAILED REMARKETING. There will be a failed remarketing if:

- the remarketing agents cannot determine the applicable required reset terms (other than the spread or fixed rate) on a remarketing terms determination date;
- the remarketing agents cannot establish the required spread or fixed rate on the related spread determination date or the established rate would exceed the failed remarketing rate;
- either sufficient committed purchasers cannot be obtained for all tendered reset rate notes at the spread or fixed rate set by the remarketing agents, or any committed purchasers default on their purchase obligations (and the remarketing agents choose not to purchase those reset rate notes themselves);
- any failure of the sponsor or one of its designated affiliates, to purchase such class of the reset rate notes on a reset date following the delivery of the related call option notice;
- one or more interest rate and/or currency swap agreements satisfying all required criteria cannot be obtained, if applicable as described under “—*Foreign Exchange Mode*” “—*Index Rate Mode*” and “—*Fixed Rate Mode*” below;
- certain conditions specified in the related remarketing agreement are not satisfied;
- or any rating agency then rating the notes has not confirmed or upgraded its then-current ratings of any class of notes, if such confirmation is required.

In the event a failed remarketing is declared with respect to a class of reset rate notes at a time when such notes are denominated in U.S. Dollars:

- all holders of that class will retain their reset rate notes (including in all deemed mandatory tender situations);
- the related interest rate will be reset to a failed remarketing rate of three-month LIBOR plus the related spread;
- the related reset period will be three months; and
- any existing interest rate swap agreement will be terminated in accordance with its terms.

In the event a failed remarketing is declared with respect to any class of reset rate notes at a time when such notes are denominated in a currency other than U.S. Dollars:

- all holders of that class will retain their reset rate notes;
- that class will remain denominated in the then-current non-U.S. Dollar currency;
- each existing currency swap agreement will remain in effect and each currency swap counterparty will be entitled to receive quarterly interest payments from the trust at an increased LIBOR-based rate, which we refer to in this prospectus as the “extension rate”;
- the trust will be entitled to receive from each currency swap counterparty, for payment to the applicable reset rate noteholders, quarterly floating rate interest payments at the specified failed remarketing rate; and
- the related reset period will be three months.

If there is a failed remarketing of a class of reset rate notes, however, the holders of that class will not be permitted to exercise any remedies as a result of the failure of their class of reset rate notes to be remarketed on the reset date.

INDEX RATE MODE. If a class of reset rate notes is to be reset in an index rate mode, then during the corresponding reset period that class will bear interest at a per annum rate equal to the applicable interest rate index, plus or minus the applicable spread, as determined on the relevant spread determination date.

If the interest rate for a class of reset rate notes will be based on an index other than LIBOR or a commercial paper rate and if the remarketing agents, in consultation with the administrator, determine that such action would be in the best interests of the trust estate based on existing market conditions, and provided that a confirmation is obtained of the existing ratings on the notes, the administrator will arrange for one or more derivative products with counterparties for the next reset period to hedge against basis risk.

If a class of reset rate notes is to be reset in an index rate mode and principal payments on such class of reset rate notes are to be deferred until the next reset date for such class of reset rate notes, on any quarterly distribution date, principal generally will be allocated to that class and deposited into an accumulation account in the Collection Fund, where it will remain until the next reset date for that class of reset rate notes, unless there occurs, prior to that reset date, an optional or mandatory redemption, or, under certain limited circumstances, it is applied as credit enhancement, as provided in the related prospectus supplement. On that reset date, all sums then on deposit in an accumulation account in the Collection Fund, including any allocation of principal made on the same date, will be distributed to the holders of that class of reset rate notes, as of the related record date, in reduction of principal of such class. However, in the event that on any quarterly distribution date the amount on deposit in the accumulation account would equal the outstanding principal amount of that class, then no additional amounts will be deposited into the accumulation account and all amounts therein, less any investment earnings, will be distributed on the next reset date to the related noteholders and on such reset date the principal balance of that class of reset rate notes will be reduced to zero. During any such reset period, an amount equal to the supplemental interest deposit amount for the related class of reset rate notes will be deposited into a Supplemental Interest Fund for such class of reset rate notes on each quarterly distribution date, as described in the related prospectus supplement.

FIXED RATE MODE. If a class of reset rate notes is to be reset to a fixed rate of interest, then the applicable fixed rate of interest for the corresponding reset period will be determined on the spread determination date by adding (a) the applicable spread as determined by the remarketing agents on the spread determination date and (b) the yield to maturity on the spread determination date of the applicable fixed rate pricing benchmark, selected by the remarketing agents, as having an expected weighted average life based on a scheduled maturity at the next reset date, which would be used in accordance with customary financial practice in pricing new issues of asset-backed securities of comparable average life. However, such fixed rate of interest will not be lower than the related reset rate notes all hold rate and shall not exceed the related failed remarketing rate. Such interest will be allocated on each quarterly distribution date at the applicable fixed rate of interest, as determined on the spread determination date, during the relevant reset period.

After the initial reset period, and if so provided in the applicable remarketing terms notice, principal that would be payable to a class of reset rate notes bearing interest at a fixed rate may be allocated to that class and deposited into an accumulation account in the Collection Fund, where it will remain until the next reset date for that class of reset rate notes. On that reset date, all sums then on deposit in the accumulation account, including any allocation of principal made on the same date, will be distributed to the holders of that class of reset rate notes, as of the related record date, in reduction of principal of such class. However, in the event that on any quarterly distribution date the amount on deposit in the accumulation account would equal the outstanding principal amount of that class, then no additional amounts will be deposited into the accumulation account and all amounts therein, less any investment earnings, will be distributed on the next reset date to the related noteholders and on such reset date the principal balance of that class of reset rate notes will be reduced to zero. During any such reset period, an amount equal to the supplemental interest deposit amount for the related class of reset rate notes will be deposited to a Supplemental Interest Fund for such class of reset rate notes on each quarterly distribution date.

In addition, if a class of reset rate notes is to bear a fixed rate of interest and, if the remarketing agents, in consultation with the administrator, determine that such action would be in the best interests of the trust estate based

on existing market conditions, and provided that a confirmation is obtained of the existing ratings on the notes, the administrator will arrange for one or more interest rate swap agreements with one or more counterparties, to facilitate the ability of the trust estate to pay the applicable class interest at its fixed rate. Each such swap agreement in general will terminate at the earlier to occur of the next related reset date or a specified termination event. The floating rate of interest due to the related counterparty, as a swap agreement payment, and other terms of each swap agreement will be subject to the rating agency condition. No swap agreement will be entered into for any reset period where either the related call option has been exercised or there has been a failed remarketing.

FOREIGN EXCHANGE MODE. A class of reset rate noteholders will always receive payments during the reset period in the currency in which the class was originally denominated on the closing date with respect to the initial reset period and on the reset date with respect to subsequent reset periods. As of the closing date with respect to the initial reset period, and as of the related reset date, if a class of reset rate notes are to be reset in foreign exchange mode on that reset date, the administrator, on behalf of the trust, will enter into one or more currency swap agreements with one or more eligible swap counterparties:

- to hedge the currency exchange risk that results from the required payment of principal and interest by the trust in the applicable currency during the upcoming reset period;
- to pay additional interest accrued between the reset date and the special reset payment date as described below, at the applicable interest rate and in the applicable currency for a class of reset rate notes from and including the related reset date to, but excluding the second business day following the related reset date; and
- to facilitate the exchange to the applicable currency of all secondary market trade proceeds from a successful remarketing, or proceeds from the exercise of the call option, on the applicable reset date.

Generally, under any currency swap agreement between a trust and one or more swap counterparties, each swap counterparty will be obligated to pay to the trust or a paying agent on behalf of the trust, as applicable:

- on the effective date of such currency swap agreement for the related reset date, the U.S. Dollar equivalent of all secondary market trade proceeds received from purchasers of the class of reset rate notes using the exchange rate established on the effective date of such currency swap agreement or, with respect to the initial currency swap agreement, the U.S. Dollar equivalent of all proceeds received on the closing date from the sale of the class using the exchange rate set forth in the initial currency swap agreement, as described in the related prospectus supplement;
- on or before each distribution date:
 - the rate of interest on the related class of reset rate notes multiplied by the outstanding principal balance of the related class of reset rate notes denominated in the applicable currency; and
 - the currency equivalent of the U.S. Dollars such swap counterparty concurrently receives from the trust as a payment of principal allocated to the related class of reset rate notes, including, on the maturity date for the class of reset rate notes, if a currency swap agreement is then in effect, the remaining outstanding principal balance of the class of reset rate notes, but only to the extent that the required U.S. Dollar equivalent amount is received from the trust on such date, using the exchange rate established on the applicable effective date of the currency swap agreement; and
- with respect to a distribution date that is also a reset date, other than for distribution dates during a reset period following a reset date upon which a failed remarketing has occurred, up to and including the reset date resulting in a successful remarketing or an exercise of the call option, additional interest at the applicable interest rate and in the applicable currency for the related class of reset rate notes resulting from any required delay in payments through Euroclear and Clearstream from and including the related reset date to, but excluding, the earlier of such distribution date and the second business day following the related reset date; and

- on the reset date corresponding to a successful remarketing or an exercise of the call option of the related class of reset rate notes, the currency equivalent of all U.S. Dollar secondary market trade proceeds or proceeds from the exercise of the call option received as of that reset date, as applicable, using the exchange rate established on the effective date of the applicable currency swap agreement for that reset date.

In return, each swap counterparty will generally receive from the trust:

- on the effective date of such currency swap agreement for the reset date, all secondary market trade proceeds received from purchasers of the class of reset rate notes in the applicable currency;
- on or before each distribution date:
 - an interest rate of three-month LIBOR plus or minus a spread, as determined from the bidding process described below, multiplied by that swap counterparty's pro rata share, as applicable, of the U.S. Dollar equivalent of the outstanding principal balance of the related class of reset rate notes, and
 - that swap counterparty's pro rata share of all payments of principal in U.S. Dollars that are allocated to the class of reset rate notes; provided that if so provided in the related prospectus supplement, all principal payments allocated to such notes on any distribution date will be deposited into an accumulation account and paid to each swap counterparty on or about the next reset date (including all amounts required to be paid or allocated to such class of reset rate notes on the related reset date), but excluding all investment earnings thereon; and
- on the reset date corresponding to a successful remarketing or an exercise of the call option or a mandatory redemption of the related class of reset rate notes, all U.S. Dollar secondary market trade proceeds or proceeds from the exercise of the call option or mandatory redemption, as applicable, received:
 - from the remarketing agents that the remarketing agents either received directly from the purchasers of the class of reset rate notes being remarketed, if in U.S. Dollars;
 - from the new swap counterparty or counterparties pursuant to any currency swap agreements for the upcoming reset period, if in a currency other than U.S. Dollars; or
 - from the holder of the call option, as applicable.

All such currency swap agreements will terminate, generally, on the earliest to occur of:

- the next succeeding reset date resulting in a successful remarketing;
- the purchase of all outstanding notes on a reset date, following the exercise of a call option;
- the distribution date on which the outstanding principal balance of the class of reset rate notes is reduced to zero, excluding for such purpose all amounts on deposit in an accumulation account; or
- the maturity date of the class of reset rate notes.

Any applicable currency swap agreement may also terminate as a result of the optional purchase of the trust's student loans or an auction of the trust's student loans by the indenture trustee. No currency swap agreement will terminate solely due to the declaration of a failed remarketing.

The terms of all currency swap agreements must not cause the rating agencies then rating the notes to lower their then-current ratings of the notes. The inability to obtain any required currency swap agreement, either as a

result of the failure to obtain confirmation of the existing ratings on the notes or otherwise, will, in the absence of an exercise of the call option or a redemption, result in the declaration of a failed remarketing on the related reset date; provided that, if the remarketing agents, in consultation with the administrator, on or before the remarketing terms determination date, determine that it is unlikely that currency swap agreements satisfying the above criteria will be obtainable on the reset date, the class of reset rate notes must be reset to U.S. Dollars on the reset date. No new currency swap agreements will be entered into by the trust for the applicable reset period following an exercise of the call option.

If the class of reset rate notes either is currently in foreign exchange mode or is to be reset into foreign exchange mode, they will be deemed tendered mandatorily by the holders thereof on the reset dates. Affected reset rate noteholders desiring to retain some or all of their reset rate notes will be required to repurchase such reset rate notes through the remarketing agents. Such reset rate noteholders may not be allocated their desired amount of notes as part of the remarketing process. In addition, with respect to reset dates where the related class of reset rate notes are to be reset into the same non-U.S. Dollar currency as during the previous period, the aggregate principal balance of the class of reset rate notes following a successful remarketing probably will be higher or lower than it was during the previous reset period. This will occur as a result of fluctuations in the U.S. Dollar/applicable non-U.S. Dollar currency exchange rates between the rate in effect on the previous reset date and the new exchange rate that will be in effect for the required replacement currency swap agreements.

If a distribution date for any class of reset rate notes denominated in a foreign currency coincides with a reset date, due to time zone differences and for purposes of making payments through Euroclear and Clearstream, all principal payments and any remaining interest payments due from the trust will be made to the related reset rate noteholders on or before the second business day following such distribution date. We sometimes refer to such date as the special reset payment date. Under the currency swap agreement for such reset period, the reset rate noteholders will be entitled to receive such amounts plus up to two additional business days of interest at the interest rate for the prior reset period in the applicable non-U.S. Dollar currency calculated from the period including the reset date to, but excluding, the actual payment date (which shall not be later than the second business day following such reset date). However, if a currency swap agreement is terminated, the trust will not pay to the noteholders interest for those additional days. In addition, for any reset period following a reset date upon which a failed remarketing has occurred, up to and including the reset date resulting in a successful remarketing or an exercise of the call option or a redemption for that class of reset rate notes as described below, payments of interest and principal to the reset rate noteholders will be made on the special reset payment date without the payment of any additional interest.

In such event, the trust, in consultation with the administrator, will attempt to enter into a substitute currency swap agreement with similar currency exchange terms in order to obtain sufficient funds to provide for an open market purchase of the amount of the applicable currency needed to make the required payments.

In the event no currency swap agreement is in effect on any applicable distribution date or related reset date when payments are required to be made, the trust will be obligated to engage in a spot currency transaction to exchange U.S. Dollars at the current exchange rate for the applicable currency in order to make payments of interest and principal on the applicable class of reset rate notes in that currency.

In addition, the indenture will require that, on each reset date that involves a mandatory tender, the trust obtains a favorable opinion of counsel with respect to certain tax related matters; however, prospective purchasers should consult their tax advisors as to the tax consequences to them of purchasing, owning or disposing of a class of reset rate securities.

CALL OPTION. Each class of reset rate notes will be subject, as of each reset date, to a call option held by the sponsor, or certain of its affiliates, for 100% of that class of reset rate notes, exercisable at a price equal to 100% of the principal balance of that class, less all amounts distributed to the related noteholders as payments of principal up to such reset date, plus any accrued and unpaid interest and any unpaid carry-over interest amounts not paid from the trust estate on the applicable reset date. The call option may be exercised by the sponsor, or its designated affiliates, at any time prior to the determination of the spread or fixed rate or the declaration of a failed remarketing on the spread determination date. Once notice is given, the holder of the call option may not rescind its exercise of

such call option. If a call option is exercised, the interest rate on the class of reset rate notes following the reset date of the purchase under the call option will be:

- if no swap agreement was in effect for that class of reset rate notes during the previous reset period, the floating rate applicable for the most recent reset period during which the failed remarketing rate was not in effect; or
- if one or more swap agreements were in effect for that class during the previous reset period, a three-month LIBOR-based rate equal to the weighted average of the floating rates of interest that the trust paid to the swap counterparties hedging currency and/or basis risk for that class of reset rate notes during the preceding reset period; and
- a reset period of three months will be established, at the end of which the purchaser under the call option may either remarket that class pursuant to the remarketing procedures set forth below or retain that class of reset rate notes for one or more successive three-month reset periods at the existing interest rate.

The interest rate will continue to apply for each reset period while the holder of an exercised call option retains the reset rate notes.

PURCHASE OPTION. If so provided in a prospectus supplement, the sponsor, or its designated affiliates, will have the option to purchase from the trust estate a pro rata portion of the student loans corresponding to a class of reset rate notes that is to be redeemed to provide funds to redeem that class of reset rate notes on the related reset date.

The sponsor, or its designated affiliates, must exercise this purchase option by providing the indenture trustee with notice of exercise of the purchase option on or before the spread determination date and by delivering the purchase price on or before the second business day before the reset date. If the sponsor, or its designated affiliates, gives notice of exercise of this purchase option and fails to deliver the required purchase price, a failed remarketing will have occurred. The required purchase price will be described in the related prospectus supplement.

TENDER OF RESET RATE NOTES; REMARKETING PROCEDURES. On the date specified in the prospectus supplement, the trust, the administrator and the remarketing agents named in the prospectus supplement will enter into a remarketing agreement for the remarketing of the reset rate notes by the remarketing agents. The administrator may change the remarketing agents or designate a lead remarketing agent for any class of reset rate notes for any reset period at any time on or before the remarketing terms determination date. In addition, the administrator will appoint one or more additional remarketing agents, if necessary, for a reset date when a class of reset rate notes will be remarketed in a currency other than U.S. Dollars. A remarketing agent may resign at any time provided that no resignation may become effective on a date that is later than 15 business days prior to a remarketing terms determination date.

Unless notice of the exercise of the call option has already been given, the administrator, not less than fifteen nor more than thirty calendar days prior to any remarketing terms determination date, will:

- inform DTC, Euroclear and Clearstream, as applicable, of the identities of the applicable remarketing agents and (1) if the applicable class of reset rate notes is denominated in U.S. Dollars in both the then-current and next reset period, that such class of reset rate notes is subject to automatic tender on the reset date unless a holder elects not to tender its particular reset rate notes, or (2) if the applicable class of reset rate notes is then in, or to be reset in, foreign exchange mode, that such class of notes is subject to mandatory tender by all of the holders thereof, and
- request that DTC, Euroclear and Clearstream, as applicable, notify its participants of the contents of the notice given to DTC, Euroclear and Clearstream, as applicable, the notices to be given on the remarketing terms determination date and the spread determination date, and the procedures that must be followed if any beneficial owner of a reset rate note wishes to retain its notes or any procedures to be followed in connection with a mandatory tender of such notes, each as described below.

This will be the only required notice given to holders prior to a remarketing terms determination date and with respect to the procedures for electing not to tender or regarding a mandatory tender of a class of reset rate notes. If DTC, Euroclear and Clearstream, as applicable, or its respective nominee is no longer the holder of record of the related class of reset rate notes, the administrator will establish procedures for the delivery of any such notice to the related noteholders.

On each remarketing terms determination date, the trust, the administrator and the remarketing agents will enter into a remarketing agency agreement that will set forth certain terms of the remarketing, and on the related spread determination date (unless a failed remarketing is declared, 100% of the related noteholders have delivered a hold notice, or notice of exercise of the call or purchase option or redemption as described in the related prospectus supplement was given with respect to the reset date), such remarketing agency agreement will be supplemented to include all other required terms of the remarketing.

On the reset date that commences each reset period, if the reset rate notes are not subject to mandatory tender, each related reset rate note will be automatically tendered, or deemed tendered, to the relevant remarketing agent for remarketing by such remarketing agent on the reset date at 100% of its principal amount, unless the holder, by delivery of a hold notice, if applicable, elects not to tender its reset rate notes. If the class of reset rate notes is held in book-entry form, absent a failed remarketing, 100% of the principal amount of such reset rate note will be paid by the remarketing agents in accordance with the standard procedures of DTC, which currently provide for payments in same-day funds, or procedures of Euroclear and Clearstream which, due to time zone differences, will be required to provide for payment of up to two business days following the reset date, and, with respect to each reset date, other than for any reset period following a reset date on which a failed remarketing occurred, up to and including the reset date resulting in a successful remarketing or an exercise of a call option, additional interest at the applicable interest rate and in the applicable non-U.S. Dollar currency from and including the reset date to, but excluding, the actual payment date (which shall not be later than the second business day following such reset date. Beneficial owners that tender their reset rate notes through a broker, dealer, commercial bank, trust company or other institution, other than the remarketing agent, may be required to pay fees or commissions to such institution. If a beneficial owner has an account at a remarketing agent and tenders its reset rate notes through that account, the beneficial owner will not be required to pay any fee or commission to the remarketing agent. It is currently anticipated that all reset rate notes so purchased by a remarketing agent will be remarketed by it.

If applicable, the hold notice must be received by a remarketing agent during the period commencing on the remarketing terms determination date and ending on the notice date. To ensure that a hold notice is received on a particular day, the beneficial owner must direct its broker or other designated direct or indirect participant to give the hold notice before the broker's cut-off time for accepting instructions for that day. Different firms may have different cut-off times for accepting instructions from their customers. Accordingly, beneficial owners should consult the brokers or other direct or indirect participants through which they own their interests in the reset rate notes for the cut-off times for those brokers or participants. A delivered hold notice will be irrevocable, but will be subject to a mandatory tender of the applicable reset rate notes pursuant to any exercise of the call option or a purchase option or redemption. If a hold notice is not timely received for any reason by a remarketing agent on the notice date, the beneficial owner of a reset rate note will be deemed to have elected to tender such reset rate note for purchase by the relevant remarketing agent. All of the reset rate notes of the applicable class, whether or not tendered, will bear interest upon the same terms.

The remarketing agents will attempt, on a reasonable efforts basis, to remarket the tendered reset rate notes of the applicable class at a price equal to 100% of the aggregate principal amount so tendered. We cannot assure you that the remarketing agents will be able to remarket the entire principal amount of the reset rate notes tendered in a remarketing. The obligations of the remarketing agents will be subject to certain conditions and termination events customary in transactions of this type, including a condition that no material adverse change in the financial condition of the trust estate has occurred between the remarketing terms determination date and the reset date. If the call option or purchase option is not timely exercised or the reset rate notes are not redeemed and the remarketing agents are unable to remarket some or all of the tendered reset rate notes and, in their sole discretion, elect not to purchase those notes, then a failed remarketing will be declared by the remarketing agents, all holders will retain their notes, the related reset period will be fixed at three months, and the related interest rate will be set at the failed remarketing rate.

No noteholder or beneficial owner of any reset rate note will have any rights or claims against any remarketing agent as a result of the remarketing agent's not purchasing that reset rate note. The remarketing agents will have the option, but not the obligation, to purchase any reset rate notes tendered that they are not able to remarket.

Each of the remarketing agents, in its individual or any other capacity, may buy, sell, hold and deal in any class of the notes. Any remarketing agent may exercise any vote or join in any action which any beneficial owner of any class of notes may be entitled to exercise or take with like effect as if it did not act in any capacity under the remarketing agency agreement. Any remarketing agent, in its individual capacity, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the trust, the depositor, the sponsor or the servicer as freely as if it did not act in any capacity under the remarketing agency agreement.

Each of the remarketing agents will be entitled to receive a fee from amounts on deposit in a remarketing fee fund in connection with their services rendered for each reset date. The remarketing agents also will be entitled to reimbursement from the trust, on a subordinated basis, or from the administrator, if there are insufficient funds available on a distribution date, for certain expenses associated with each remarketing. The fees associated with each successful remarketing and certain out-of-pocket expenses with respect to each reset date will be payable generally from amounts on deposit from time to time in a Remarketing Fee Fund. Unless otherwise specified in the related prospectus supplement, on each distribution date that is one year or less prior to a reset date, funds will be deposited into a Remarketing Fee Fund, prior to the payment of interest on any class of notes, in an amount up to the quarterly funding amount as specified in the related prospectus supplement. If the amount on deposit in the remarketing fee fund, after the payment of any remarketing fees therefrom, exceeds the reset period target amount as specified in the related prospectus supplement such excess will be deposited into the Collection Fund and will be utilized as provided in the related prospectus supplement. In addition, all investments on deposit in the Remarketing Fee Fund will be withdrawn on the next distribution date, deposited into the Collection Fund and will be utilized as provided in the related prospectus supplement.

OUTSTANDING PRINCIPAL BALANCE OF THE NOTES

If the prospectus supplement for a series of notes provides for payments of principal prior to maturity, the remaining outstanding balance of the notes, after giving effect to distributions of principal, will be determined through use of a note pool factor. The pool factor for each class of notes will be a seven-digit decimal computed by the administrator before each quarterly distribution date. Each pool factor will initially be 1.0000000. Thereafter, it will decline to reflect reductions in the outstanding balance of the notes. Your portion of the aggregate outstanding balance of a class of notes will be the product of:

- the original denomination of your note; and
- the applicable pool factor.

Noteholders will receive reports as described in the related prospectus supplement concerning various matters, including the payments the trust has received on its student loans, the pool balance, the applicable pool factor and various other items of information. See "*Summary of the Indenture Provisions-Further Covenants*" in this prospectus.

PAYMENT OF THE NOTES

The principal of the notes due at maturity or redemption in whole will be payable upon presentation and surrender of the notes. Payment of principal on any notes, payments in connection with a partial redemption and all interest payments will be made to the registered owner by check mailed on the interest payment date by the indenture trustee to the registered owner at his address as it last appears on the registration books kept by the indenture trustee at the close of business on the record date for such interest payment date, except that, unless definitive notes have been issued, payments of principal and interest on notes the registered owner of which is a nominee of a securities depository will be made by wire transfer to the account designated by such nominee.

MANDATORY REDEMPTION

If so provided in the related prospectus supplement, the notes of a series may be subject to mandatory redemption on the interest payment date following the end of the prefunding or revolving periods described in the related prospectus supplement in an amount equal to the proceeds from the sale of notes or the principal payments on a trust's student loans, as applicable, held in an Acquisition Fund that have not been used to purchase student loans. Notes may also be subject to mandatory redemption from money on deposit in the Collection Fund representing principal payments on a trust's student loans, including principal payments received from guarantee agencies and the principal proceeds from any sale of student loans that is permitted under the indenture, if so provided in a related prospectus supplement. Mandatory redemptions may also be made from interest payments on a trust's student loans after all other payments and transfers then due from the Collection Fund have been made, subject to certain asset parity ratios, if so provided in a related prospectus supplement.

See "*Notice and Partial Redemption of Notes*" below for a discussion of the order in which notes of any trust will be redeemed.

OPTIONAL REDEMPTION

If so provided in the related prospectus supplement, the notes of a series may be subject to redemption, in whole or in part, from available funds, including proceeds from the sale of student loans by a trust, as described in a related prospectus supplement. Any limitations on optional redemptions of the notes of any trust will be described in the prospectus supplement related to that trust. See "*Notice and Partial Redemption of Notes*" below for a discussion of the order in which notes of any trust will be redeemed.

EXTRAORDINARY OPTIONAL REDEMPTION

If so provided in the related prospectus supplement, the notes of a series may also be subject to extraordinary optional redemption, at our sole discretion, from any unallocated and available moneys remaining in the applicable trust estate, on any distribution date, if we reasonably determine that the rate of return on student loans has materially decreased or that the costs of administering the trust estate have placed unreasonable burdens upon the trust's ability to perform its obligations under the applicable indenture. An extraordinary optional redemption of the notes may be made in whole or in part. See "*Notice and Partial Redemption of Notes*" below for a discussion of the order in which the notes of a trust will be redeemed. In determining whether to exercise the extraordinary optional redemption provision, we will consider all of the facts and circumstances that exist at the time, including any changes to the Higher Education Act which would be materially adverse to the trust estate such that the noteholders, of any or all series, in our reasonable determination, would suffer a loss or material delay in the receipt of principal or interest payments when due.

OPTIONAL PURCHASE OF NOTES

If so provided in a related prospectus supplement, the sponsor or another party designated in a prospectus supplement may, but is not required to, purchase or cause to be purchased all of the notes of a series on any distribution date on which the aggregate current principal balance of the notes is less than or equal to a percentage of their initial aggregate principal balance set forth in the prospectus supplement. The purchase will occur on the distribution date following the date on which funds sufficient to pay the purchase price are deposited with the indenture trustee. All notes that are purchased will be cancelled by the indenture trustee.

MANDATORY AUCTION OF TRUST ASSETS

If so provided in a related prospectus supplement, the indenture trustee will offer for sale all of a trust's student loans when their principal balance decreases to 10% or less of their initial principal balance, or immediately prior to and during the time when a class of auction rate notes is subject to a net loan rate interest limitation. The proceeds of the auction of a trust's student loans will be used to redeem notes.

REDEMPTION OR PURCHASE PRICE

Upon redemption, the price to be paid to the holder of a note, other than an original issue discount note, will be an amount equal to the aggregate current principal balance plus accrued interest. Any carry-over amount, and any interest accrued on the carry-over amount, due on any auction rate note which is to be optionally redeemed will be paid to the registered owner on the redemption date. Any carry-over amount, and any interest accrued on that carry-over amount, for any auction rate note that is subject to mandatory redemption will be paid to the registered owner on the redemption date to the extent that funds are available. However, if sufficient funds are not available, the carry-over amount will be canceled and will not be paid. If a note is an original issue discount note, the amount payable upon redemption or optional purchase will be the amortized face amount on the redemption or purchase date. The amortized face value of an original issue discount note will be equal to the issue price plus that portion of the difference between the issue price and the principal amount of the note that has accrued at the yield to maturity described in the prospectus supplement by the redemption or purchase date. The amortized face value of an original issue discount note will never be greater than its principal amount.

NOTICE AND PARTIAL REDEMPTION OF NOTES

The indenture trustee will provide notice of any redemption or purchase by mailing a copy of the redemption or purchase notice to the registered owner of any note being redeemed or purchased, and to the auction agent with respect to any auction rate notes designated for redemption or purchase, not less than 2 days prior to the redemption or purchase date.

If less than all of the notes of any trust are to be redeemed or purchased, we will determine which notes will be redeemed or purchased. Generally, all of the class A notes will be redeemed prior to redemption of any class B notes. If an indenture provides for the issuance of class C notes, generally all of the class B notes will be redeemed before any of the class C notes are redeemed. However, a trust may redeem class B notes while class A notes remain outstanding if after the redemption of the class B notes, the aggregate market value of the trust's assets will equal the percentage of all class A notes then outstanding under the indenture that is specified in the related prospectus supplement. Similarly, a trust may redeem any class C notes while class A notes and class B notes remain outstanding if after the redemption of the class C notes, the aggregate market value of the trust's assets will equal the percentage of all class A notes and class B notes then outstanding under the indenture that is specified in the related prospectus supplement.

MATURITY, PREPAYMENT AND YIELD CONSIDERATIONS

CASH FLOW ASSUMPTIONS Each trust's notes generally will be repaid from cash flows received on its student loans and other assets. Cash flows for a trust's student loans are estimated using financial models that incorporate the following general categories of assumptions:

- **INTEREST RATES.** Interest rate assumptions for each relevant index are incorporated into cash flow projections, including generally assumptions for the 91-Day Treasury Bill Rate, three-month and one-month LIBOR rates, the 90-Day Financial Commercial Paper Rate and other rates or indexes deemed relevant to a trust's student loans or notes;
- **BORROWER BEHAVIOR.** A variety of borrower payment behaviors are utilized in cash flow projections. The assumptions used relate to prepayment speeds, default rate and reimbursement rate assumptions, borrower delinquency rates, remaining term in each borrower status (i.e., in-school, grace, deferment, forbearance and repayment) and qualification rates for borrower benefits;
- **TRUST REVENUES.** Each trust receives payments in respect of its student loans. The timing and amount of such payments are dependent on the borrower behaviors described above. In addition, each trust receives certain payments from the Department of Education that are generally assumed to lag by between 30 and 60 days.
- **TRUST EXPENSES.** Cash flow projections also incorporate the expenses applicable to each trust, including trustees' fees, servicing fees, administration fees and any fees payable to the Department of Education.

These assumptions vary based on the student loans to be securitized by each trust. Generally, a series of cash flows are projected as of a statistical cut-off date for each pool of student loans and are used to determine the structure of the notes to be issued by each trust. Cash flows may also be periodically updated throughout the life of a trust.

PREPAYMENT CONSIDERATIONS Generally, all of a trust's student loans are prepayable in whole or in part, without penalty, by the borrowers at any time, or as a result of a borrower's default, death, disability or bankruptcy and subsequent liquidation or collection of guarantee payments with respect to such loans. The rates of payment of principal on a class of notes and the yield on a class of notes may be affected by prepayments of a trust's student loans. Because prepayments generally will be paid through to noteholders as distributions of principal, it is likely that the actual final payments on a class of notes will occur prior to such class of notes' final maturity date. Accordingly, in the event that a trust's student loans experience significant prepayments, the actual final payments on a class of notes may occur substantially before this final maturity date, causing a shortening of the notes' weighted average life. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a note until each dollar of principal of such note will be repaid to the investor.

The rate of prepayments on a trust's student loans cannot be predicted and may be influenced by a variety of economic, social and other factors. Generally, the rate of prepayments may tend to increase to the extent that alternative financing becomes available on more favorable terms or at interest rates significantly below the interest rates payable on a trust's student loans. In addition, the depositor is obligated to repurchase any student loan as a result of a breach of any of its representation and warranties relating to a trust's student loans, and the servicer is obligated to repurchase any student loan as a result of a breach of certain covenants with respect to such student loan, in the event such breach materially adversely affects the interests of a trust in that student loan and is not cured within the applicable cure period. See "*Formation of the Trusts—Acquisition of student loans*" in this prospectus.

However, scheduled payments with respect to, and maturities of, a trust's student loans may be extended, including pursuant to grace periods, deferral periods and forbearance periods. The rate of payment of principal of a class of notes and the yield on such notes may also be affected by the rate of defaults resulting in losses on a trust's student loans that may have been liquidated, by the severity of those losses and by the timing of those losses, which may affect the ability of the guarantors to make guarantee payments on such student loans. In addition, the maturity of certain of a trust's student loans may extend beyond the final maturity date for a class of notes.

Any reinvestment risks resulting from a faster or slower incidence of prepayment of a trust's student loans will be borne entirely by noteholders. Such reinvestment risks may include the risk that interest rates and the relevant spreads above particular interest rate indexes are lower at the time noteholders receive payments from a trust than such interest rates and such spreads would otherwise have been had such prepayments not been made or had such prepayments been made at a different time.

Prepayments on pools of student loans can be calculated based on a variety of different prepayment models. The method used to estimate prepayments for each trust will be described in the related prospectus supplement.

Any prepayment model will not purport to describe historical prepayment experience or to predict the prepayment rate of a trust's student loans. A trust's student loans will not prepay at any constant percentage, nor will all of a trust's student loans prepay at the same rate. Investors must make an independent decision regarding the appropriate principal prepayment scenarios to use in deciding whether to purchase a trust's notes.

YIELD CONSIDERATIONS Interest payments on a trust's notes will include interest accrued through the last day of the applicable interest accrual period. Your effective yield may be lower than the yield otherwise produced by the applicable interest rate and purchase price for your notes, because payments to you will not be made until the distribution date following the applicable interest accrual period.

A class of notes may have fixed, variable or adjustable interest rates that may or may not be based on the interest rates applicable to a trust's student loans. The prospectus supplement for a trust's notes will specify the interest rate for each class of notes or, in the case of a variable or adjustable interest rate, the method of determining the interest rate and the effect, if any, of the prepayment of a trust's student loans on the interest rate of a class of notes.

The yield to maturity of a class of notes will be affected by the rate and timing of payments of principal on a trust's student loans. The timing of changes in the rate of prepayments on a trust's student loans may significantly affect an investor's actual yield to maturity even if the average rate of principal prepayments is consistent with an investor's expectations. Generally, the earlier a prepayment of principal on a trust's student loans, the greater will be the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal payments occurring at a rate higher (or lower) than the rate the investor anticipated during the period immediately following issuance of the notes would not be fully offset by a subsequent decrease (or increase) in the rate of principal prepayments. Because the rate of principal payments on a trust's student loans affects the weighted average life and other characteristics of a class of notes, investors should consider carefully their own estimates as to the anticipated prepayment speed on a trust's student loans and the suitability of the notes to their investment objectives.

SECURITY AND SOURCES OF PAYMENT FOR THE NOTES

GENERAL

The notes a trust issues are secured by and payable solely from that trust's assets as set forth in a related indenture of trust. The following assets will serve as security for the notes:

- student loans purchased with money from the Acquisition Fund or otherwise acquired or originated by the trust;
- revenues, consisting of all principal and interest payments, proceeds, charges and other income received by the indenture trustee or the trust on account of any student loan, including interest benefit payments and any special allowance payments with respect to any student loan, and investment income from all funds created under the indenture and any proceeds from the sale or other disposition of the student loans;
- all moneys and investments held in the funds created under the indenture; and
- all applicable rights in and to the agreements to which the trust is party.

In addition, a trust's assets may include rights that provide credit enhancement (for example, the right to draw under any letter of credit or note insurance) or cash flow enhancement as described in this prospectus and in the related prospectus supplement.

The assets of one trust will not be available to pay the debts and obligations of another trust.

FUNDS

The following funds will be created by the trustee under each indenture for the benefit of the registered owners unless otherwise provided in a prospectus supplement:

- Collection Fund
- Capitalized Interest Fund
- Acquisition Fund
- Reserve Fund

The prospectus supplement for each trust will also describe any other funds or accounts to be established for a series of notes. For any series of notes that contains reset rate notes, one or more accumulation accounts, supplemental interest funds, supplemental reserve funds, remarketing fee funds and funds for the deposit of amounts denominated in a currency other than U.S. dollars may be established under an indenture.

For any series of notes, money transferred from the servicer to the indenture trustee on account of a trust's student loans will be deposited into segregated accounts for each trust for the credit of the Collection Fund, the Capitalized Interest Fund, the Acquisition Fund, the Reserve Fund and any other fund created under the indenture. The indenture trustee will invest money held in funds created under the indenture in investment securities (as defined in the indenture) at the direction of an authorized representative of the trust. Generally, such amounts will be invested in money market funds with a rating or ratings equal to or greater than that specified by the rating agencies rating a trust's notes and as set forth in the indenture. Money in any fund created under an indenture may be pooled for purposes of investment.

ACQUISITION FUND; PURCHASE OF STUDENT LOANS

We will deposit most of the proceeds from the sale of any notes by a trust into the Acquisition Fund created under its indenture. As described in the related prospectus supplement, money on deposit in the Acquisition Fund may be used to pay costs of issuance of the notes, to make payments of principal on the notes, to redeem notes, and to acquire student loans. Student loans acquired with funds deposited in the Acquisition Fund that are pledged to the trust estate of a trust will be held by the indenture trustee or its agent or bailee and accounted for as a part of the Acquisition Fund. If money held in the Acquisition Fund cannot be used to purchase student loans, then the trust will transfer such funds to the Collection Fund or use those funds to redeem notes as described in the related prospectus supplement.

The eligible lender trustee will be the legal owner of the student loans transferred to the trust estate and the indenture trustee will have a security interest in the student loans for and on behalf of the registered owners of the notes a trust issues. The student loans will be held in the name of the eligible lender trustee for the account of each trust, for the benefit of the registered owners of the notes.

A trust, pursuant to the terms of its indenture, may establish a prefunding account as a separate account of the Acquisition Fund. The trust will use funds on deposit in the prefunding account from time to time as described in the related prospectus supplement, including:

- to purchase portfolios of student loans during a time period specified in the related prospectus supplement;
- to originate federal consolidation loans, each made for the purpose of consolidating one or more federal student loans at least one of which is already held by the trust and to add other loans to existing consolidation loans held by the trust; and
- to purchase student loans originated under a master promissory note that allows multiple borrowings and under which each additional loan amends the master promissory note (known as "serial loans") from sellers. For a student loan to qualify as a serial loan it must have been made to a borrower under a student loan held by the trust on the date of issuance of the notes, or acquired during a prefunding period, and must meet other criteria described in the indenture.

After the amount on deposit in the prefunding account has been reduced to zero, the trust may continue to acquire consolidation loans and serial loans if so provided in the related prospectus supplement from collections received on the student loans. If the amount initially deposited into a prefunding account for a series of notes has not been reduced to zero by the end of the related prefunding period, the amounts remaining on deposit in the prefunding account may be used to redeem notes or may be transferred to the collection fund, in either case as described in a related prospectus supplement.

If so provided in the related prospectus supplement, principal payments on a trust's student loans will be transferred from a Collection Fund to the Acquisition Fund and will be used to purchase additional student loans during a revolving period. The characteristics of the student loans a trust may acquire during the revolving period and any limitations to be imposed with respect to the acquisition of additional student loans will be described in the related prospectus supplement.

COLLECTION FUND

The indenture trustee will deposit into the Collection Fund revenues derived from student loans, from money or assets on deposit in the Acquisition Fund or Reserve Fund, from payments on derivative products or swap agreements and any other amounts as each trust may direct.

On each distribution date, money in the Collection Fund will be used to pay interest and principal then due on the notes, and will be paid and transferred to other funds or persons in the order described in the related prospectus supplement. A trust may transfer amounts in the Collection Fund to the Reserve Fund to the extent necessary to restore the Reserve Fund to its required minimum balance. Money in the Collection Fund may be used to finance add-on consolidation loans and serial loans to a trust's student loans following the prefunding period, and to pay amounts due to the Department of Education.

If so provided in a prospectus supplement, a trust may use principal payments it receives on student loans to purchase additional student loans during a revolving period. During this revolving period, a trust will pay interest due on a series of notes when it comes due, but will not pay principal on the notes or redeem notes, except as provided in the related prospectus supplement.

RESERVE FUND

The indenture for each trust will establish a Reserve Fund. In connection with the sale of notes, the indenture trustee will make a deposit to the Reserve Fund of a trust in the amount specified in each indenture. On each distribution date, to the extent money in the Collection Fund, the Acquisition Fund and any other fund or account described in a related prospectus supplement is not sufficient to make payment of the trust's expenses and interest then due on the notes of that trust, the amount of the deficiency shall be paid directly from the Reserve Fund. Unless otherwise stated in a prospectus supplement, money in the Reserve Fund may be used to pay principal on the notes only on the date of their maturity, on a mandatory sinking fund redemption date or in connection with defeasance of the indenture.

If the Reserve Fund is used as described above, the indenture trustee will restore the Reserve Fund to the level specified in a prospectus supplement by transfers from the Collection Fund of the related trust. If the full amount required to restore the Reserve Fund to the required level is not available in the Collection Fund on the next distribution date, the indenture trustee shall continue to transfer funds from the Collection Fund as they become available until the deficiency in the Reserve Fund has been eliminated. On any distribution date that the amount in the Reserve Fund exceeds the minimum level specified in a prospectus supplement, the indenture trustee will transfer the excess in accordance with the terms of the indenture and as described in the related prospectus supplement.

If so provided in a prospectus supplement, the Reserve Fund requirement may be satisfied by the deposit of a Reserve Fund insurance policy to be provided by the credit provider described in the prospectus supplement. The Reserve Fund insurance policy shall be drawn upon by the indenture trustee as necessary to make up on a distribution date any deficiency in the amounts to pay note principal or interest.

TRANSFERS FREE OF THE LIEN OF THE INDENTURE

If so provided in a prospectus supplement and an indenture, amounts in the Collection Fund established under an indenture may be released from the indenture and transferred in accordance with the administrator's instructions if the balance in the Reserve Fund exceeds the required Reserve Fund minimum balance and if, immediately after taking into account the transfer, the aggregate market value of a trust's assets will be equal to a percentage of the unpaid principal amount of the notes outstanding specified in a related prospectus supplement. The percentage required may be modified at any time upon receipt of a rating confirmation.

INVESTMENT OF FUNDS HELD BY TRUSTEE

The indenture trustee will invest amounts credited to any fund established under the indenture in investment securities described in the indenture pursuant to orders received from an authorized representative of the trust. In the absence of an order, and to the extent practicable, the indenture trustee will invest amounts held under an indenture in money market funds.

The indenture trustee is not responsible or liable for any losses on investments made by it or for keeping all funds held by it fully invested at all times. Its only responsibility is to comply with investment instructions in a non-negligent manner.

BOOK-ENTRY REGISTRATION

GENERAL

Except as described below under the caption “Euro-denominated Notes,” investors acquiring beneficial ownership interests in the notes issued in book-entry form may hold their notes in the United States through DTC (as defined under the caption “*Depository Institutions*” below) or in Europe through Clearstream or Euroclear (each as defined under the caption “*Depository Institutions*” below) if they are participants of such systems.

Principal and interest payments on the notes are to be made to Cede & Co. DTC’s practice is to credit direct participants’ accounts upon receipt of funds and corresponding detail information from the trust on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by participants to beneficial owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and shall be the responsibility of the participant and not of DTC, the indenture trustee or the trusts, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. is the responsibility of the applicable trust, or the indenture trustee. Disbursement of such payments to direct participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of direct and indirect participants. Under a book-entry format, noteholders may experience a delay in their receipt of payments, since payments will be forwarded by the indenture trustee to Cede & Co., which will forward the payments to its participants who will then forward them to indirect participants or noteholders.

Redemption notices shall be sent to DTC. If less than all of a class of the notes of any series are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each direct participant in such class to be redeemed.

DTC has advised that it will take any action permitted to be taken by a noteholder under the indenture only at the direction of one or more participants to whose accounts with DTC the notes are credited. Clearstream and Euroclear will take any action permitted to be taken by a noteholder under the indenture on behalf of a participant only in accordance with their relevant rules and procedures and subject to the ability of the relevant depository to effect these actions on its behalf through DTC.

Neither DTC nor Cede & Co. will consent or vote with respect to the notes of any series. Under its usual procedures, DTC mails an omnibus proxy to the applicable trust, or the indenture trustee, as appropriate, as soon as possible after the record date. The omnibus proxy assigns Cede & Co.’s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date.

None of the trusts, the sellers, any servicer, the indenture trustee or the underwriters will have any responsibility or obligation to any DTC participants, Clearstream participants or Euroclear participants or the persons for whom they act as nominees with respect to the accuracy of any records maintained by DTC, Clearstream or Euroclear or any participant, the payment by DTC, Clearstream or Euroclear or any participant of any amount due to any beneficial owner in respect of the principal amount or interest on the notes, the delivery by any DTC participant, Clearstream participant or Euroclear participant of any notice to any beneficial owner which is required or permitted under the terms of the indenture to be given to noteholders or any other action taken by DTC.

In certain circumstances, a trust may discontinue use of the system of book entry transfers through DTC or a successor securities depository. In that event, note certificates are to be printed and delivered. DTC may discontinue providing its services as securities depository with respect to the notes of any series at any time by giving reasonable notice to the applicable trust or the indenture trustee. In the event that a successor securities depository is not obtained, note certificates are required to be printed and delivered.

FORM, DENOMINATION AND TRADING

The notes will be issued in minimum denominations and additional increments set forth in the related prospectus supplement, and may be held and transferred, and will be offered and sold, in principal balances of not less than their applicable minimum denomination set forth in the related prospectus supplement.

Interests in the notes will be represented by one or more of the following types of global notes:

- for notes denominated in U.S. Dollars, a global note certificate held through DTC (each, a “U.S. global note certificate”); or
- for notes denominated in a non-U.S. Dollar currency, a global note certificate held through a European clearing system (each, a “non-U.S. global note certificate”).

On or about the closing date for the issuance of any class of notes, the administrator on behalf of the trust will deposit:

- a U.S. global note certificate for each class of notes with the applicable DTC custodian, registered in the name of Cede & Co., as nominee of DTC; and
- one or more corresponding non-U.S. global note certificates with respect to each class of notes with the applicable foreign custodian, as common depository for Euroclear and Clearstream, registered in the name of a nominee selected by the common depository for Euroclear and Clearstream.

At all times the global note certificates will represent the outstanding principal balance, in the aggregate, of the related class of notes. At all times, with respect to each class of notes, there will be only one U.S. global note certificate and one non-U.S. global note certificate for such notes.

DTC will record electronically the outstanding principal balance of each class of notes represented by a U.S. global note certificate held within its system. DTC will hold interests in a U.S. global note certificate on behalf of its account holders through customers’ securities accounts in DTC’s name on the books of its depository. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers’ securities accounts in Clearstream’s and Euroclear’s name on the books of its respective depository which in turn will hold positions in customers’ securities accounts in such depository’s name on the books of DTC. Except as described below, no person acquiring a book-entry note will be entitled to receive a physical certificate representing the notes. Unless and until definitive certificates are issued, it is anticipated that the only holder of notes other than Euro-denominated notes will be Cede & Co., as nominee of DTC.

The European clearing systems will record electronically the outstanding principal balance of each class of notes represented by a non-U.S. global note certificate held within their respective systems. The European clearing systems will hold interests in the non-U.S. global note certificate on behalf of their account holders through customers’ securities accounts in the European clearing systems’ respective names on the books of their respective depositories.

Interests in the global note certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream as applicable, and their respective direct and indirect participants. Transfers between participants will occur in accordance with DTC Rules. Transfers between Clearstream participants and Euroclear participants will occur in accordance with their respective rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC Rules on behalf of the relevant European international clearing system by its depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions to the depositaries.

Because of time-zone differences, credits of securities received in Clearstream or Euroclear as a result of a transaction with a participant will be made during subsequent securities settlement processing and dated the business day following DTC settlement date. Such credits or any transactions in such securities settled during such processing will be reported to the relevant Euroclear or Clearstream participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a participant will be received with value on DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

IDENTIFICATION NUMBERS AND PAYMENTS TO THE GLOBAL CERTIFICATES

Each trust will apply to DTC for acceptance in its book-entry settlement systems of each class of notes denominated in U.S. Dollars and will apply to Euroclear and Clearstream for acceptance in their respective book-entry settlement systems of each class of notes denominated in a currency other than U.S. Dollars. Each class of notes will have the CUSIP numbers, ISINs and European Common Codes, as applicable, set forth in the related prospectus supplement. Payments of principal, interest and any other amounts payable under each global note certificate will be made to or to the order of the relevant clearing system's nominee as the registered holder of such global note certificate.

Because of time zone differences, payments to noteholders that hold their positions through a European clearing system will be made on the business day following the applicable distribution date, or for notes denominated in a currency other than U.S. Dollars, on the payment date as described in the related prospectus supplement, as the case may be, in accordance with customary practices of the European clearing systems. No payment delay to noteholders holding U.S. Dollar denominated notes clearing through DTC will occur on any distribution date or on any reset date, unless, as set forth above, those noteholders' interests are held indirectly through participants in European clearing systems.

DEPOSITARY INSTITUTIONS

The Depository Trust Company, or DTC, is a limited-purpose trust company organized under the laws of the State of New York, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered under Section 17A of the Securities Exchange Act. DTC was created to hold securities for its participating organizations and to facilitate the clearance and settlement of securities transactions between those participants through electronic book-entries, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations, including Euroclear and Clearstream. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Some direct participants and/or their representatives, own part of The Depository Trust & Clearing Corporation, the parent of DTC.

In accordance with its normal procedures, DTC is expected to record the positions held by each of its participants in notes issued in book-entry form, whether held for its own account or as nominee for another person.

In general, beneficial ownership of book-entry notes will be subject to the rules, regulations and procedures governing DTC and its participants as in effect from time to time.

Purchases of the notes under the DTC system must be made by or through direct participants, which receive a credit for the notes on DTC records. The ownership interest of each actual purchaser of each series of notes, or beneficial owner, is in turn to be recorded on the direct and indirect participants' records. Beneficial owners shall not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners shall not receive certificates representing their ownership interests in the notes, except in the event that use of the book-entry system for the series of any notes is discontinued.

To facilitate subsequent transfers, all notes deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of such notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of notes; DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Clearstream Banking, societe anonyme, Luxembourg, formerly Cedelbank ("Clearstream"), has advised that it is incorporated under the laws of the Grand Duchy of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (the "CSSF"). Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

Euroclear has advised that it was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./NV (the "Euroclear operator"), under contract with Euroclear Clearance System plc., a United Kingdom corporation (the "Cooperative"). All operations are conducted by the Euroclear operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks, central banks, securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear operator has advised that it is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian Bank, it is regulated by the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law. The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to notes held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream participants or Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by its depository. Those distributions will be subject to tax reporting in accordance with relevant United States tax laws and regulations (see "*Material Federal Income Tax Consequences*" in this prospectus). Clearstream or the Euroclear operator, as the case may be, will take any other action permitted to be taken by a noteholder under the indenture on behalf of a Clearstream participant or Euroclear participant only in accordance with the relevant rules and procedures and subject to the relevant Depository's ability to effect such actions on its behalf through DTC.

RESET RATE NOTES

Except as set out herein, book-entry registration of reset rate notes shall generally affect noteholders in the same fashion as holders of notes other than reset rate notes, as described above.

On each reset date, the aggregate outstanding principal balance of that class of reset rate notes will be allocated to one of the two global note certificates, either of which may, as of that reset date, be reduced to zero or represent 100% of the aggregate outstanding principal balance of that class of reset rate notes, depending on whether that class of reset rate notes is in U.S. Dollars (in which case a U.S. global note certificate is used) or in a currency other than U.S. Dollars (in which case a non-U.S. global note certificate is used).

On each related reset date, a schedule setting forth the required terms of the related class of reset rate notes for the immediately following reset period will be deposited with the DTC custodian for any U.S. global note certificate and with the foreign custodian for any non-U.S. global note certificate. The applicable minimum denominations and additional increments can be reset only in circumstances where all holders are deemed to have tendered or have mandatorily tendered their notes.

On or following each reset date (other than a reset date on which the then-current holders of U.S. Dollar denominated reset rate notes had the option to retain their reset rate notes, but less than 100% of such securityholders delivered hold notices), on which either a successful remarketing has occurred or the call option has been exercised (and not previously exercised on the immediately preceding reset date), each clearing system will cancel the then-current identification numbers and assign new identification numbers, which the administrator will obtain for each class of reset rate notes. In addition, each global note certificate will be issued with a schedule attached setting forth the terms of the applicable class of reset rate notes for its initial reset period, which will be replaced on the related reset date to set forth the required terms for the immediately following reset period.

Due to time zone differences and to ensure that a failed remarketing has not occurred, during any reset period when a class of reset rate notes is denominated in a currency other than U.S. Dollars payments required to be made to tendering noteholders on a reset date for which there has been a successful remarketing (or exercise of the call option), in the amount of the aggregate outstanding principal balance of the applicable class of reset rate notes (together with all amounts due from the trust as payments of interest and principal, if any, on the related distribution date), will be made through the European clearing systems no later than the second business day following the related reset date, together with additional interest at the applicable interest rate and in the applicable non-U.S. Dollar currency from and including the related reset date to, but excluding, the actual payment date, which shall not be later than the second business day following such reset date (but only to the extent such interest payments are actually received from any swap counterparties). Purchasers of such reset rate notes will be credited with their positions on the applicable reset date with respect to positions held through DTC or on the second business day with respect to positions held through the European clearing systems.

Except with respect to a reset date, the trusts expect that the nominees, upon receipt of any such payment, will immediately credit the relevant clearing system's participants' accounts with payment amounts proportionate to their respective interests in the principal balance of the relevant global note certificates as shown on the records of such nominee. The trusts also expect that payments by clearing system participants to owners of interests in such global note certificates held through such clearing system participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such clearing system participants and none of the trusts, the administrator, any registrar, the indenture trustee, any remarketing agent, any transfer agent or any paying agent will have any responsibility or liability for any delay in such payments from participants, except as shown above with respect to reset date payment delays. None of the trust, the administrator, any registrar, the indenture trustee, any remarketing agent, any transfer agent or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the global note certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

EURO-DENOMINATED NOTES

We expect to deliver notes denominated in Euros in book-entry form through the facilities of Clearstream and Euroclear against payment in immediately available funds in Euros. We will issue the Euro notes as one or more global notes registered in the name of a common depository for Clearstream, and Euroclear Bank S.A./N.V., as the operator of Euroclear. Investors may hold book-entry interests in these global notes through organizations that participate, directly or indirectly, in Clearstream and/or Euroclear. Book-entry interests in the Euro notes and all transfers relating to the Euro notes will be reflected in the book-entry records of Clearstream and Euroclear.

The distribution of the Euro notes will be cleared through Clearstream and Euroclear. Any secondary market trading of book-entry interests in the Euro notes will take place through participants in Clearstream and Euroclear and will settle in same-day funds.

Owners of book-entry interests in the Euro notes will receive payments relating to their notes in Euros. Clearstream and Euroclear have established electronic securities and payment transfer, processing, depository and custodial links among themselves and others, either directly or through custodians and depositories. These links allow securities to be issued, held and transferred among the clearing systems without the physical transfer of certificates. Special procedures to facilitate clearance and settlement have been established among the clearing systems to trade securities across borders in the secondary market.

The policies of Clearstream and Euroclear will govern payments, transfers, exchange and other matters relating to the investor's interest in securities held by them. None of the trusts, the sellers, any servicer, Goal Financial, the depositor, the indenture trustee or the underwriters have any responsibility for any aspect of the records kept by Clearstream or Euroclear or any of their direct or indirect participants. We do not supervise these systems in any way.

Clearstream and Euroclear and their participants perform these clearance and settlement functions under agreements they have made with one another or with their customers. You should be aware that they are not obligated to perform or continue to perform these procedures and may modify them or discontinue them at any time.

Except as provided below, owners of beneficial interests in the Euro notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders of the notes under the indenture governing the notes, including for purposes of receiving any reports delivered by us or the indenture trustee pursuant to the indenture. Accordingly, each person owning a beneficial interest in a Euro note must rely on the procedures of the relevant clearing system and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, in order to exercise any rights of a holder of securities.

We understand that investors that hold their Euro notes through Clearstream or Euroclear accounts will follow the settlement procedures that are applicable to eurobonds in registered form. Euro notes will be credited to the securities custody accounts of Clearstream and Euroclear participants on the business day following the

settlement date for value on the settlement date. They will be credited either free of payment or against payment for value on the settlement date.

We understand that secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream and Euroclear. Secondary market trading will be settled using procedures applicable to eurobonds in registered form.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Euro notes through Clearstream and Euroclear on business days in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

Clearstream and Euroclear will credit payments to the cash accounts of their respective participants in accordance with the relevant system's rules and procedures, to the extent received by the common depository. Clearstream or the Euroclear operator, as the case may be, will take any other action permitted to be taken by a holder under the indenture on behalf of a Clearstream or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the Euro notes among participants of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

ADDITIONAL NOTES

If so described in the related prospectus supplement, a trust may, upon complying with the provisions of the related indenture, issue from time to time additional notes secured by the assets of the trust subordinate to class A notes, class B notes or class C notes, if any, then outstanding. In addition, a trust may enter into any interest rate or currency swap agreement it deems necessary or desirable with respect to any or all of the notes issued by that trust. We may take those actions without the approval of the holders of any outstanding notes.

A trust will not issue additional notes unless the following conditions have been satisfied:

- the trust has entered into a supplemental indenture with the indenture trustee providing the terms and forms of the additional notes;
- the indenture trustee has received a rating confirmation from each rating agency which has assigned a rating to any outstanding notes of the trust that such rating will not be reduced or withdrawn as a result of the issuance of the proposed additional notes; and
- the indenture trustee has received an opinion of counsel that issuance of the proposed additional notes will not adversely affect the federal tax treatment of any of a trust's outstanding notes.

The indenture trustee will be authorized under the indenture to establish any additional funds or accounts which it deems necessary or convenient in connection with the issuance and delivery of any additional notes.

SUMMARY OF THE INDENTURE PROVISIONS

Each trust will issue notes pursuant to an indenture of trust entered into with an indenture trustee and an eligible lender trustee identified in the related prospectus supplement. We have filed a form of the indenture of trust as an exhibit to the registration statement of which this prospectus is a part. The following is a summary of some of the provisions expected to be contained in each indenture. This summary does not cover every detail contained in the indenture and reference should be made to the indenture for a full and complete statement of its provisions.

PARITY AND PRIORITY OF LIEN

The provisions of each trust's indenture are generally for the equal benefit, protection and security of the registered owners of all of the notes issued by that trust. However, the class A notes have priority over the class B notes with respect to payments of principal and interest, and the class B notes have priority over the class C notes, if any, with respect to payments of principal and interest.

The revenues and other money, student loans and other assets each trust pledges under its indenture will be free and clear of any pledge, lien, charge or encumbrance, other than that created by the indenture. Except as otherwise provided in the indenture, a trust:

- will not create or voluntarily permit to be created any debt, lien or charge on the student loans which would be on a parity with, subordinate to, or prior to the lien of the indenture;
- will not take any action or fail to take any action that would result in the lien of the indenture or the priority of that lien for the obligations thereby secured being lost or impaired; and
- will pay or cause to be paid, or will make adequate provisions for the satisfaction and discharge, of all lawful claims and demands which if unpaid might by law be given precedence to or any equality with the indenture as a lien or charge upon the student loans.

REPRESENTATIONS AND WARRANTIES

Each trust will represent and warrant in its indenture that:

- it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the power to transact the business in which it engages,
- it has the power, authority and legal right to create and issue the notes and to execute and deliver the indenture and any derivative product or swap agreement, and to make the pledge to the payment of notes and any derivative payments under the indenture,
- all necessary trust action to authorize the creation and issuance of the notes and the execution and delivery of the indenture and any derivative product or swap agreement has been duly and effectively taken, and
- the notes in the hands of the registered owners of the notes and amounts payable under any derivative product or swap agreement are and will be valid and enforceable obligations of the trust.

SALE OF STUDENT LOANS HELD IN TRUST ESTATE

Except as described under "*Summary of the Indenture Provisions—Remedies on Default*" and under the limited circumstances described in this paragraph, student loans may not be sold, or otherwise disposed of, by the indenture trustee free from the lien of the indenture while any class A notes are outstanding. Such limited circumstances include the sale of student loans for serialization or consolidation purposes or for transfers to a guarantee agency, a resale of student loans to the depositor following a breach of representations or warranties in the applicable student loan purchase agreement, a resale of student loans to a servicer following a breach of representations or warranties in the applicable servicing agreement or following an optional purchase of the notes or in accordance with a mandatory auction of the student loans, as described in "*Description of the Notes—Optional Redemption*" and "*Description of the Notes—Mandatory Auction of Trust Assets*", respectively. However, if so requested by a borrower, a trust may substitute another student loan for an existing loan if the substituted student loan has substantially similar characteristics, including principal amount, maturity date and interest rate, so long as the existing student loan and the aggregate amount of substituted student loans does not exceed \$10,000,000. In addition, if money in the Collection Fund is insufficient to fund any add-on consolidation loan, and funds are not

otherwise available as described in a prospectus supplement, a trust may sell or otherwise transfer the underlying loan to which the add-on consolidation loan relates free from the lien of the indenture.

FURTHER COVENANTS

Each trust will file financing statements and continuation statements in any jurisdiction necessary to perfect and maintain the security interest it grants under its indenture.

Upon written request of the indenture trustee, a trust will permit the indenture trustee or its agents, accountants and attorneys, to examine and inspect the property, books of account, records, reports and other data relating to the student loans, and will furnish the indenture trustee such other information as it may reasonably request. The indenture trustee shall be under no duty to make any examination unless requested in writing to do so by the registered owners of 66 2/3% of the principal amount of the notes, and unless those registered owners have offered the indenture trustee security and indemnity satisfactory to it against any costs, expenses and liabilities which might be incurred in making any examination.

Each trust will cause an annual audit to be made by an independent auditing firm of national reputation and file one copy of the audit with the indenture trustee and each rating agency within 150 days of the close of each fiscal year. The indenture trustee is not obligated to review or otherwise analyze those audits.

Each year each trust will deliver to the indenture trustee a certification of its compliance with the terms and conditions of its indenture, and in the event of any noncompliance, a description of the nature and status thereof.

STATEMENTS TO NOTEHOLDERS

For each period described in a prospectus supplement, each trust will provide to the indenture trustee, and the indenture trustee will forward to each clearing agency (or in the case of definitive notes any requesting registered owner), a statement setting forth information with respect to its notes and student loans as of the end of such period, including the following:

- the amount of principal payments made with respect to each class of notes during the preceding period;
- the amount of interest payments made with respect to each class of notes during the preceding period;
- the principal balance of student loans as of the close of business on the last day of the preceding period;
- the aggregate outstanding principal amount of the notes of each class;
- the interest rate for the applicable class of notes with respect to each distribution date;
- the number and principal amount of student loans that are delinquent or for which claims have been filed with a guarantee agency; and
- the outstanding principal amount of the notes on each distribution date.

A copy of these reports will be forwarded by the indenture trustee to each registered noteholder.

ENFORCEMENT OF SERVICING AGREEMENTS

Each trust will diligently enforce all terms, covenants and conditions of any servicing agreement, including the prompt payment of all amounts due to the trust under such servicing agreements. A trust will not permit the release of the obligations of any servicer under any servicing agreement except in conjunction with permitted amendments or modifications and will not waive any default by a servicer or a subservicer under a servicing

agreement without the written consent of the indenture trustee and notice to the applicable rating agencies. A trust will not consent or agree to or permit any amendment or modification of any servicing agreement which will in any manner materially adversely affect the rights or security of the registered owners of the notes.

ADDITIONAL COVENANTS WITH RESPECT TO THE HIGHER EDUCATION ACT

We will verify that the indenture trustee under an indenture is an eligible lender under the Higher Education Act, and will acquire or cause to be acquired student loans only from an eligible lender.

Each trust is responsible, directly or through its agents, for each of the following actions with respect to the Higher Education Act:

- Dealing with the Secretary of Education with respect to the rights, benefits and obligations under the certificates of insurance and the contract of insurance, and dealing with the guarantee agencies with respect to the rights, benefits and obligations under the guarantee agreements with respect to the student loans;
- Causing to be diligently enforced, and causing to be taken all reasonable steps necessary or appropriate for the enforcement of all terms, covenants and conditions of all student loans and agreements in connection with the student loans, including the prompt payment of all principal and interest payments and all other amounts due under the student loans;
- Causing the student loans to be serviced by entering into a servicing agreement with the servicer for the collection of payments made for, and the administration of the accounts of, the student loans;
- Complying with, and causing all of its officers, trustees, employees and agents to comply, with the provisions of the Higher Education Act and any regulations or rulings under the Higher Education Act, with respect to the student loans; and
- Causing the benefits of the guarantee agreements, the interest subsidy payments and the special allowance payments to flow to the indenture trustee.

The indenture trustee will have no obligation to administer, service or collect the trust's student loans or to maintain or monitor the administration, servicing or collection of those loans.

CONTINUED EXISTENCE; SUCCESSOR

Each trust will preserve and keep in full force and effect its existence, rights and franchises as a Delaware statutory trust. A trust will not sell or otherwise dispose of all or substantially all of its assets, consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge with such trust. These restrictions do not apply to a transaction where the transferee or the surviving or resulting entity irrevocably and unconditionally assumes the obligation to perform and observe the trust's agreements and obligations under the indenture.

EVENTS OF DEFAULT

Each indenture will define the following events as events of default:

- default in the due and punctual payment of any interest on any note when the same becomes due and payable and such default shall continue for a period of five days, provided that, so long as any class A notes are outstanding, the failure to pay interest on any subordinate notes will not constitute an event of default;
- default in the due and punctual payment of the principal of any note when the same becomes due and payable on the final maturity date of the note, provided that, so long as any class A notes are

outstanding, the failure to pay principal on any subordinate notes will not constitute an event of default;

- default in the performance or observance of any other of the trust's covenants, agreements or conditions contained in the indenture or in the notes, and continuation of such default for a period of 90 days after written notice thereof is given to the trust by the indenture trustee; and
- the occurrence of an event of bankruptcy.

REMEDIES ON DEFAULT

POSSESSION OF TRUST ESTATE. Upon the happening of any event of default relating to a trust, the indenture trustee may take possession of any portion of the trust estate of that trust that may be in the custody of others, and all property comprising the trust estate, and may hold, use, operate, manage and control those assets. The indenture trustee may also, in the name of that trust or otherwise, conduct such trust's business and collect and receive all charges, income and revenues of the trust estate. After deducting all expenses incurred and all other proper outlays authorized in the indenture, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, the indenture trustee will apply the rest and residue of the money received by the indenture trustee as follows:

- *First*, (a) to the owners of each class of the reset rate notes then denominated in U.S. dollars and then structured not to receive a payment of principal until the end of its related reset period, any amount on deposit for such class (excluding any investment earnings thereon) in reduction of the outstanding amount of such reset rate notes until they are paid in full; and/or (b) to the related currency swap counterparty if any class of the reset rate notes is then denominated in a currency other than U.S. dollars and is then structured not to receive a payment of principal until the end of its related reset period, any amount on deposit for such class of reset rate notes (excluding any investment earnings thereon) in reduction of the outstanding amount of such class of the reset rate notes until they are paid in full;
- *Second*, to the trustees for fees and expenses due and owing to the trustees;
- *Third*, to the servicer, any auction agent and any broker-dealer, pro rata, for due and unpaid servicing fees, auction agent fees and broker-dealer fees, respectively;
- *Fourth*, pro rata, (a) to the derivative product counterparties, pro rata, in proportion to their respective entitlements under the applicable derivative products without preference or priority, for any due and unpaid derivative product fees and certain priority termination payments, (b) to the class A noteholders (other than holders of reset rate notes when an applicable derivative product is in effect) for amounts due and unpaid on the class A notes for interest, pro rata, without preference or priority of any kind, according to the amounts due and payable on the class A notes for such interest, (c) if a derivative product is then in effect with respect to interest payments to be made to holders of any outstanding reset rate notes, to the counterparty for such derivative product, the amount of any derivative payments due and payable (other than as paid to that counterparty under clause (a) above); and (d) if any derivative product with respect to any outstanding reset rate notes has been terminated, to the related counterparty, the amount of any priority termination payments due to such counterparty;
- *Fifth*, (a) if the reset rate notes are denominated in a foreign currency, *pro rata* (i) to class A noteholders (other than holders of any reset rate notes) for amounts due and unpaid on the class A notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the class A notes for principal, and (ii) to the applicable currency swap counterparties an amount sufficient to reduce the U.S. dollar equivalent principal amount of the reset rate notes to zero; or (b) if the reset rate notes are then denominated in U.S. dollars, *pro rata* to the class A

noteholders for amounts due and unpaid on the class A notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the class A notes for principal;

- *Sixth*, to the class B noteholders for amounts due and unpaid on the class B notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the class B notes for such interest;
- *Seventh*, to the class B noteholders for amounts due and unpaid on the class B notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the class B notes for principal;
- *Eighth*, to the class A noteholders, pro rata, all auction rate carry-over amounts for such class then due and unpaid;
- *Ninth*, to the class B noteholders, pro rata, all auction rate carry-over amounts for such class then due and unpaid;
- *Tenth*, to interest rate and currency swap counterparties, in proportion to their entitlements under their respective agreements, *pro rata*, without preference or priority, any termination payments due and any other unpaid trust derivative payments;
- *Eleventh*, to the remarketing agents, if any, for any fees not paid from the remarketing fee fund;
- *Twelfth*, sequentially, first to any remarketing agents, and second to the administrator for any advances made on behalf of the trust, for any costs associated with the remarketing not previously reimbursed; and
- *Thirteenth*, to the trust.

If the trust has entered into a currency swap agreement and that agreement terminates, amounts that would have otherwise been paid to the related currency swap counterparty (other than termination payments) will be used to make payments to the related class of the reset rate noteholders equal to the payment that the counterparty would have made. If this occurs, the trust will exchange U.S. dollars for the applicable currency in order to make such distributions.

If an indenture provides for the issuance of class C notes, interest and principal will be paid on those notes before the payments described in paragraph thirteenth above.

SALE OF TRUST ESTATE. Upon the happening of any event of default and if the principal of all of the outstanding notes shall have been declared due and payable, then the indenture trustee may sell the trust estate to the highest bidder in accordance with the requirements of applicable law. In addition, the indenture trustee may proceed to protect and enforce the rights of the indenture trustee or the registered owners in the manner as counsel for the indenture trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the indenture, or in aid of the execution of any power therein granted, or for the enforcement of such other appropriate legal or equitable remedies as may in the opinion of such counsel, be more effectual to protect and enforce the rights aforesaid. The indenture trustee is required to take any of these actions if requested to do so in writing by the registered owners of at least a majority of the principal amount of the highest priority obligations outstanding under the defaulted indenture.

However, the indenture trustee is prohibited from selling the student loans following an event of default, other than a default in the payment of any principal or a default for five business days or more in the payment of interest on any note, unless:

- The holders of all of the highest priority obligations outstanding consent to such sale;
- The proceeds of such sale are sufficient to pay in full all outstanding obligations at the date of such sale; or
- The administrator determines that the collections on the student loans would not be sufficient on an ongoing basis to make all payments on such notes as such payments would have become due if such obligations had not been declared due and payable, and the indenture trustee obtains the consent of the holders of 66 2/3% of the aggregate principal amount of the highest priority obligations outstanding.

Such a sale also requires the consent of all the owners of any subordinate obligations unless the proceeds of a sale would be sufficient to discharge all unpaid amounts on such subordinate obligations.

APPOINTMENT OF RECEIVER. If an event of default occurs, and all of the outstanding obligations under an indenture have been declared due and payable, and if any judicial proceedings are commenced to enforce any right of the indenture trustee or of the registered owners under the indenture, then as a matter of right, the indenture trustee shall be entitled to the appointment of a receiver for the trust estate.

ACCELERATED MATURITY. If an event of default occurs, the indenture trustee or the registered owners of a majority of the collective aggregate principal amount of the highest priority obligations then outstanding under the defaulted indenture may declare the principal of all obligations issued under the indenture, and then outstanding, and the interest thereon, immediately due and payable. A declaration of acceleration upon the occurrence of a default may be rescinded upon notice to the trust and the indenture trustee by a majority of the registered owners of the highest priority obligations then outstanding if the trust has paid or deposited with the indenture trustee amounts sufficient to pay all principal and interest due on the obligations and all other amounts that would be payable with respect to the indenture or the obligations if the event or default had not occurred, and all sums paid or advanced by the indenture trustee under the indenture and the reasonable compensation, expenses, disbursements and advances of the trustees, the servicers, any auction agent and any broker-dealer, and any other event of default has been cured or waived.

DIRECTION OF INDENTURE TRUSTEE. If an event of default occurs, the registered owners of at least 51% of the principal amount of the highest priority obligations then outstanding under the defaulted indenture shall have the right to direct and control the indenture trustee with respect to any proceedings for any sale of any or all of the trust estate, or for the appointment of a receiver. The registered owners may not cause the indenture trustee to take any proceedings which in the indenture trustee's opinion would be unjustly prejudicial to non-assenting registered owners of obligations outstanding under the indenture.

RIGHT TO ENFORCE IN INDENTURE TRUSTEE. No registered owner of any obligation issued under an indenture shall have any right as a registered owner to institute any suit, action or proceedings for the enforcement of the provisions of the indenture or for the appointment of a receiver or for any other remedy under the indenture. All rights of action under an indenture are vested exclusively in the indenture trustee, unless and until the indenture trustee fails to institute an action or suit after the registered owners of the affected trust:

- have given to the indenture trustee written notice of a default under the indenture, and of the continuance thereof;
- shall have made written request upon the indenture trustee and the indenture trustee shall have been afforded reasonable opportunity to institute an action, suit or proceeding in its own name; and
- the indenture trustee shall have been offered indemnity and security satisfactory to it against the costs, expenses, and liabilities to be incurred on an action, suit or proceeding in its own name.

WAIVERS OF EVENTS OF DEFAULT. The indenture trustee may in its discretion waive any event of default under an indenture and rescind any declaration of acceleration of the obligations due under the indenture.

The indenture trustee will waive an event of default upon the written request of the registered owners of at least a majority of the collective aggregate principal amount of the highest priority obligations then outstanding under the indenture. A waiver of any event of default in the payment of the principal or interest due on any obligation issued under the indenture may not be made unless prior to the waiver or rescission, provision shall have been made for payment of all arrears of interest or all arrears of payments of principal, and all expenses of the indenture trustee in connection with such default. An event of default with respect to payments due to the indenture trustee for compensation or indemnification may not be waived. A waiver or rescission of one default will not affect any subsequent or other default, or impair any rights or remedies consequent to any subsequent or other default.

THE INDENTURE TRUSTEE

ACCEPTANCE OF TRUST. The indenture trustee will accept the trusts imposed upon it by an indenture, and will perform those trusts, but only upon and subject to the following terms and conditions:

- except during the continuance of an event of default, the indenture trustee undertakes to perform only those duties as are specifically set forth in the indenture;
- except during the continuance of an event of default and in the absence of bad faith on its part, the indenture trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the indenture trustee and conforming to the requirements of the indenture;
- in case an event of default has occurred and is continuing, the indenture trustee, in exercising the rights and powers vested in it by the indenture, will use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs; and
- before taking any action under the indenture requested by registered owners, the indenture trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the registered owners for the reimbursement of all expenses to which it may be put and to protect it against liability arising from any action taken by the indenture trustee.

INDENTURE TRUSTEE MAY ACT THROUGH AGENTS. The indenture trustee may execute any of the trusts or powers under an indenture and perform any duty thereunder either itself or by or through its attorneys, agents, or employees. The indenture trustee will not be answerable or accountable for any default, neglect or misconduct of any such attorneys, agents or employees, if reasonable care has been exercised in the appointment, supervision and monitoring of the work performed. Each trust will pay all reasonable costs incurred by the indenture trustee and all reasonable compensation to all such persons as may reasonably be employed in connection with that trust.

DUTIES OF THE INDENTURE TRUSTEE. The indenture trustee will not make any representations as to the title of the trust in the trust estate or the validity or sufficiency of the indenture or the notes. If no event of default as defined in the indenture has occurred, the indenture trustee is required to perform only those duties specifically required of it under the indenture. Upon receipt of the various certificates, statements, reports or other instruments furnished to it, the indenture trustee is required to examine them to determine whether they are in the form required by the indenture and contain the statements required by the indenture.

The indenture trustee may be held liable for its negligent action or failure to act, or for its misconduct. The indenture trustee will not be liable, however, with respect to any action taken, suffered or omitted to be taken by it in good faith and believed by it to be authorized or within the discretion conferred by the indenture. The indenture trustee is not required to expend its own funds or incur any financial liability in the performance of its duties, or in the exercise of any of its rights or powers, if repayment of those funds or adequate indemnity against risk is not reasonably assured it.

INDEMNIFICATION OF INDENTURE TRUSTEE. The indenture trustee is generally under no obligation or duty to perform any act at the request of registered owners or to institute or defend any suit to protect the rights of the registered owners under an indenture unless properly indemnified and provided with security to its satisfaction. The indenture trustee is not required to take notice of any event under an indenture unless and until it shall have been specifically notified in writing of the event of default by the registered owners or a trust's authorized representative.

However, the indenture trustee may begin suit, or appear in and defend suit, execute any of the trusts, enforce any of its rights or powers, or do anything else in its judgment proper, without assurance of reimbursement or indemnity. In that case the indenture trustee will be reimbursed or indemnified by the registered owners requesting that action, if any, or by the applicable trust in all other cases, for all fees, costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements properly incurred unless such fees, costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements have resulted from the negligence or willful misconduct of the indenture trustee. If a trust or the registered owners, as appropriate, fail to make such reimbursement or indemnification, the indenture trustee may reimburse itself from any money in its possession under the provisions of the related indenture, subject only to the prior lien of the notes for the payment of the principal and interest thereon from the Collection Fund.

Each trust will agree to indemnify the indenture trustee for, and to hold it harmless against, any loss, liability or expenses incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties in relation to the trust estate. Each trust will indemnify and hold harmless the indenture trustee against any and all claims, demands, suits, actions or other proceedings and all liabilities, costs and expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering document distributed in connection with the issuance of that trust's notes or caused by any omission or alleged omission from such offering document of any material fact required to be stated therein or necessary in order to make the statements made therein in the light of the circumstances under which they were made, not misleading. The indenture trustee will not be liable for, and will be held harmless by a trust from, any liability arising from following any orders, instructions or other directions upon which it is authorized to rely under the indenture or other agreement to which it is a party.

COMPENSATION OF INDENTURE TRUSTEE. Each trust will pay to the indenture trustee compensation for all services rendered by it under the applicable indenture, and also all of its reasonable expenses, charges, and other disbursements. The indenture trustee may not change the amount of its annual compensation without giving the applicable trust and the rating agencies at least 90 days' written notice prior to the beginning of a fiscal year. If not paid by the trust, the indenture trustee will have a lien on all money held pursuant to the indenture, subject only to the prior lien of the obligations for the payment of the principal and interest thereon from the Collection Fund.

RESIGNATION OF INDENTURE TRUSTEE. The indenture trustee may resign and be discharged by giving the trust notice in writing specifying the date on which the resignation is to take effect. If no successor indenture trustee has been appointed by that date or within 90 days of the trust receiving the indenture trustee's notice, whichever is longer, then the indenture trustee may either (a) appoint a sufficiently qualified temporary successor indenture trustee; or (b) request a court to require the trust to appoint a successor indenture trustee within three days or request a court to appoint a successor indenture trustee itself.

REMOVAL OF INDENTURE TRUSTEE. The indenture trustee may be removed:

- at any time by the registered owners of a majority of the collective aggregate principal amount of the highest priority obligations then outstanding under an indenture;
- by the trust for cause or upon the sale or other disposition of the indenture trustee or its trust functions; or
- by the trust without cause so long as no event of default exists or has existed within the last 30 days.

In the event a indenture trustee is removed, removal shall not become effective until:

- a successor indenture trustee shall have been appointed; and
- the successor indenture trustee has accepted that appointment.

SUCCESSOR INDENTURE TRUSTEE. If the indenture trustee resigns, is dissolved or otherwise is disqualified to act or is incapable of acting, or in case control of the indenture trustee is taken over by any public officer or officers, the trust may appoint a successor indenture trustee. Each trust will cause notice of the appointment of a successor indenture trustee to be mailed to the registered owners at the address of each registered owner appearing on the note registration books.

Every successor indenture trustee:

- will be a bank or trust company in good standing, organized and doing business under the laws of the United States or of a state therein;
- have a reported capital and surplus of not less than \$50,000,000;
- will be authorized under the law to exercise corporate trust powers, be subject to supervision or examination by a federal or state authority; and
- will be an eligible lender under the Higher Education Act so long as such designation is necessary to maintain guarantees and federal benefits under the Higher Education Act with respect to the student loans originated under the Higher Education Act.

MERGER OF THE INDENTURE TRUSTEE. Any corporation into which the indenture trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the indenture trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the indenture trustee, shall be the successor of the indenture trustee under an indenture, provided such corporation shall be otherwise qualified and eligible under the indenture, without the execution or filing of any paper of any further act on the part of any other parties thereto.

SUPPLEMENTAL INDENTURES

SUPPLEMENTAL INDENTURES NOT REQUIRING CONSENT OF REGISTERED OWNERS. A trust can agree with the indenture trustee to enter into any indentures supplemental to an indenture for any of the following purposes without notice to or the consent of owners of the obligations:

- to cure any ambiguity or formal defect or omission in the indenture;
- to grant to or confer upon the indenture trustee for the benefit of the registered owners any additional benefits, rights, remedies, powers or authorities;
- to subject to the indenture additional revenues, properties or collateral;
- to modify, amend or supplement the indenture or any indenture supplemental thereto in such manner as to permit the qualification under the Trust Indenture Act of 1939 or any similar federal statute or to permit the qualification of the notes for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- to evidence the appointment of a separate or co-indenture trustee or a co-registrar or transfer agent or the succession of a new indenture trustee under the indenture;

- to add provisions to or to amend provisions of the indenture as may be necessary or desirable to assure implementation of the student loan business in conformance with the Higher Education Act, provided that an opinion of counsel is filed with any such supplemental indenture to the effect that such provisions will not impair the existing security of the registered owners of the outstanding obligations;
- to make any change as shall be necessary in order to obtain and maintain for any of the notes an investment grade rating from a nationally recognized rating service, which changes, in the opinion of the indenture trustee, are not to the prejudice of the registered owners of any of the obligations outstanding under the indenture;
- to make any changes necessary to comply or obtain more favorable treatment under any current or future law, rule or regulation, including the Higher Education Act and the regulations thereunder or the Internal Revenue Code and the regulations promulgated thereunder;
- to make the terms and provisions of the indenture, including the lien and security interest granted therein, applicable to a derivative product and to modify the indenture with respect to a derivative product;
- to create any additional funds or accounts under the indenture deemed by the indenture trustee to be necessary or desirable;
- to make any other change with a confirmation by the rating agencies of their ratings of the notes; or
- to make any other change which, in the judgment of the indenture trustee, is not to the material prejudice of the registered owners of any obligations outstanding under the indenture.

SUPPLEMENTAL INDENTURES REQUIRING CONSENT OF REGISTERED OWNERS. Any amendment of an indenture other than those listed above must be approved by the registered owners of not less than a majority of the collective aggregate principal amount of the obligations then outstanding under the indenture that are adversely affected thereby, provided that the changes described below may be made in a supplemental indenture only with the consent of the registered owners of all obligations then outstanding that are adversely affected thereby,

- an extension of the maturity date of the principal of or the interest on any obligation;
- a reduction in the principal amount of any obligation or the rate of interest thereon;
- a privilege or priority of any obligation under the indenture over any other obligation;
- a reduction in the aggregate principal amount of the obligations required for consent to such supplemental indenture; or
- the creation of any lien other than a lien ratably securing all of the obligations at any time outstanding under the indenture.

The indenture may not be amended to modify the trusts, powers, rights obligations, duties, remedies, immunities and privileges of the indenture trustee without prior written approval of the indenture trustee.

TRUSTS IRREVOCABLE

The trust created by an indenture is irrevocable until the notes and interest thereon and all derivative payments are fully paid or provision is made for their payment as provided in the applicable indenture.

SATISFACTION OF INDENTURE

If the registered owners of the notes issued under an indenture are paid all the principal of and interest due on their notes at the times and in the manner stipulated in an indenture, and if each counterparty on a derivative product is paid all derivative payments then due, then the pledge of the trust estate will thereupon terminate and be discharged. The indenture trustee will execute and deliver to the trust instruments to evidence the discharge and satisfaction, and the indenture trustee will pay all money held by it under the indenture to the party entitled to receive it under the indenture.

Notes will be considered to have been paid if money for their payment or redemption has been set aside and is being held in trust by the indenture trustee. Any outstanding note will be considered to have been paid if the note is to be redeemed on any date prior to its stated maturity and notice of redemption has been given as provided in the indenture and on said date there shall have been deposited with the indenture trustee either money or governmental obligations the principal of and the interest on which when due will provide money sufficient, together with any money deposited with the indenture trustee, to pay the principal of and interest to become due on the note.

Any derivative payments will be considered to have been paid and the applicable derivative product terminated when payment of all derivative payments due and payable to each counterparty under such derivative product has been made or duly provided for to the satisfaction of each counterparty and the respective derivative product has been terminated.

DESCRIPTION OF CREDIT ENHANCEMENT AND DERIVATIVE PRODUCTS

CREDIT ENHANCEMENT

Credit enhancement may be provided with respect to one or more classes of the notes of any series of a trust. The amounts and types of credit enhancement arrangements and the provider of the credit enhancement, if any, will be set forth in the related prospectus supplement. Credit enhancement may be in the form of a letter of credit, the subordination of one or more classes of notes, the use of an insurance policy or surety bonds, the establishment of one or more reserve funds, establishment of a capitalized interest fund or any combination of the foregoing.

The presence of a Reserve Fund and other forms of credit enhancement for the benefit of any class or series of notes is intended to enhance the likelihood that noteholders of a class or series will receive the full amount of principal and interest due on the notes and to decrease the likelihood that such noteholders will experience losses. The credit enhancement will not provide protection against all risks of loss and will not guarantee payment to such noteholders of all amounts to which they are entitled unless a guarantee against losses is described in the related prospectus supplement. If losses or shortfalls occur that exceed the amount covered by the credit enhancement or that are not covered by the credit enhancement, noteholders will bear their allocable share of deficiencies.

NOTE INSURANCE AND SURETY BONDS. If so specified in the prospectus supplement with respect to a series of the notes, deficiencies in amounts otherwise payable on the notes or certain classes of the notes will be covered by insurance policies or surety bonds provided by one or more insurance companies or sureties. The insurance policies or surety bonds may cover timely distributions of interest and full distributions of principal on the basis of a schedule of principal distributions set forth in or determined in the manner specified in the related prospectus supplement.

SUBORDINATE NOTES. The notes each trust issues will be designated class A notes, class B notes or class C notes in the related prospectus supplement. To the extent specified in the related prospectus supplement, the rights of the class B noteholders to receive distributions on any distribution date will be subordinated to the corresponding rights of the class A noteholders, and the rights of the class C noteholders to receive distributions on any distribution date will be subordinated to the corresponding rights of the class B noteholders and the class A noteholders. If so provided in the related prospectus supplement, the subordination of a class may apply only in the event of, or may be limited to, specific types of losses or shortfalls. The related prospectus supplement will set forth information concerning the amount of subordination provided by a class or classes of notes in a series, the

circumstances under which such subordination will be available and the manner in which the amount of subordination will be made available.

LETTER OF CREDIT. If so specified in the prospectus supplement with respect to a series, deficiencies in amounts otherwise payable on the notes or certain classes of the notes will be covered by one or more letters of credit. The bank or financial institution issuing the letter of credit will be identified in a prospectus supplement. Under a letter of credit, the issuer will be obligated to honor draws in an aggregate fixed dollar amount generally equal to a percentage specified in the related prospectus supplement of the principal balance of the student loans on a specified date or of the initial aggregate principal balance of one or more classes of notes. If so specified in the related prospectus supplement, the letter of credit may permit draws only in the event of certain types of losses and shortfalls. The amount available under the letter of credit will, in all cases, be reduced to the extent of the unreimbursed payments under the letter of credit and may otherwise be reduced as described in the related prospectus supplement. The obligations of the issuer of the letter of credit will expire at the earlier of the date specified in the related prospectus supplement or the termination of the trust estate.

RESERVE FUND. In addition to the Reserve Fund for each trust described in this prospectus under “*Security and Sources of Payment for the Notes—Reserve Fund*,” one or more reserve funds may be established with respect to a series of the notes. Cash, eligible investments, a demand note or a combination thereof, in the amounts so specified in the related prospectus supplement, may be deposited in such reserve fund. The reserve fund for a series may also be funded over time by depositing in the reserve fund a specified amount of the distributions received on the related receivables as specified in the related prospectus supplement.

Amounts on deposit in any reserve fund for a trust, together with the reinvestment income on those amounts, will be applied by the indenture trustee for the purposes, in the manner and to the extent specified in the related prospectus supplement. A reserve fund may be provided to increase the likelihood of timely payments of principal of and interest on the notes, if required as a condition to the rating of the notes of that series. If so specified in the related prospectus supplement, a reserve fund may be established to provide limited protection, in an amount satisfactory to each rating agency rating the notes, against certain types of losses not covered by insurance policies or other credit support. Following each interest payment date, amounts in a reserve fund in excess of any specified reserve fund requirement may be released from the reserve fund under the conditions specified in the related prospectus supplement and will not be available for further application by the indenture trustee.

Additional information concerning any reserve fund will be set forth in the related prospectus supplement, including the initial balance of the reserve fund, the reserve fund balance to be maintained, the purposes for which funds in the reserve fund may be applied to make distributions to noteholders and use of investment earnings from the reserve fund, if any.

CAPITALIZED INTEREST FUND. If so provided in the related prospectus supplement, the indenture administrator will establish and maintain a capitalized interest fund for each series of notes. It will be funded by an initial deposit by the trust. Capitalized interest funds will be available for a specified period of time to provide liquidity requirements resulting from a portion of a trust’s assets earning interest below the rate of interest borne by the related notes issued by the trust and transaction costs. The related prospectus supplement will describe the circumstances and manner in which distributions may be made out of the capitalized interest fund.

DERIVATIVE PRODUCTS; DERIVATIVE PAYMENTS

If so provided in the prospectus supplement, a trust may enter into interest rate swap agreements consisting of interest rate swaps, rate caps and rate ceilings to help minimize the risk of adverse changes in interest rates. If a trust issues notes denominated in one currency which are backed by assets denominated in one or more other currencies, it may enter into currency swaps to help minimize the risk of adverse changes in the relevant exchange rates.

A derivative product constituting an interest rate swap is an agreement between two parties to exchange a stream of payments on an agreed upon actual or hypothetical “notional” principal amount. No principal amount is exchanged between the parties to an interest rate swap. Typically, one party agrees to make payments based on a fixed interest rate and an actual or notional principal amount, while the other party agrees to make payments based

on a floating interest rate and the same actual or notional principal amount. The floating rate is based on one or more reference interest rates, including the London Interbank Offered Rate, or LIBOR, a specified bank's prime rate or U.S. Treasury Bill rates. Interest rate swaps also permit two parties to exchange a floating rate obligation based on one reference interest rate - such as LIBOR - for a floating rate obligation based on another referenced interest rate - such as U.S. Treasury Bill rates. Generally, the parties to an interest rate swap net out their payment obligations so that on any given payment date only one party is making a payment. Basis rate swaps are a form of interest rate swap in which the two parties swap variable interest rates where those rates are based on different money markets.

Derivative products constituting interest rate caps typically involve a trust making an initial payment to a party, which party agrees to make future payments to the trust if interest rates exceed a specified amount or other events occur that are specified in a prospectus supplement. A trust also may sell an interest rate cap to a party from which the trust has simultaneously purchased an interest rate cap. The interest rate cap sold by the trust will require the trust to make payments to the other party if interest rates exceed a specified amount that is higher than the amount specified in the rate cap purchased by the trust. Since the payment obligations under the two caps would be netted, the effect of the caps is to limit the other party's exposure to the interest rate differential between the amounts specified in the caps. Interest rate ceilings may be entered into in connection with an interest rate swap, and would result in one party to the swap limiting the maximum interest rate it would be required to pay, either over the life of the swap or for a specified period of time. In exchange for limiting its exposure, the relevant party may be required to make an initial cash payment to the other party.

Currency swaps are similar to interest rate swaps, but the payments owed by the parties are referenced to the exchange rate between designated currencies rather than interest rates. In a currency forward contract, the trust typically would agree to deliver a specified amount of one currency to a party on a future date in exchange for delivery by such party of a specified amount of a second currency. In a typical currency option, if the exchange rate between two designated currencies reaches a specified level by a certain date, the trust will have the right, but not the obligation, to require the other party to deliver a specified quantity of one of the designated currencies on such date in exchange for a specified quantity of the other designated currency. The trust would make an initial payment to the other party for this right. The prospectus supplement will describe the terms of any derivatives to be entered into by the trust.

DESCRIPTION OF THE GUARANTEE AGENCIES

The student loans each trust acquires will be guaranteed by any one or more guarantee agencies identified in the related prospectus supplement. The following discussion relates to guarantee agencies under the Federal Family Education Loan Program.

A guarantee agency guarantees loans made to students or parents of students by lending institutions such as banks, credit unions, savings and loan associations, certain schools, pension funds and insurance companies. A guarantee agency generally purchases defaulted student loans which it has guaranteed with its reserve fund. A lender may submit a default claim to the guarantee agency after the student loan has been delinquent for at least 270 days. The default claim package must include all information and documentation required under the Federal Family Education Loan Program regulations and the guarantee agency's policies and procedures.

In general, a guarantee agency's reserve fund is funded principally by federal default fees, claim insurance payments from the Secretary of Education, investment income on moneys in the reserve fund, and a portion of the moneys collected from borrowers on guaranteed loans that have been reimbursed by the Secretary of Education to cover the guarantee agency's administrative expenses.

Various changes to the Higher Education Act have adversely affected the receipt of revenues by the guarantee agencies and their ability to maintain their reserve funds at previous levels, and may adversely affect their ability to meet their guarantee obligations. These changes include:

- the reduction in reinsurance payments from the Secretary of Education because of reduced reimbursement percentages;

- the reduction in maximum permitted guarantee fees from 3% to 1% for loans made on or after July 1, 1994;
- the replacement of the administrative cost allowance with a student loan processing and issuance fee equal to 65 basis points (40 basis points for loans made on or after October 1, 2003) paid at the time a loan is guaranteed, and an account maintenance fee of 12 basis points (10 basis points for fiscal years 2001-2003) paid annually on outstanding guaranteed student loans;
- beginning October 1, 2006, limiting the amount of collection costs that may be charged to a borrower to 18.5% of the balance of a defaulted loan that is paid off through consolidation by the borrower, and requiring the guarantee agency to remit 8.5% of the balance of the defaulted loan paid off through consolidation by the borrower to the Secretary of Education; and
- beginning October 1, 2009, requiring guarantee agencies to remit to the Secretary of Education collection costs that may be charged to a borrower on any proceeds of consolidation of defaulted loans that exceed 45% of the guarantee agency's total collections on defaulted loans in a Federal fiscal year.

Additionally, the adequacy of a guarantee agency's reserve fund to meet its guarantee obligations with respect to existing student loans depends, in significant part, on its ability to collect revenues generated by new loan guarantees. Future legislation may make additional changes to the Higher Education Act that would significantly affect the revenues received by guarantee agencies and the structure of the guarantee agency program.

The Higher Education Act gives the Secretary of Education various oversight powers over guarantee agencies. These include requiring a guarantee agency to maintain its reserve fund at a certain required level and taking various actions relating to a guarantee agency if its administrative and financial condition jeopardizes its ability to meet its obligations. These actions include, among others, providing advances to the guarantee agency, terminating the guarantee agency's federal reimbursement contracts, assuming responsibility for all functions of the guarantee agency, and transferring the guarantee agency's guarantees to another guarantee agency or assuming such guarantees. The Higher Education Act provides that a guarantee agency's reserve fund shall be considered to be the property of the United States to be used in the operation of the Federal Family Education Loan Program or the Federal Direct Student Loan Program, and, under certain circumstances, the Secretary of Education may demand payment of amounts in the reserve fund.

Under the Higher Education Act, if the Department of Education has determined that a guarantee agency is unable to meet its insurance obligations, the holders of loans guaranteed by such guarantee agency must submit claims directly to the Department of Education, and the Department of Education is required to pay the full guarantee payment due with respect thereto in accordance with guarantee claims processing standards no more stringent than those applied by the guarantee agency.

There are no assurances as to the Secretary of Education's actions if a guarantee agency encounters administrative or financial difficulties or that the Secretary of Education will not demand that a guarantee agency transfer additional portions or all of its reserve fund to the Secretary of Education.

Information relating to the particular guarantee agencies guaranteeing our student loans will be set forth in the prospectus supplement.

FEDERAL AGREEMENTS

GENERAL. A guarantee agency's right to receive federal reimbursements for various guarantee claims paid by such guarantee agency is governed by the Higher Education Act and various contracts entered into between the guarantee agency and the Secretary of Education. Each guarantee agency and the Secretary of Education have entered into federal reimbursement contracts pursuant to the Higher Education Act, which provide for the guarantee agency to receive reimbursement of a percentage of insurance payments that the guarantee agency makes to eligible lenders with respect to loans guaranteed by the guarantee agency prior to the termination of the federal

reimbursement contracts or the expiration of the authority of the Higher Education Act. The federal reimbursement contracts provide for termination under certain circumstances and also provide for certain actions short of termination by the Secretary of Education to protect the federal interest.

In addition to guarantee benefits, qualified student loans acquired under the Federal Family Education Loan Program benefit from certain federal subsidies. Each guarantee agency and the Secretary of Education have entered into an Interest Subsidy Agreement under the Higher Education Act which entitles the holders of eligible loans guaranteed by the guarantee agency to receive interest subsidy payments from the Secretary of Education on behalf of certain students while the student is in school, during a six to twelve month grace period after the student ceases to be enrolled on at least a half-time basis, and during certain deferment periods, subject to the holders' compliance with all requirements of the Higher Education Act.

FEDERAL INSURANCE AND REIMBURSEMENT OF GUARANTEE AGENCIES

EFFECT OF ANNUAL CLAIMS RATE. With respect to loans made prior to October 1, 1993, the Secretary of Education currently agrees to reimburse the guarantee agency for up to 100% of the amounts paid on claims made by lenders, as discussed in the formula described below, so long as the eligible lender has properly serviced such loan. The amount of reimbursement is lower for loans originated after October 1, 1993, as described below. Depending on the claims rate experience of a guarantee agency, such reimbursement may be reduced as discussed in the formula described below. The Secretary of Education also agrees to repay 100% of the unpaid principal plus applicable accrued interest expended by a guarantee agency in discharging its guarantee obligation as a result of the bankruptcy, death, or total and permanent disability of a borrower, or in the case of a PLUS Loan, the death of the student on behalf of whom the loan was borrowed, or in certain circumstances, as a result of school closures, which reimbursements are not to be included in the calculations of the guarantee agency's claims rate experience for the purpose of federal reimbursement under the Federal Reimbursement Contracts.

The reimbursement formula for default claims varies depending on when the loan was initially disbursed, as summarized below:

Claims Rate	Federal Payment on loans disbursed prior to 10/1/93	Federal Payment on loans disbursed after 10/01/93	Federal Payment on loans disbursed after 10/01/98
0% up to 5%	100%	98%	95%
5% up to 9%	100% of claims up to 5%; 90% of claims 5% and over	98% of claims up to 5% 88% of claims 5% & over	95% of claims up to 5% 85% of claims 5% & over
9% and over	100% of claims up to 5%; 90% of claims 5% and over up to 9%; 80% of claims 9% and over	98% of claims up to 5% 88% of claims 5% & over, and up to 9% 78% of claims 9% and over	95% of claims up to 5% 85% of claims 5% and over, up to 9% 75% of claims 9% and over

The claims rate is not accumulated from year to year, but is determined solely on the basis of reinsurance claims paid by the Secretary of Education to the guarantee agency in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year.

The reduced reinsurance for federal guaranty agencies increases the risk that resources available to guarantee agencies to meet their guarantee obligation will be significantly reduced.

The Secretary of Education may withhold reimbursement payments if a guarantee agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary of Education or applicable federal law.

Under the guarantee agreements, if a payment on a Federal Family Education Loan guaranteed by a guarantee agency is received after reimbursement by the Secretary of Education, the guarantee agency is entitled to receive an equitable share of the payment.

Under present practice, after the Secretary of Education reimburses a guarantee agency for a default claim paid on a guaranteed loan, the guarantee agency continues to seek repayment from the borrower. The guarantee agency returns to the Secretary of Education payments that it receives from a borrower after deducting and retaining: a percentage amount equal to the complement of the reimbursement percentage in effect at the time the default claim was paid to the lender and an amount currently equal to 23% of such payments for certain administrative costs. The Secretary of Education may, however, require the assignment to the Secretary of defaulted guaranteed loans, in which event no further collection activities need be undertaken by the guarantee agency, and no amount of any recoveries shall be paid to the guarantee agency.

REHABILITATION OF DEFAULTED LOANS. Under the Higher Education Act, the Secretary of Education is authorized to enter into an agreement with a guarantee agency pursuant to which the guarantee agency shall sell defaulted loans that are eligible for rehabilitation to an eligible lender. The guarantee agency shall repay the Secretary of Education an amount equal to 81.5% of the then-current principal balance of such loan, multiplied by the reimbursement percentage in effect at the time the loan was reimbursed. The amount of such repayment shall be deducted from the amount of federal reimbursement payments for the fiscal year in which such repayment occurs, for purposes of determining the reimbursement rate for that fiscal year. Effective July 1, 2006, the guarantee agency may charge the borrower and retain collection costs in an amount not to exceed 18.5% of the balance of the rehabilitated loan.

Effective July 1, 2006, for a loan to be eligible for rehabilitation, the guarantee agency must have received 9 payments made within 20 days of the due date during 10 consecutive months of amounts owed on such loan. Upon rehabilitation, a loan is eligible for all the benefits under the Higher Education Act for which it would have been eligible had no default occurred.

LOANS SUBJECT TO REPURCHASE

The Higher Education Act requires a lender to repurchase loans from a guarantee agency, under certain circumstances, after the guarantee agency has paid for the loan through the claim process. A lender is required to repurchase:

- a loan found to be legally unenforceable against the borrower;
- a loan for which a bankruptcy claim has been paid if the borrower's bankruptcy is subsequently dismissed by the court or, as a result of the bankruptcy hearing, the loan is considered non-dischargeable and the borrower remains responsible for repayment of the loan;
- a loan that is subsequently determined not to be in default; or
- a loan for which a guarantee agency inadvertently paid the claim.

MATERIAL FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of all material federal income tax consequences of the purchase, ownership and disposition of notes for the investors described below and is based on the advice of Mayer, Brown, Rowe & Maw LLP, as tax counsel to Goal Capital Funding, LLC. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change. The discussion does not deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules. In addition, this summary is generally limited to investors who will hold the notes as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"). INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND

DISPOSITION OF THE NOTES OF ANY SERIES. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the “Service”) with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

CHARACTERIZATION OF THE TRUST ESTATE

Based upon certain assumptions and certain representations of Goal Capital Funding, LLC, Mayer, Brown, Rowe & Maw LLP will render, with respect to the notes, its opinion to the effect that the notes will be treated as debt, and that the trust which issues the notes will not be characterized as an association or publicly traded partnership taxable as a corporation each for federal income tax purposes. In addition, Mayer, Brown, Rowe & Maw LLP has rendered its opinion to the effect that this discussion is a summary of material federal income tax consequences as to the purchase, ownership and disposition of the notes with respect to the investors described herein. Unlike a ruling from the Service, such opinion is not binding on the courts or the Service. Therefore, it is possible that the Service could assert that, for purposes of the Code, the transaction contemplated by this prospectus constitutes a sale of the student loans (or an interest therein) to the beneficial owners of the notes or that the relationship which will result from this transaction is that of a partnership, or an association taxable as a corporation.

If, instead of treating the transaction as creating secured debt, the transaction were treated as creating a partnership among the beneficial owners, the servicer and the trust which has purchased the underlying student loans, the resulting partnership would not be subject to federal income tax. Rather, the servicer, the trust and each beneficial owner would be taxed individually on their respective distributive shares of the partnership’s income, gain, loss, deductions and credits. The amount and timing of items of income and deduction of the beneficial owner could differ if the notes were held to constitute partnership interests, rather than indebtedness.

If, alternatively, it were determined that this transaction created an entity other than a trust which was classified as a corporation or a publicly traded partnership taxable as a corporation and treated as having purchased the student loans, such entity would be subject to federal income tax at corporate income tax rates on the income it derives from the student loans, which would reduce the amounts available for payment to the registered owners. Cash payments to the registered owners of note classes treated as equity interests generally would be treated as dividends for tax purposes to the extent of such corporation’s accumulated and current earnings and profits. However, as noted above, Goal Capital Funding, LLC has been advised that the notes will be treated as debt for federal income tax purposes and that each trust organized to issue notes will not be characterized as an association or publicly traded partnership taxable as a corporation.

CHARACTERIZATION OF THE NOTES AS INDEBTEDNESS

Each trust and the registered owners will express in its indenture their intent that, for federal income tax purposes, the notes will be indebtedness secured by the student loans. Each trust and the registered owners, by accepting the notes, have agreed to treat the notes as indebtedness for federal income tax purposes. Each trust intends to treat this transaction as a financing reflecting the notes as indebtedness for tax and financial accounting purposes.

In general, the characterization of a transaction as a sale of property or a secured loan, for federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction, rather than its form or the manner in which it is characterized for state law or other purposes. While the Service and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured indebtedness, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form.

Goal Capital Funding, LLC believes that it has retained the preponderance of the primary benefits and burdens associated with ownership of the student loans and that, as a result, registered owners (or other beneficial owners) of the notes should not be treated as the owners of the student loans for federal income tax purposes. If, however, the Service were successfully to assert that this transaction should be treated as a sale of the student loans,

the Service could further assert that the entity created pursuant to the indenture, as the owner of the student loans for federal income tax purposes, should be deemed engaged in a business and, therefore, characterized as a publicly traded partnership taxable as a corporation.

TAXATION OF INTEREST INCOME ON THE NOTES

Payments of interest with regard to the notes will be includible as ordinary income when received or accrued by beneficial owners in accordance with their respective methods of tax accounting and applicable provisions of the Code. If the notes are deemed to be issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest (as defined below) allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated pro rata to each day included in such period. The holder of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days he owned the instrument. The legislative history of the original issue discount provisions indicates that the calculation and accrual of original issue discount should be based on the prepayment assumptions used by the parties in pricing the transaction.

Original issue discount is the stated redemption price at maturity of a debt instrument over its issue price. The stated redemption price at maturity includes all payments with respect to an instrument other than interest unconditionally payable at a fixed rate or a qualified variable rate at fixed intervals of one year or less ("qualified stated interest"). Goal Capital Funding, LLC expects that interest payable with respect to the class A and class B notes will constitute qualified stated interest and will not be treated as original issue discount. However, there can be no assurance that the Service would not assert that the interest payable with respect to the class B notes may not be qualified stated interest because such payments are not unconditional and that the class B notes are issued with original issue discount.

Payments of interest received with respect to the notes may also constitute "investment income" for purposes of certain limitations of the Code concerning the deductibility of investment interest expense. Potential owners of the notes should consult their own tax advisors concerning the treatment of interest payments with regard to the notes.

A purchaser (other than a person who purchases a note upon issuance at the issue price) who buys a note of any series at a discount from its principal amount (or its adjusted issue price if issued with original issue discount greater than a specified de minimis amount) will be subject to the market discount rules of the Code. In general, the market discount rules of the Code treat principal payments and gain on disposition of a debt instrument as ordinary income to the extent of accrued market discount. Although the accrued market discount on debt instruments such as the notes which are subject to prepayment based on the prepayment of other debt instruments is to be determined under regulations yet to be issued, the legislative history of these provisions of the Code indicates that the same prepayment assumption used to calculate original issue discount should be utilized. Each potential investor should consult his tax advisor concerning the application of the market discount rules to the notes.

The annual statement regularly furnished to registered owners for federal income tax purposes will include information regarding the accrual of payments of principal and interest with respect to the notes. As noted above, Goal Capital Funding, LLC believes, based on the advice of counsel, that it will retain ownership of the student loans for federal income tax purposes. In the event the indenture is deemed to create a pass-through entity as the owner of the student loans for federal income tax purposes (assuming such entity is not, as a result, taxed as an association), beneficial owners of the notes could be required to accrue payments of interest more rapidly than otherwise would be required.

BACKUP WITHHOLDING

Certain purchasers may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the notes if the purchasers, upon issuance, fail to supply the indenture trustee or their brokers with their taxpayer identification numbers, furnish incorrect taxpayer identification numbers, fail to

report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fail to provide the indenture trustee with a certified statement, under penalty of perjury, that they are not subject to backup withholding. Information returns will be sent annually to the Service and to each purchaser setting forth the amount of interest paid with respect to the notes and the amount of tax withheld thereon.

STATE, LOCAL OR FOREIGN TAXATION

Goal Capital Funding, LLC makes no representations regarding the tax consequences of purchase, ownership or disposition of the notes under the tax laws of any state, locality or foreign jurisdiction. Investors considering an investment in the notes should consult their own tax advisors regarding such tax consequences.

LIMITATION ON THE DEDUCTIBILITY OF CERTAIN EXPENSES

Under Section 67 of the Code, an individual may deduct certain miscellaneous itemized deductions only to the extent that the sum of such deductions for the taxable year exceed 2% of his or her adjusted gross income. None of such miscellaneous itemized deductions are deductible by individuals for purposes of the alternative minimum tax. If contrary to expectation, the entity created under the indenture were treated as the owner of the student loans (and not as an association taxable as a corporation), then Goal Capital Funding, LLC believes that a substantial portion of the expenses to be generated by the trust could be subject to the foregoing limitations. As a result, each individual who is considering a purchase of the notes should consult his or her personal tax advisor concerning the application of these limitations to an investment in the notes.

TAX-EXEMPT INVESTORS

In general, an entity which is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business which is not substantially related to the purpose which forms the basis for such entity’s exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation which gave rise to such interest is subject to acquisition indebtedness. If, contrary to expectations, one or more of the classes of notes of any Series were considered equity for tax purposes and if one or more other classes of notes were considered debt for tax purposes, those notes treated as equity likely would be subject to acquisition indebtedness and likely would generate unrelated business taxable income. However, as noted above, counsel has advised Goal Capital Funding, LLC that the notes will be characterized as debt for federal income tax purposes. Therefore, except to the extent any tax-exempt beneficial owner incurs acquisition indebtedness with respect to a note, interest paid or accrued with respect to such note may be excluded by such owner from the calculation of unrelated business taxable income. Each potential tax-exempt owner is urged to consult its own tax advisor regarding the application of these provisions.

SALE OR EXCHANGE OF NOTES

If a beneficial owner sells a note, such person will recognize gain or loss equal to the difference between the amount realized on such sale and the holder’s basis in such note. Ordinarily, such gain or loss will be treated as a capital gain or loss. At the present time, the maximum capital gain rate for certain assets held for more than twelve months is 15%. However, if a note was acquired subsequent to its initial issuance at a discount, a portion of such gain will be recharacterized as interest and therefore ordinary income. In the event any of the notes are issued with original issue discount, in certain circumstances, a portion of the gain can be recharacterized as ordinary income.

If the term of a note was materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which relate to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential beneficial owner of a note should consult its own tax advisor concerning the circumstances in which the notes would be deemed reissued and the likely effects, if any, of such reissuance.

SPECIAL TAX CONSEQUENCES TO HOLDERS OF AUCTION RATE NOTES

The following discussion summarizes certain material federal income tax consequences to a beneficial owner pertaining to the auction procedure for setting the interest rate and other terms of auction rate notes. For a general summary of the U.S. federal income tax accounting treatment applicable to holders of auction rate notes, prospective purchasers should refer to “Material *Federal Income Tax Consequences—Taxation of Interest Income on the Notes*” above.

Although not free from doubt, the reset of the interest rate and other terms of the auction rate notes through the auction procedure will not constitute a modification of the notes or a retirement and reissuance of the auction rate notes under applicable Treasury regulations. Accordingly, a beneficial owner of an auction rate note will not realize gain or loss upon an auction reset. In addition, solely for purposes of determining original issue discount thereon, the auction rate notes will be treated as maturing on each auction date for an amount equal to their fair market value on that date, which generally will be equal to the principal amount thereof by virtue of an auction procedure, and reissued on the same date for the same value. As a consequence, the auction rate notes generally will not be treated as bearing original issue discount solely because interest rates are set under the auction procedure, although original issue discount could arise by virtue of the terms of the auction rate notes arrived at in the reset procedure, e.g., if the maximum rate became applicable to the auction rate notes.

If, contrary to the foregoing analysis, the auction procedures were determined to give rise to a new indebtedness for federal income tax purposes, the auction rate notes could be treated as debt instruments that mature on each auction date. Alternatively, the auction rate notes could be treated as bearing contingent interest under applicable Treasury regulations. Under such regulations, the amount treated as taxable interest to a beneficial owner of an auction rate note in each accrual period would be a hypothetical amount based upon the issuer’s current borrowing costs for comparable, noncontingent debt instruments (the “noncontingent bond method”), and a beneficial owner of an auction rate note might be required to include interest in income in excess of actual cash payments received for certain taxable periods. In addition, if the auction rate notes were treated as contingent payment obligations, any gain upon their sale or exchange would be treated as ordinary income, any loss would be ordinary loss to the extent of the beneficial owner’s prior ordinary income inclusions with respect to the auction rate notes, and the balance would generally be treated as capital loss.

SPECIAL TAX CONSEQUENCES TO HOLDERS OF RESET RATE NOTES

The following discussion summarizes certain U.S. federal income tax consequences to a beneficial owner pertaining to the reset procedure for setting the interest rate, currency and other terms of a class of reset rate notes.

As a general matter, notes that are subject to reset and remarketing provisions are not treated as repurchased and reissued or modified at the time of such reset. Unlike more typical reset rate notes, reset rate notes that are denominated in a currency other than U.S. dollars (“foreign exchange reset rate notes”) are subject to a mandatory tender on the subsequent reset date and other unusual remarketing terms facilitated by the related currency swap agreements, both of which are indicative of treatment as newly issued instruments upon such reset date. Accordingly, although not free from doubt, the remarketing of foreign exchange reset rate notes pursuant to the reset procedures likely will constitute a retirement and reissuance of such notes under applicable Treasury regulations. In contrast, reset rate notes denominated in U.S. dollars (“U.S. dollar reset rate notes”) will be subject to more typical reset procedures unless they are reset and remarketed into a currency other than U.S. dollars. Thus, subject to the discussion below regarding the possible alternative treatment of the reset rate securities, a non-tendering beneficial owner of a U.S. dollar reset rate security likely will not realize gain or loss if the security continues to be denominated in U.S. dollars, and such security will be deemed to remain outstanding until the security is reset into a currency other than U.S. dollars or until some other termination event (e.g., the call option is exercised, the stated maturity date is reached or the principal balance of the notes is reduced to zero). Although not free from doubt, in the event a U.S. dollar reset rate security is reset into a currency other than U.S. dollars (an event triggering a mandatory tender by all existing holders), the security likely will be treated as retired and reissued upon such reset.

Regardless of whether they constitute U.S. dollar reset rate notes or foreign exchange reset rate notes, under applicable Treasury regulations, solely for purposes of determining original issue discount thereon, the reset rate

notes will be treated as maturing on each reset date for their principal balance on such date and reissued on the reset date for the principal balance resulting from the reset procedures.

If a failed remarketing occurs, for U.S. federal income tax purposes, the reset rate notes will be deemed to remain outstanding until a reset date on which they are subject to mandatory tender (i.e., in the case of the U.S. dollar reset rate notes, they are successfully remarketed into a currency other than U.S. dollars, or in the case of the foreign exchange reset rate notes, until the subsequent reset date on which a successful remarketing occurs), or until some other termination event (e.g., the call option is exercised, the stated maturity date is reached or the principal balance of the notes is reduced to zero).

If the call option is exercised, the reset rate notes will be considered retired for U.S. federal income tax purposes. As a result, the subsequent resale of the reset rate notes to beneficial owners unrelated to the issuer will be considered a new issuance of the reset rate notes. The issue price, original issue discount, if any, holding period and other tax-related characteristics of the reset rate notes will accordingly be redetermined on the premise that the reset rate notes will be newly issued on the date on which the reset rate notes are resold.

For a summary of the U.S. federal income tax accounting treatment of the U.S. dollar reset rate notes, of beneficial owners of such notes should refer to “Material Federal Income Tax Consequences-- Taxation of Interest Income on the Notes” above. The tax accounting treatment described in those sections assumes that the conclusions in the discussion above are correct but is subject to the discussion regarding the possible alternative treatment of the reset rate notes below.

There can be no assurance that the IRS will agree with the above conclusions as to the expected treatment of the reset rate notes, and it is possible that the IRS could assert another treatment and that such treatment could be sustained by the IRS or a court in a final determination. Contrary to the treatment for U.S. dollar reset rate notes discussed above, it might be contended that a remarketing of U.S. dollar reset rate notes that continue to be denominated in U.S. dollars pursuant to such remarketing would result in the material modification of such notes and would give rise to a new indebtedness for U.S. federal income tax purposes. Given the open-ended nature of the reset mechanism, the possibility that U.S. dollar reset rate notes that continue to be denominated in U.S. dollars upon a reset may be deemed to mature and be reissued on the applicable reset date is somewhat greater than if the reset procedures were merely a device to reset interest rates on a regular basis. Alternatively, even if the reset mechanism did not cause a deemed reissuance of such U.S. dollar reset rate notes, such notes could be treated as bearing contingent interest under applicable Treasury regulations for purposes of the original issue discount provisions of the Code. See “Material Federal Income Tax Consequences-- Special Tax Consequences to Holders of Auction Rate Securities” above for a discussion of such regulations.

It might also be contended that U.S. dollar reset rate notes that are reset to a currency other than U.S. dollars or foreign exchange reset rate notes that are successfully remarketed should not be treated as maturing on the reset date, and instead should be treated as maturing on their stated maturity date or over their weighted average life for U.S. federal income tax purposes. Even if such reset rate notes were not so treated, applicable Treasury regulations generally treat reset rate notes as maturing on the reset date for purposes of calculating original issue discount. Such regulations probably would apply to the reset rate notes, although a different result cannot be precluded given the unusual features of the reset rate notes. In the event that U.S. dollar reset rate notes that are reset to a currency other than U.S. dollars or foreign exchange reset rate notes that are successfully remarketed were not treated as maturing on the reset date (e.g., such reset rate notes were treated as maturing on their stated maturity date or over their weighted average life for U.S. federal income tax purposes), it might also follow that such reset rate notes should be treated as bearing contingent interest. It is not entirely clear how such an instrument would be treated for tax accounting purposes. Beneficial owners should consult their own tax advisors regarding the proper tax accounting for such an instrument under this alternative characterization. Moreover, in this regard, final Treasury regulations were recently issued addressing the treatment of contingent payment debt instruments providing for payments denominated in or by reference to a non-U.S. dollar currency. These regulations generally require beneficial owners to compute and accrue original issue discount under the noncontingent bond method applicable to U.S. dollar denominated contingent payment debt instruments, and then to translate such amounts under the foreign currency rules described above. Under the noncontingent bond method, the amount treated as taxable interest to a beneficial owner of a reset rate security in each accrual period would be a hypothetical amount based on the issuer’s current borrowing costs for comparable, noncontingent debt instruments, and a beneficial owner of a reset rate

security might be required to include interest in income in excess of actual cash payments received for certain taxable periods. In addition, if the reset rate notes were treated as contingent payment debt instruments under these regulations, the characterization of any non-currency gain or loss upon their sale exchange would be affected. Specifically, any non-currency gain (which otherwise generally would be capital gain) would be treated as ordinary gain, and any non-currency loss (which otherwise generally would be capital loss) would be treated as ordinary loss to the extent of the beneficial owner's prior ordinary inclusions with respect to the reset rate notes, and the balance generally would be treated as capital loss.

FOREIGN OWNERS OF NOTES

Interest paid (or accrued) to a beneficial owner who is not a U.S. Person (a "Foreign Owner") general will be considered "portfolio interest," and generally will not be subject to United States federal withholding tax, if the interest is not effectively connected with the conduct of a trade or business in the United States by the Foreign Owner and

1. the Foreign Owner is not actually or constructively a "10 percent shareholder" of the trust or the depositor (including a holder of 10% of the outstanding Certificates) or a "controlled foreign corporation" with respect to which the Issuing Entity or the Depositor is a "related Person" within the meaning of the Code;
2. the Foreign Owner is not a bank receiving interest described in Section 881(c)(3)(A) of the Code;
3. the interest is not contingent interest described in Section 871(h)(4) of the Code; and
4. the Foreign Owner does not bear specified relationships to any owner of the trust.

To qualify for the portfolio interest exemption, the Foreign Owner must provide the applicable indenture trustee or other person who is otherwise required to withhold U.S. tax with respect to the notes with an appropriate statement (on Form W-8BEN or a similar form), signed under penalties of perjury, certifying that the Foreign Owner is not a U.S. Person and providing the Foreign Owner's name and address. If a note is held through a securities clearing organization or other financial institution, the organization or institution may provide the relevant signed statement to the withholding agent, in that case, however, the signed statement must be accompanied by a Form W-8BEN or substitute form provided by the Foreign Owner and the Foreign Owner must notify the financial institution acting on its behalf of any changes to the information on the Form W-8BEN (or substitute form) within 30 days of that change. If interest paid to a Foreign Owner is not considered portfolio interest, then it either will be subject to United States federal withholding tax at a rate of 30 percent (unless reduced or eliminated pursuant to an applicable tax treaty) or, if such interest income is effectively connected with the conduct of a trade or business in the United States by the Foreign Owner, will be subject to United States federal income tax on a net basis. In order to claim the benefit of any applicable tax treaty, the Foreign Owner must provide the applicable indenture trustee or other person who is required to withhold U.S. tax with respect to the notes with an appropriate statement (on Form W-8BEN or a similar form), signed under penalties of perjury, certifying that the Foreign Owner is entitled to benefits under the treaty.

Any capital gain realized on the sale, redemption, retirement or other taxable disposition of a note by a Foreign Owner will be exempt from United States federal income and withholding tax, provided that (1) that gain is not effectively connected with the conduct of a trade or business in the United States by the Foreign Owner and (2) in the case of an individual Foreign Owner, the Foreign Owner is not present in the United States for 183 days or more during the taxable year of disposition.

As used in this Prospectus, a "U.S. Person" means:

1. a citizen or resident of the United States;
2. a corporation or a partnership organized in or under the laws of the United States or any political subdivision thereof;

3. an estate, the foreign-source income of which is includible in gross income for federal income tax purposes regardless of its connection with the conduct of a trade or business within the United States; or
4. a trust if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust or (b) such trust is eligible to and has elected to be treated as a domestic trust pursuant to the Code, despite not meeting the requirements described in clause (a).

EUROPEAN UNION DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

The European Union has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required from July 1, 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

The withholding tax provisions of the Directive could apply to payments on securities made through the Luxembourg paying agent. It is expected that holders will be able to take steps to keep payments from being subject to such withholding tax, for example, by receiving payments from a paying agent within the European Union but outside Luxembourg, Belgium and Austria (such as from the United Kingdom), although we cannot preclude the possibility that withholding tax will eventually be levied in some situations. In any event, details of payments made from a Member State on the notes will likely have to be reported to the tax or other relevant authorities under the Directive or local law, including, for example, to Member States in cases where recipients are located in the jurisdiction where payments are actually made.

ERISA CONSIDERATIONS

Section 406 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 4975 of the Code prohibit a pension, profit-sharing or other employee benefit plans, as well as individual retirement accounts, Keogh plans and other plans covered by Section 4975 of the Code, as well as entities deemed to hold “plan assets” of any of the foregoing under the Plan Assets Regulation (as defined below) (each such entity a “Benefit Plan”) from engaging in certain transactions with persons that are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to such Benefit Plan. A violation of these “prohibited transaction” rules may result in an excise tax or other penalties and liabilities under ERISA and the Code for such persons or the fiduciaries of the Benefit Plan. In addition, Title I of ERISA also requires fiduciaries of a Benefit Plan subject to ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents.

Certain transactions involving the trust might be deemed to constitute prohibited transactions under ERISA and the Code with respect to a Benefit Plan that purchased notes if assets of the trust were deemed to be assets of the Benefit Plan. Under a regulation issued by the United State Department of Labor (the “Plan Assets Regulation”), the assets of the trust would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code only if the Benefit Plan acquired an “equity interest” in the trust and none of the exceptions to plan assets contained in the Plan Assets Regulation was applicable. An equity interest is defined under the Plan Assets Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on the subject, assuming the notes constitute debt for local law purposes, the trust believes that, at the time of their issuance, the note should not be treated an equity interest in the trust for purposes of the Plan Assets Regulation. This determination is based in part upon the traditional debt features of the notes, including the reasonable expectation of purchasers of notes that the notes will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the notes for ERISA purposes could change if the trust incurred losses. This risk of recharacterization is enhanced for notes that are subordinated to other classes of securities.

However, without regard to whether the notes are treated as an equity interest for purposes of the Plan Assets Regulation, the acquisition or holding of notes by or on behalf of a Benefit Plan could be considered to give

rise to a prohibited transaction if the trust, any servicer, the indenture trustee, the Delaware trustee or any of their respective affiliates is or becomes a party in interest or a disqualified person with respect to such Benefit Plan. Certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of notes by a Benefit Plan depending on the type and circumstances of the plan fiduciary making the decision to acquire such notes. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by “in-house asset managers”; PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” By acquiring a note, each purchaser will be deemed to represent that either (i) it is not acquiring the notes with the assets of a Benefit Plan or (ii) the acquisition and holding of the notes will not give rise to a non-exempt prohibited transaction under Section 406(a) of ERISA or Section 4975 of the Code.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA) are not subject to ERISA requirements. Governmental plans, however, may be subject to applicable law that is substantially similar to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code.

A plan fiduciary considering the purchase of notes should consult its legal advisors regarding whether the assets of the issuer would be considered plan assets, the possibility of exemptive relief from the prohibited transaction rules and other issues and their potential consequences.

AFFILIATIONS AMONG FINANCING PARTICIPANTS

Goal Capital Funding, LLC will be the depositor of each trust and will be the seller of the student loans acquired by each trust with the proceeds of the notes. The depositor will acquire loans for sale to the trust that were originated by Higher Education Finance, LLC. The depositor will own all of the beneficial interests of each trust. Goal Financial, LLC will act as administrator for the trusts and may act as servicer for the loans each trust acquires. Goal Financial, LLC is the sole equity member of the depositor (and therefore indirectly owns each trust) and Higher Education Finance, LLC.

None of the depositor, the sponsor, the administrator or any trust will be affiliated with the eligible lender trustee, indenture trustee or Delaware trustee for any trust.

PLAN OF DISTRIBUTION

The trusts may sell the notes of each series to or through underwriters by “best efforts” underwriting or a negotiated firm commitment underwriting by the underwriters, and also may sell the notes directly to other purchasers or through agents. If so indicated in the prospectus supplement, a trust may sell such notes, directly or through agents, through a competitive bidding process described in the applicable prospectus supplement. Notes will be offered through such various methods from time to time and offerings may be made concurrently through more than one of these methods or an offering of a particular series of the notes may be made through a combination of such methods.

The distribution of the notes may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices based, among other things, upon existing interest rates, general economic conditions and investors’ judgments as to the price of the notes.

In connection with the sale of the notes, underwriters may receive compensation from the trust or from the purchasers of such notes for whom they may act as agents in the form of discounts, concessions or commissions. Underwriters may sell the notes of a trust to or through dealers and those dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of the notes may be deemed to be underwriters and any discounts or commissions received by them from a trust and any profit on the resale of the notes by them may be deemed to be underwriting discounts and commissions under the Securities Act.

The underwriters will be identified, and any compensation received from a trust will be described, in the applicable prospectus supplement.

A trust may agree with the underwriters and agents who participate in the distribution of the notes that it will indemnify them against liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the underwriters or agents may be required to make in respect thereto.

If so indicated in the prospectus supplement, a trust will authorize underwriters or other persons acting as its agent to solicit offers by certain institutions to purchase the notes pursuant to contracts providing for payment and delivery on a future date. Institutions with which these contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases the trust must approve the institutions. The obligation of any purchaser under any contract will be subject to the condition that the purchaser of the notes shall not be prohibited by law from purchasing such notes. The underwriters and other agents will not have responsibility in respect of the validity or performance of these contracts.

The underwriters may, from time to time, buy and sell notes, but there can be no assurance that an active secondary market will develop and there is no assurance that any market, if established, will continue.

This prospectus may be used in connection with the remarketing of a class of reset rate notes or the offering of a class of reset rate notes by the sponsor, or its designated affiliates, after its exercise of the call option with respect to that class of notes. In connection with any remarketing of a class of reset rate notes, unless the all-hold rate is in effect, we will prepare for distribution to prospective purchasers a new prospectus supplement to the original prospectus covering the terms of the remarketing.

If the sponsor, or its designated affiliate, exercises its call option with respect to any class of reset rate notes previously publicly offered by a trust formed by the depositor prior to a related reset date, that entity may resell those reset rate notes under this prospectus. In connection with the resale, we will prepare for distribution to prospective purchasers a new prospectus supplement to the original prospectus covering such resale.

If applicable, each such prospectus supplement will also contain material information regarding any new swap counterparty or counterparties. In addition, each new prospectus supplement will contain any other pertinent information relating to the trust as may be requested by prospective purchasers, remarketing agents or otherwise, and will also contain material information regarding the applicable student loan guarantors and information describing the characteristics of the trust's student loans that remain outstanding as of a date reasonably proximate to the date of that prospectus supplement, including updated tables relating to the information presented in the original prospectus supplement, new tables containing the statistical information generally presented by the depositor as part of its then recent student loan securitizations, or a combination of both.

LEGAL PROCEEDINGS

None of Goal Capital Funding, LLC, Goal Financial, LLC or the issuing trust is presently the subject of any claim, lawsuit or proceeding. Goal Financial, LLC is subject to various claims, lawsuits, and proceedings that arise in the normal course of business. These matters principally consist of claims by borrowers disputing the manner in which their loans have been processed. On the basis of present information, anticipated insurance coverage, and advice received from counsel, it is the opinion of Goal Financial, LLC's management that the disposition or ultimate determination of these claims, lawsuits, and proceedings will not have a material adverse effect on Goal Financial, LLC's business.

LEGAL MATTERS

Certain legal matters will be passed upon by Mayer, Brown, Rowe & Maw LLP, as counsel to the trusts. Other counsel, if any, passing upon legal matters for the trusts or any placement agent or underwriter will be identified in the related prospectus supplement.

RATINGS

It is a condition to the issuance of the notes that they be rated investment grade by at least one nationally recognized statistical rating organization, Moody's, Standard & Poor or Fitch, in one of its four highest rating categories. The specific ratings required for a class of notes will be described in the related prospectus supplement.

A securities rating addresses the likelihood of the receipt by owners of the notes of payments of principal and interest with respect to their notes from assets in the trust estate. The rating takes into consideration the characteristics of the student loans, and the structural, legal and tax aspects associated with the rated notes. On a quarterly basis each agency rating the notes is provided with servicing reports describing the performance of the underlying assets in the prior period.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization.

INCORPORATION OF DOCUMENTS BY REFERENCE; WHERE TO FIND MORE INFORMATION

The depositor may provide, at such time as may be required under relevant SEC rules and regulations, static pool information in response to Item 1105 of Regulation AB through an internet web site. If the depositor decides to provide such information, the applicable prospectus supplement accompanying this prospectus will disclose the specific internet address where such information is posted.

The administrator will prepare periodic reports as described in the prospectus supplement for each series of notes concerning the student loans in the related trust and certain activities of the trust. The reports will be sent to Cede & Co., as nominee of DTC. The administrator will not send reports directly to the beneficial holders of the notes. The reports will not constitute financial statements prepared in accordance with generally accepted accounting principles and will not be audited by our independent accountants.

The trusts are subject to the reporting requirements of the Securities Exchange Act of 1934 and to comply with those requirements, we will file with the Securities and Exchange Commission periodic reports, including reports on Forms 8-K and 10-D, an annual report on Form 10-K, and other information as required under SEC rules and regulations.

The SEC allows us to incorporate by reference into this prospectus the information we file with them, which means that we can disclose important information to you by referring you to the reports we file with the SEC. We hereby incorporate by reference all periodic reporting documents we file with the SEC after the date of this prospectus and before all of the notes have been issued.

You may read and copy our registration statement and reports and other information that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website at <http://www.sec.gov> from which our registration statement and reports are available.

The depositor will provide or cause to be provided without charge to each person to whom this prospectus and accompanying prospectus supplement is delivered in connection with the offering of one or more classes of the related series of notes, upon written or oral request of that person, a copy of any or all reports or information incorporated in this prospectus by reference, in each case to the extent the reports relate to one or more of the classes of the related series of notes, other than the exhibits to those documents, unless the exhibits are specifically incorporated by reference in the documents. Requests should be directed in writing to: Goal Capital Funding, LLC, 9477 Waples Street, Suite 100, San Diego, California 92121, or by phone at (858) 320-6799.

GLOSSARY OF TERMS

Some of the terms used in this prospectus are defined below. The indenture contains the definition of other terms used in this prospectus and reference is made to the indenture for those definitions.

“AUTHORIZED REPRESENTATIVE” shall mean, when used with reference to a Goal Capital Funding Trust any officer or board member of any affiliate organization or other entity authorized by the trust agreement to act on such Goal Capital Funding Trust’s behalf.

“BOOK-ENTRY FORM” or “BOOK-ENTRY SYSTEM” means a form or system under which (a) the beneficial right to principal and interest may be transferred only through a book entry, (b) physical securities in registered form are issued only to a securities depository or its nominee as registered owner, with the securities “immobilized” to the custody of the securities depository, and (c) the book entry is the record that identifies the owners of beneficial interests in that principal and interest.

“CODE” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“COLLECTION PERIOD” means, with respect to the first distribution date, the period beginning and ending on the dates specified in a related prospectus supplement, and for any subsequent distribution date, the three full calendar months preceding a distribution date or such other periods as may be described in a prospectus supplement.

“COUNTERPARTY” shall mean a third party which is obligated to make payments under a Derivative Product.

“DERIVATIVE PAYMENT DATE” shall mean, with respect to a Derivative Product, any date specified in the Derivative Product on which a payment is due and payable under the Derivative Product.

“DERIVATIVE PRODUCT” shall mean a written contract or agreement between a trust and a Counterparty, which provides that the trust’s obligations thereunder will be conditioned on the absence of (i) a failure by the Counterparty to make any payment required thereunder when due and payable, or (ii) a default thereunder with respect to the financial status of the Counterparty, and:

(a) under which the trust is obligated (whether on a net payment basis or otherwise), on one or more scheduled and specified Derivative Payment Dates, to make payments to a Counterparty in exchange for the Counterparty’s obligation (whether on a net payment basis or otherwise) to make payments to the trust, on one or more scheduled and specified Derivative Payment Dates, in the amounts set forth in the Derivative Product;

(b) for which the trust’s obligation to make payments may be secured by a pledge of and lien on its trust estate on an equal and ratable basis with any class of the trust’s outstanding notes and which payments may be equal in priority with any priority classification of the trust’s outstanding notes; and

(c) under which payments are to be made directly to the indenture trustee for deposit into the Collection Fund.

“DISTRIBUTION DATE” shall mean, for any note, any interest payment date, its stated maturity or the date of any other regularly scheduled principal payment with respect thereto.

“ELIGIBLE LENDER” shall mean any “eligible lender,” as defined in the Higher Education Act, and which has received an eligible lender designation from the Secretary with respect to loans made under the Higher Education Act.

“EVENT OF BANKRUPTCY” shall mean (a) a trust shall have commenced a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee,

receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or shall have made a general assignment for the benefit of creditors, or shall have declared a moratorium with respect to its debts or shall have failed generally to pay its debts as they become due, or shall have taken any action to authorize any of the foregoing; or (b) an involuntary case or other proceeding shall have been commenced against a trust seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property provided such action or proceeding is not dismissed within 60 days.

“FEDERAL REIMBURSEMENT CONTRACTS” shall mean the agreements between the guarantee agency and the Secretary providing for the payment by the Secretary of amounts authorized to be paid pursuant to the Higher Education Act, including (but not necessarily limited to) reimbursement of amounts paid or payable upon defaulted student loans and other student loans guaranteed or insured by the guarantee agency and interest benefit payments and special allowance payments to holders of qualifying student loans guaranteed or insured by the guarantee agency.

“FITCH” shall mean Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“GUARANTEE” or “GUARANTEED” shall mean, with respect to a student loan, the insurance or guarantee by the guarantee agency pursuant to such guarantee agency’s guarantee agreement of the maximum percentage of the principal of and accrued interest on such student loan allowed by the terms of the Higher Education Act with respect to such student loan at the time it was originated and the coverage of such student loan by the federal reimbursement contracts, providing, among other things, for reimbursement to the guarantee agency for payments made by it on defaulted student loans insured or guaranteed by the guarantee agency of at least the minimum reimbursement allowed by the Higher Education Act with respect to a particular student loan.

“GUARANTEE AGREEMENTS” shall mean a guaranty or lender agreement between the indenture trustee or eligible lender trustee and any guarantee agency, and any amendments thereto.

“GUARANTEE AGENCY” shall mean any entity authorized to guarantee student loans under the Higher Education Act and with which the indenture trustee or eligible lender trustee maintains a guarantee agreement.

“HIGHER EDUCATION ACT” shall mean the Higher Education Act of 1965, as amended or supplemented from time to time, or any successor federal act and all regulations, directives, bulletins, and guidelines promulgated from time to time thereunder.

“INDENTURE” shall mean each indenture of trust among a Goal Capital Funding Trust, the eligible lender trustee and the indenture trustee identified in the applicable prospectus supplement, including all supplements and amendments thereto.

“INSURANCE” or “INSURED” or “INSURING” means, with respect to a student loan, the insuring by the Secretary (as evidenced by a certificate of insurance or other document or certification issued under the provisions of the Higher Education Act) under the Higher Education Act of all or a portion of the principal of and accrued interest on such student loan.

“INTEREST PERIOD” OR “INTEREST ACCRUAL PERIOD” means, with respect to (a) LIBOR rate notes and any class of the reset rate notes that bears interest at a floating rate of interest, the period from and including the immediately preceding quarterly distribution date for such class of the notes, or in the case of the initial such period the date of issuance, to but excluding such current quarterly distribution date; provided that, if more than one interest rate change date occurs for any class of the reset rate notes within any given interest accrual period, the related rate of interest for the entire interest accrual period shall be as specified in the relevant remarketing terms notice; and (b) a class of the reset rate notes bearing a fixed rate of interest and (i) denominated in U.S. dollars, the period from and including the 25th day of the month of the month containing the immediately preceding quarterly distribution date, to and including the 24th day of the month containing the current quarterly

distribution date for such class of the reset rate notes, or (ii) denominated in a currency other than U.S. dollars, (A) the period from and including the 25th day of the month containing the immediately preceding quarterly distribution date, to and including the 24th day of the month containing the current quarterly distribution date or (B) as otherwise specified in a related prospectus supplement

“INTEREST BENEFIT PAYMENT” shall mean an interest payment on student loans received pursuant to the Higher Education Act and an agreement with the federal government, or any similar payments.

“MOODY’S” shall mean Moody’s Investors Service, Inc. and its successors and assigns.

“NOTES” shall mean a trust’s notes or other obligations issued under an indenture.

“PARTICIPANT” means a member of, or participant in, the depository.

“QUARTERLY FUNDING AMOUNT” shall mean, for each applicable quarterly distribution date, the monies deposited into the Remarketing Fee Fund, prior to the payment of interest on any of the notes, for payment of the remarketing agents’ fees.

“RATING AGENCY” shall mean, collectively, S&P, Fitch and Moody’s and their successors and assigns or any other rating agency requested by a Goal Capital Funding Trust to maintain a rating on any of its notes.

“RATING AGENCY CONDITION” shall mean, with respect to any action, that each rating agency shall have been given prior notice thereof and that each of the rating agencies shall have issued a rating confirmation.

“RATING CONFIRMATION” means a letter from each rating agency then providing a rating for any of the notes, confirming that the action proposed to be taken by a trust will not, in and of itself, result in a downgrade of any of the ratings then applicable to the notes, or cause any rating agency to suspend or withdraw the ratings then applicable to the notes issued by that trust.

“REGISTERED OWNER” shall mean the person in whose name a note is registered on the note registration books maintained by the indenture trustee, and shall also mean with respect to a derivative product, any counterparty, unless the context otherwise requires.

“RESET PERIOD TARGET AMOUNT” shall mean an amount for deposit into the Remarketing Fee Fund to be set for the reset rate notes for each reset period, which will not exceed 0.10% per annum of the outstanding principal balance of the reset rate notes, or such other amount that satisfies the rating agency condition.

“REVENUE” or “REVENUES” shall mean all amounts received by the indenture trustee from or on account of any student loan as a recovery of the principal amount thereof, all payments, proceeds, charges and other income received by the indenture trustee or a trust from or on account of any student loan (including scheduled, delinquent and advance payments of and any insurance proceeds with respect to, interest, including interest benefit payments, on any student loan and any special allowance payment received by a trust with respect to any student loan) and all interest earned or gain realized from the investment of amounts in any fund or account and all payments received by a trust pursuant to a derivative product.

“S&P” shall mean Standard & Poor’s Rating Services, a Division of The McGraw-Hill Companies, Inc., its successors and assigns.

“SECRETARY” shall mean the Secretary of the United States Department of Education or any successor to the pertinent functions thereof, under the Higher Education Act or when the context so requires, the former Commissioner of Education of the United States Department of Health, Education and Welfare.

“SELLER” shall mean the depositor and any eligible lender from which the depositor is purchasing or has purchased or agreed to purchase student loans for subsequent sale to a Goal Capital Funding Trust.

“SERVICER” shall mean any servicer or subservicer selected by a trust, including an affiliate of a trust.

“SPECIAL ALLOWANCE PAYMENTS” shall mean the special allowance payments authorized to be made by the Secretary by Section 438 of the Higher Education Act, or similar allowances, if any, authorized from time to time by federal law or regulation.

“SUPPLEMENTAL INDENTURE” shall mean an agreement supplemental to an indenture executed pursuant to an indenture.

“SUPPLEMENTAL INTEREST DEPOSIT AMOUNT” shall mean, for any quarterly distribution date and any Supplemental Interest Fund, an amount that satisfies the rating agency condition.

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APPENDIX A
DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

The information in this Appendix A is an integral part of the prospectus and is incorporated in the prospectus.

THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

The Higher Education Act provides for a program of direct federal insurance for student loans as well as reinsurance of student loans guaranteed or insured by state agencies or private non-profit corporations.

The Higher Education Act currently authorizes certain student loans to be covered under the Federal Family Education Loan Program. The Higher Education Reconciliation Act of 2005 extended the authorization for the Federal Family Education Loan Program through September 30, 2012. Congress has extended similar authorization dates in prior versions of the Higher Education Act. However, the current authorization dates may not again be extended and the other provisions of the Higher Education Act may not be continued in their present form.

Generally, a student is eligible for loans made under the Federal Family Education Loan Program only if he or she:

- has been accepted for enrollment or is enrolled in good standing at an eligible institution of higher education;
- is carrying or planning to carry at least one-half the normal full-time workload for the course of study the student is pursuing as determined by the institution;
- has agreed to notify promptly the holder of the loan of any address change;
- is not in default on any federal education loans;
- meets the applicable “needs” requirements; and
- has not committed a crime involving fraud in obtaining funds under the Higher Education Act which funds have not been fully repaid.

Eligible institutions include higher educational institutions and vocational schools that comply with specific federal regulations. Each loan is to be evidenced by an unsecured note.

The Higher Education Act also establishes maximum interest rates for each of the various types of loans. These rates vary not only among loan types, but also within loan types depending upon when the loan was made or when the borrower first obtained a loan under the Federal Family Education Loan Program. The Higher Education Act allows lesser rates of interest to be charged.

TYPES OF LOANS

Four types of loans are currently available under the Federal Family Education Loan Program:

- Subsidized Stafford Loans
- Unsubsidized Stafford Loans
- PLUS Loans

- Consolidation Loans

These loan types vary as to eligibility requirements, interest rates, repayment periods, loan limits and eligibility for interest subsidies and special allowance payments. Some of these loan types have had other names in the past. References to these various loan types include, where appropriate, their predecessors.

The primary loan under the Federal Family Education Loan Program is the subsidized Federal Stafford Loan (the "Subsidized Stafford Loan" or the "Stafford Loan"). Students who are not eligible for Subsidized Stafford Loans based on their economic circumstances may be able to obtain unsubsidized Federal Stafford Loans ("Unsubsidized Stafford Loans"). Graduate or professional students and parents of students may be able to obtain PLUS Loans. Consolidation Loans are available to borrowers with existing loans made under the Federal Family Education Loan Program and other federal programs to consolidate repayment of the borrower's existing loans. Prior to July 1, 1994, the Federal Family Education Loan Program also offered Federal Supplemental Loans for Students ("SLS Loans") to graduate and professional students and independent undergraduate students and, under certain circumstances, dependent undergraduate students, to supplement their Federal Stafford Loans.

SUBSIDIZED STAFFORD LOANS

GENERAL. Subsidized Stafford Loans are eligible for reinsurance under the Higher Education Act if the eligible student to whom the loan is made has been accepted or is enrolled in good standing at an eligible institution of higher education or vocational school and is carrying at least one-half the normal full-time workload at that institution. Subsidized Stafford Loans have limits as to the maximum amount which may be borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study. Both aggregate limitations exclude loans made under the Federal SLS Loan and Federal PLUS Loan programs. The Secretary of Education has discretion to raise these limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subsidized Stafford Loans are generally made only to student borrowers who meet the needs tests provided in the Higher Education Act. Provisions addressing the implementation of needs analysis and the relationship between unmet need for financing and the availability of Subsidized Stafford Loan program funding have been the subject of frequent and extensive amendment in recent years. Further amendment to such provisions may materially affect the availability of Subsidized Stafford Loan funding to borrowers or the availability of Subsidized Stafford Loans for secondary market acquisition.

INTEREST RATES FOR SUBSIDIZED STAFFORD LOANS. For a Stafford Loan made prior to July 1, 1994, the applicable interest rate for a borrower who, on the date the promissory note was signed, did not have an outstanding balance on a previous Federal Family Education Loan Program loan:

- (1) is 7% per annum for a loan covering a period of instruction beginning before January 1, 1981;
- (2) is 9% per annum for a loan covering a period of instruction beginning on or after January 1, 1981, but before September 13, 1983;
- (3) is 8% per annum for a loan covering a period of instruction beginning on or after September 13, 1983, but before July 1, 1988;
- (4) is 8% per annum for the period from the disbursement of the loan to the date which is four years after the loan enters repayment, for a loan made prior to October 1, 1992, covering a period of instruction beginning on or after July 1, 1988, and thereafter shall be adjusted annually, and for any 12-month period commencing on a July 1 shall be equal to the bond equivalent rate of 91-day U.S. Treasury bills auctioned at the final auction prior to the preceding June 1, plus 3.25% per annum (but not to exceed 10% per annum); or
- (5) for a loan made on or after October 1, 1992 shall be adjusted annually, and for any 12-month period commencing on a July 1 shall be equal to the bond equivalent rate of 91-day U.S. Treasury bills auctioned at the final auction prior to the preceding June 1, plus 3.1% per annum (but not to exceed 9% per annum).

For a Stafford Loan made prior to July 1, 1994, the applicable interest rate for a borrower who, on the date the promissory note evidencing the loan was signed, had an outstanding balance on a previous loan made, insured or guaranteed under the Federal Family Education Loan Program:

(6) for a loan made prior to July 23, 1992 is the applicable interest rate on the previous loan or, if the previous loan is not a Stafford Loan, 8% per annum, or

(7) for a loan made on or after July 23, 1992 shall be adjusted annually, and for any twelve month period commencing on a July 1 shall be equal to the bond equivalent rate of 91-day U.S. Treasury bills auctioned at the final auction prior to the preceding June 1, plus 3.1% per annum but not to exceed:

- 7% per annum in the case of a Stafford Loan made to a borrower who has a loan described in clause (1) above;
- 8% per annum in the case of:
 - a Stafford Loan made to a borrower who has a loan described in clause (3) above;
 - a Stafford Loan which has not been in repayment for four years and which was made to a borrower who has a loan described in clause (4) above;
 - a Stafford Loan for which the first disbursement was made prior to December 20, 1993 to a borrower whose previous loans do not include a Stafford Loan or an Unsubsidized Stafford Loan;
- 9% per annum in the case of a Stafford Loan made to a borrower who has a loan described in clauses (2) or (5) above or a Stafford Loan for which the first disbursement was made on or after December 20, 1993 to a borrower whose previous loans do not include a Stafford Loan or an Unsubsidized Stafford Loan; and
- 10% per annum in the case of a Stafford Loan which has been in repayment for four years or more and which was made to a borrower who has a loan described in clause (4) above.

The interest rate on all Stafford Loans made on or after July 1, 1994 but prior to July 1, 1998, regardless of whether the borrower is a new borrower or a repeat borrower, is the rate described in clause (7) above, except that the interest rate shall not exceed 8.25% per annum. For any Stafford Loan made on or after July 1, 1995, the interest rate is further reduced prior to the time the loan enters repayment and during any deferment periods. During these periods, the formula described in clause (7) above is applied, except that 2.5% is substituted for 3.1%, and the rate shall not exceed 8.25% per annum.

For Stafford Loans made on or after July 1, 1998 but before July 1, 2006, the applicable interest rate shall be adjusted annually, and for any twelve month period commencing on a July 1 shall be equal to the bond equivalent rate of 91-day U.S. Treasury bills auctioned at the final auction prior to the preceding June 1, plus 1.7% per annum prior to the time the loan enters repayment and during any deferment periods, and 2.3% per annum during repayment, but not to exceed 8.25% per annum.

For Stafford Loans the first disbursement of which is made on or after July 1, 2006, the applicable interest rate will be 6.8%. There can be no assurance that the interest rate provisions for these loans will not be further amended.

UNSUBSIDIZED STAFFORD LOANS

GENERAL. The Unsubsidized Stafford Loan program was created by Congress in 1992 for students who do not qualify for Subsidized Stafford Loans due to parental and/or student income and assets in excess of permitted amounts. These students are entitled to borrow the difference between the Stafford Loan maximum for their status (dependent or independent) and their Subsidized Stafford Loan eligibility through the Unsubsidized Stafford Loan

program. The general requirements for Unsubsidized Stafford Loans are essentially the same as those for Subsidized Stafford Loans. The interest rate, the annual loan limits and the special allowance payment provisions of the Unsubsidized Stafford Loans are the same as the Subsidized Stafford Loans. However, the terms of the Unsubsidized Stafford Loans differ materially from Subsidized Stafford Loans in that the federal government will not make interest subsidy payments and the loan limitations are determined without respect to the expected family contribution. The borrower will be required to either pay interest from the time the loan is disbursed or capitalize the interest until repayment begins and during periods of deferment. Unsubsidized Stafford Loans were not available before October 1, 1992. A student meeting the general eligibility requirements for a loan under the Federal Family Education Loan Program is eligible for an Unsubsidized Stafford Loan without regard to need.

INTEREST RATES FOR Unsubsidized Stafford Loans. Unsubsidized Stafford Loans are subject to the same interest rate provisions as Subsidized Stafford Loans.

PLUS LOANS

GENERAL. PLUS Loans are made only to borrowers who are graduate or professional students, or parents, and under certain circumstances spouses of remarried parents, of dependent undergraduate students. For Federal PLUS Loans ("PLUS Loans") made on or after July 1, 1993, the borrower must not have an adverse credit history as determined pursuant to criteria established by the Department of Education. The basic provisions applicable to PLUS Loans are similar to those of Subsidized Stafford Loans with respect to the involvement of guarantee agencies and the Secretary of Education in providing federal reinsurance on the loans. However, PLUS Loans differ significantly from Subsidized Stafford Loans, in that federal interest subsidy payments are not available under the PLUS Loan program and special allowance payments are more restricted.

INTEREST RATES FOR PLUS LOANS. The applicable interest rate depends upon the date of issuance of the loan and the period of enrollment for which the loan is to apply. The applicable interest rate on a PLUS Loan:

- made on or after January 1, 1981, but before October 1, 1981, is 9% per annum;
- made on or after October 1, 1981, but before November 1, 1982, is 14% per annum;
- made on or after November 1, 1982, but before July 1, 1987, is 12% per annum;
- made on or after July 1, 1987, but before October 1, 1992 shall be adjusted annually, and for any 12-month period beginning on July 1 shall be equal to the weekly average one-year constant maturity Treasury Yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before the preceding June 26, plus 3.25% per annum (but not to exceed 12% per annum);
- made on or after October 1, 1992, but before July 1, 1994, shall be adjusted annually, and for any 12-month period beginning on July 1 shall be equal to the weekly average one-year constant maturity Treasury Yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before the preceding June 26, plus 3.1% per annum (but not to exceed 10% per annum);
- made on or after July 1, 1994, but before July 1, 1998, is the same as that for a loan made on or after October 1, 1992, but before July 1, 1994, except that such rate shall not exceed 9% per annum;
- made on or after July 1, 1998, but before July 1, 2006, shall be adjusted annually, and for any 12-month period beginning on July 1 shall be equal to the bond equivalent rate of 91-day U.S. Treasury bills auctioned at the final auction prior to the preceding June 1, plus 3.1% per annum (but not to exceed 9% per annum); or
- made on or after July 1, 2006, will be 8.5%.

SLS LOANS

GENERAL. SLS Loans were limited to graduate or professional students, independent undergraduate students, and dependent undergraduate students, if the students' parents were unable to obtain a PLUS Loan and were also unable to provide the students' expected family contribution. Except for dependent undergraduate students, eligibility for SLS Loans was determined without regard to need. SLS Loans are similar to Subsidized Stafford Loans with respect to the involvement of guarantee agencies and the Secretary of Education in providing federal reinsurance on the loans. However, SLS Loans differ significantly from Subsidized Stafford Loans, particularly because federal interest subsidy payments are not available under the SLS Loan program and special allowance payments are more restricted.

INTEREST RATES FOR SLS LOANS. The applicable interest rates on SLS Loans made prior to October 1, 1992 are identical to the applicable interest rates on PLUS Loans made at the same time. For SLS Loans made on or after October 1, 1992, the applicable interest rate is the same as the applicable interest rate on PLUS Loans, except that the ceiling is 11% per annum instead of 10% per annum.

CONSOLIDATION LOANS

GENERAL. The Higher Education Act authorizes a program under which certain borrowers may consolidate their various student loans into a single loan insured and reinsured on a basis similar to Subsidized Stafford Loans. Consolidation Loans also may be obtained in an amount sufficient to pay outstanding principal, unpaid interest and late charges on federally insured or reinsured student loans incurred under the Federal Family Education Loan Program, as well as loans made pursuant to the Federal Perkins (formally "National Direct Student Loan") and Health Professional Student Loan programs. To be eligible for a Consolidation Loan, a borrower must:

- have outstanding indebtedness on student loans made under the Federal Family Education Loan Program and/or certain other federal student loan programs; and
- be in repayment status or in a grace period; or
- be a defaulted borrower who has made arrangements to repay any defaulted loan satisfactory to the holder of the defaulted loan.

If requested by the borrower, an eligible lender may combine SLS or PLUS Loans of the same borrower held by the lender under a single repayment schedule. The repayment period for each included loan shall be based on the commencement of repayment of the most recent loan. The combined loans will bear interest at a rate equal to the weighted average of the rates of the included loans. Such combination will not be treated as the making of a new loan. In addition, at the request of the borrower, a lender may refinance an existing fixed rate SLS or PLUS Loan, including an SLS or PLUS Loan held by a different lender who has refused to refinance the loan, at a variable interest rate. In this case, proceeds of the new loan are used to discharge the original loan.

A married couple who agree to be jointly liable on a Consolidation Loan, for which the application is received on or after January 1, 1993 but before July 1, 2006, may be treated as an individual for purposes of obtaining a Consolidation Loan. For Consolidation Loans disbursed prior to July 1, 1994 the borrower was required to have outstanding student loan indebtedness of at least \$7,500. Prior to the adoption of the Higher Education Technical Amendments Act of 1993, PLUS Loans could not be included in the Consolidation Loan. For Consolidation Loans for which the applications were received prior to January 1, 1993, the minimum student loan indebtedness was \$5,000 and the borrower could not be delinquent more than 90 days in the payment of such indebtedness. For applications received on or after January 1, 1993, borrowers may add additional loans to a Consolidation Loan during the 180-day period following the origination of the Consolidation Loan.

INTEREST RATES FOR CONSOLIDATION LOANS. A Consolidation Loan made prior to July 1, 1994 bears interest at a rate equal to the weighted average of the interest rates on the loans retired, rounded to the nearest whole percent, but not less than 9% per annum. Except as described in the next sentence, a Consolidation Loan made on or after July 1, 1994 bears interest at a rate equal to the weighted average of the interest rates on the loans

retired, rounded upward to the nearest whole percent, but with no minimum rate. For a Consolidation Loan for which the application is received by an eligible lender on or after November 13, 1997 and before October 1, 1998, the interest rate shall be adjusted annually, and for any twelve-month period commencing on a July 1 shall be equal to the bond equivalent rate of 91-day U.S. Treasury bills auctioned at the final auction prior to the preceding June 1, plus 3.1% per annum, but not to exceed 8.25% per annum. Notwithstanding these general interest rates, the portion, if any, of a Consolidation Loan that repaid a loan made under title VII, Sections 700-721 of the Public Health Services Act, as amended, has a different variable interest rate. Such portion is adjusted on July 1 of each year, but is the sum of the average of the T-Bill Rates auctioned for the quarter ending on the preceding June 30, plus 3.0%, without any cap on the interest rate. Consolidation Loans for which the application is received on or after October 1, 1998 will bear interest at a per annum rate equal to the lesser of 8.25% or the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of 1%. For a discussion of required payments that reduce the return on Consolidation Loans, see "Fees - Rebate Fees on Consolidation Loans" in this Appendix A.

MAXIMUM LOAN AMOUNTS

Each type of loan is subject to limits on the maximum principal amount, both with respect to a given year and in the aggregate. Consolidation Loans are limited only by the amount of eligible loans to be consolidated. All of the loans are limited to the difference between the cost of attendance and the other aid available to the student. Stafford Loans are also subject to limits based upon needs analysis. Additional limits are described below.

LOAN LIMITS FOR SUBSIDIZED STAFFORD AND UNSUBSIDIZED STAFFORD LOANS. Subsidized Stafford and Unsubsidized Stafford Loans are generally treated as one loan type for loan limit purposes. A student who has not successfully completed the first year of a program of undergraduate education may borrow up to \$2,625 in an academic year if the loan is made prior to July 1, 2007, and up to \$3,500 in an academic year if the loan is made on or after July 1, 2007. A student who has successfully completed the first year, but who has not successfully completed the second year may borrow up to \$3,500 per academic year if the loan is made prior to July 1, 2007, and up to \$4,500 in an academic year if the loan is made on or after July 1, 2007. An undergraduate student who has successfully completed the first and second year, but who has not successfully completed the remainder of a program of undergraduate education, may borrow up to \$5,500 per academic year. For students enrolled in programs of less than an academic year in length, the limits are generally reduced in proportion to the amount by which the programs are less than one year in length. A graduate or professional student may borrow up to \$8,500 in an academic year. Independent graduate and independent undergraduate students are also eligible for additional Unsubsidized Stafford Loan Funds. Maximum additional Unsubsidized Stafford Loan funds are \$4,000 for first and second-year undergraduates, \$5,000 for additional years of undergraduate education and \$10,000 for graduate students. The maximum additional Unsubsidized Stafford Loan amount for graduate students increases to \$12,000 on July 1, 2007. The maximum aggregate amount of Subsidized Stafford and Unsubsidized Stafford Loans, including that portion of a Consolidation Loan used to repay such loans, which an undergraduate student may have outstanding is \$23,000 (\$46,000 for independent students, of which only \$23,000 may be Subsidized Stafford Loans). The maximum aggregate amount of Subsidized Stafford and Unsubsidized Stafford Loans, including the portion of a Consolidation Loan used to repay such loans for a graduate and professional student, including loans for undergraduate education, is \$138,000, of which only \$65,000 may be Subsidized Stafford Loans. This amount increases to \$140,500 on July 1, 2007. The Secretary of Education is authorized to increase the limits applicable to graduate and professional students who are pursuing programs which the Secretary of Education determines to be exceptionally expensive.

Prior to the enactment of the Higher Education Amendments of 1992, an undergraduate student who had not successfully completed the first and second year of a program of undergraduate education could borrow Stafford Loans in amounts up to \$2,625 in an academic year. An undergraduate student who had successfully completed the first and second year, but who had not successfully completed the remainder of a program of undergraduate education could borrow up to \$4,000 per academic year. The maximum for graduate and professional students was \$7,500 per academic year. The maximum aggregate amount of Stafford Loans which a borrower could have outstanding, including that portion of a Consolidation Loan used to repay such loans, was \$17,250. The maximum aggregate amount for a graduate or professional student, including loans for undergraduate education, was \$54,750. Prior to the 1986 changes, the annual limits were generally lower.

LOAN LIMITS FOR PLUS LOANS. For PLUS Loans made on or after July 1, 1993, the amounts of PLUS Loans are limited only by the student's unmet need. Prior to that time PLUS Loans were subject to limits similar to those of SLS Loans applied with respect to each student on behalf of whom the parent borrowed.

LOAN LIMITS FOR SLS LOANS. A student who had not successfully completed the first and second year of a program of undergraduate education could borrow an SLS Loan in an amount of up to \$4,000. A student who had successfully completed the first and second year, but who had not successfully completed the remainder of a program of undergraduate education could borrow up to \$5,000 per year. Graduate and professional students could borrow up to \$10,000 per year. SLS Loans were subject to an aggregate maximum of \$23,000 (\$73,000 for graduate and professional students). Prior to the 1992 changes, SLS Loans were available in amounts of \$4,000 per academic year, up to a \$20,000 aggregate maximum. Prior to the 1986 changes, a graduate or professional student could borrow \$3,000 of SLS Loans per academic year, up to a \$15,000 maximum, and an independent undergraduate student could borrow \$2,500 of SLS Loans per academic year minus the amount of all other Federal Family Education Loan Program loans to such student for such academic year, up to the maximum amount of all Federal Family Education Loan Program loans to that student of \$12,500. In 1989, the amount of SLS Loans for students enrolled in programs of less than an academic year in length were limited in a manner similar to the limits described above under "Subsidized Federal Stafford Loans."

DISBURSEMENT REQUIREMENTS

The Higher Education Act now requires that most Stafford Loans and PLUS Loans be disbursed by eligible lenders in at least two separate installments. The proceeds of a loan made to any undergraduate first-year student borrowing for the first time under the program must be delivered to the student no earlier than thirty days after the enrollment period begins, unless the school is a low cohort default rate school.

REPAYMENT

REPAYMENT PERIODS. Loans made under the Federal Family Education Loan Program, other than Consolidation Loans, must provide for repayment of principal in periodic installments over a period of not less than five nor more than ten years. After the 1998 Amendments, lenders are required to offer extended repayment schedules to new borrowers who accumulate outstanding loans of more than \$30,000, in which case the repayment period may extend up to 25 years subject to certain minimum repayment amounts. A Consolidation Loan must be repaid during a period agreed to by the borrower and lender, subject to maximum repayment periods which vary depending upon the principal amount of the borrower's outstanding student loans, but may not be longer than 30 years. For Consolidation Loans for which the application was received prior to January 1, 1993, the repayment period could not exceed 25 years. Repayment of principal on a Stafford Loan does not commence while a student remains a qualified student, but begins upon expiration of the applicable grace period. For Stafford Loans for which the applicable rate of interest is 7% per annum, the repayment period commences not more than twelve months after the borrower ceases to pursue at least a half-time course of study. For other Stafford Loans and Unsubsidized Stafford Loans, the repayment period commences not more than six months after the borrower ceases to pursue at least a half-time course of study. The six month or twelve month periods are the "grace periods."

In the case of SLS, PLUS and Consolidated Loans, the repayment period commences on the date of final disbursement of the loan, except that the borrower of an SLS Loan who also has a Stafford Loan may postpone repayment of the SLS Loan to coincide with the commencement of repayment of the Stafford or Unsubsidized Stafford Loan. During periods in which repayment of principal is required, payments of principal and interest must in general be made at a rate of not less than the greater of \$600 per year or the interest that accrues during the year, except that a borrower and lender may agree to a lesser rate at any time before or during the repayment period. A borrower may agree, with concurrence of the lender, to repay the loan in less than five years with the right subsequently to extend his minimum repayment period to five years. Borrowers may accelerate, without penalty, the repayment of all or any part of the loan.

INCOME-SENSITIVE REPAYMENT SCHEDULES. Since 1992, lenders of Consolidation Loans have been required to establish graduated or income-sensitive repayment schedules and lenders of Stafford and SLS Loans have been required to offer borrowers the option of repaying in accordance with graduated or income-sensitive repayment schedules. A trust may implement graduated repayment schedules and income-sensitive

repayment schedules. Use of income-sensitive repayment schedules may extend the ten-year maximum term for up to five years. In addition, if the repayment schedule on a loan that has been converted to a variable interest rate does not provide for adjustments to the amount of the monthly installment payments, the ten-year maximum term may be extended for up to three years.

DEFERMENT PERIODS. No principal repayments need be made during certain periods of deferment prescribed by the Higher Education Act. For loans to a borrower who first obtained a loan which was disbursed before July 1, 1993, deferments are available:

- during a period not exceeding three years while the borrower is a member of the Armed Forces, an officer in the Commissioned Corps of the Public Health Service or, with respect to a borrower who first obtained a student loan disbursed on or after July 1, 1987, or a student loan to cover the cost of instruction for a period of enrollment beginning on or after July 1, 1987, an active duty member of the National Oceanic and Atmospheric Administration Corps;
- during a period not in excess of three years while the borrower is a volunteer under the Peace Corps Act;
- during a period not in excess of three years while the borrower is a full-time volunteer under the Domestic Volunteer Act of 1973;
- during a period not exceeding three years while the borrower is in service, comparable to the service described above as a full-time volunteer for an organization which is exempt from taxation under Section 501(c)(3) of the Code;
- during a period not exceeding two years while the borrower is serving an internship necessary to receive professional recognition required to begin professional practice or service, or a qualified internship or residency program;
- during a period not exceeding three years while the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or while the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled;
- during a period not to exceed twenty-four months while the borrower is seeking and unable to find full-time employment;
- during any period that the borrower is pursuing a full-time course of study at an eligible institution (or, with respect to a borrower who first obtained a student loan disbursed on or after July 1, 1987, or a student loan to cover the cost of instruction for a period of enrollment beginning on or after July 1, 1987, is pursuing at least a half-time course of study for which the borrower has obtained a loan under the Federal Family Education Loan Program), or is pursuing a course of study pursuant to a graduate fellowship program or a rehabilitation training program for disabled individuals approved by the Secretary of Education;
- during a period, not in excess of 6 months, while the borrower is on parental leave; and
- only with respect to a borrower who first obtained a student loan disbursed on or after July 1, 1987, or a student loan to cover the cost of instruction for a period of enrollment beginning on or after July 1, 1987, during a period not in excess of three years while the borrower is a full-time teacher in a public or nonprofit private elementary or secondary school in a “teacher shortage area” (as prescribed by the Secretary of Education), and during a period not in excess of 12 months for mothers, with preschool age children, who are entering or re-entering the work force and who are compensated at a rate not exceeding \$1 per hour in excess of the federal minimum wage.

For loans to a borrower who first obtains a loan on or after July 1, 1993, deferments are available:

- during any period that the borrower is pursuing at least a half-time course of study at an eligible institution or a course of study pursuant to a graduate fellowship program or rehabilitation training program approved by the Secretary;
- during a period not exceeding three years while the borrower is seeking and unable to find full-time employment; and
- during a period not in excess of three years for any reason which the lender determines, in accordance with regulations under the Higher Education Act, has caused or will cause the borrower economic hardship. Economic hardship includes working full time and earning an amount not in excess of the greater of the minimum wage or the poverty line for a family of two. Additional categories of economic hardship are based on the relationship between a borrower's educational debt burden and his or her income.

Borrowers who obtain loans for which the first disbursement is made on or after July 1, 2001, may obtain deferments during a period not in excess of three years while serving on active military duty during a war or other military operation or national emergency or while performing qualifying National Guard duty during a war or other military operation or national emergency, or the borrower is on active military duty or the borrower is in reserve status and called to active duty.

Prior to the 1992 changes, only certain of the deferment periods described above were available to PLUS Loan borrowers, and only certain deferment periods were available to Consolidation Loan borrowers. Prior to the 1986 changes, PLUS Loan borrowers were not entitled to certain deferment periods. Deferment periods extend the ten-year maximum term.

FORBEARANCE PERIOD. The Higher Education Act also provides for periods of forbearance during which the borrower, in case of temporary financial hardship, may defer any payments. A borrower is entitled to forbearance for a period not to exceed three years while the borrower's debt burden under Title IV of the Higher Education Act (which includes the Federal Family Education Loan Program) equals or exceeds 20% of the borrower's gross income, and also is entitled to forbearance while he or she is serving in a qualifying medical or dental internship program or in a "national service position" under the National and Community Service Trust Act of 1993. In addition, mandatory administrative forbearances are provided in exceptional circumstances such as a local or national emergency or military mobilization, or when the geographical area in which the borrower or endorser resides has been designated a disaster area by the President of the United States or Mexico, the Prime Minister of Canada, or by the governor of a state. In other circumstances, forbearance is at the lender's option. Forbearance also extends the ten year maximum term.

INTEREST PAYMENTS DURING GRACE, DEFERMENT AND FORBEARANCE PERIODS. The Secretary of Education makes interest payments on behalf of the borrower of certain eligible loans while the borrower is in school and during grace and deferment periods. Interest that accrues during forbearance periods and, if the loan is not eligible for interest subsidy payments, while the borrower is in school and during the grace and deferment periods, may be paid monthly or quarterly or capitalized.

FEES

GUARANTEE FEE AND FEDERAL DEFAULT FEE. For loans for which the date of guarantee of principal is before July 1, 2006, a guarantee agency is authorized to charge a premium, or guarantee fee, of up to 1% of the principal amount of the loan, which must be deducted proportionately from each installment payment of the proceeds of the loan to the borrower. For loans for which the date of guarantee of principal is on or after July 1, 2006, a guarantee agency is required to deposit into the Federal Student Loan Reserve Fund a Federal default fee in an amount equal to 1.0% of the principal amount of the loan. The fee is to be either deducted from the proceeds of the loan or paid from other non-Federal sources. Guarantee fees may not currently be charged to borrowers of Consolidation Loans. For loans made prior to July 1, 1994, the maximum guarantee fee was 3% of the principal

amount of the loan, but no such guarantee fee was authorized to be charged with respect to Unsubsidized Stafford Loans.

ORIGINATION FEE. An eligible lender is authorized to charge the borrower of a Subsidized Stafford Loan and an Unsubsidized Stafford Loan an origination fee in the amount equal to the percentage of the principal amount of the loan shown below:

- 3% with respect to loans for which the first disbursement of principal is made before July 1, 2006;
- 2% with respect to loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2007;
- 1.5% with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;
- 1.0% with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;
- 0.5% with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and
- 0.0% with respect to loans for which the first disbursement of principal is made on or after July 1, 2010.

An eligible lender is required to charge the borrower of a PLUS Loan an origination fee of 3% of the principal amount of the loan. These fees must be deducted proportionately from each installment payment of the loan proceeds prior to payment to the borrower. These fees are not retained by the lender, but must be passed on to the Secretary of Education.

LENDER ORIGINATION FEE. The lender of any loan under the Federal Family Education Loan Program made on or after October 1, 1993 is required to pay to the Secretary of Education a fee equal to 0.5% of the principal amount of such loan.

REBATE FEE ON CONSOLIDATION LOANS. The holder of any Consolidation Loan made on or after October 1, 1993 is required to pay to the Secretary of Education a monthly fee equal to .0875% (1.05% per annum) of the principal amount of, and accrued interest on the Consolidation Loan. For loans made pursuant to applications received on or after October 1, 1998, and on or before January 31, 1999 the fee on consolidation loans of 1.05% is reduced to .62%.

INTEREST SUBSIDY PAYMENTS

Interest subsidy payments are interest payments paid with respect to an eligible loan before the time that the loan enters repayment and during grace and deferment periods. The Secretary of Education and the guarantee agencies enter into interest subsidy agreements whereby the Secretary of Education agrees to pay interest subsidy payments to the holders of eligible guaranteed loans for the benefit of students meeting certain requirements, subject to the holders' compliance with all requirements of the Higher Education Act. Only Subsidized Stafford Loans and Consolidation Loans for which the application was received on or after January 1, 1993, are eligible for interest subsidy payments. Consolidation Loans made after August 10, 1993 are eligible for interest subsidy payments only if all loans consolidated thereby are Subsidized Stafford Loans, except that Consolidation Loans for which the application is received by an eligible lender on or after November 13, 1997, are eligible for interest subsidy payments on that portion of the Consolidation Loan that repays subsidized Federal Family Education Loan Program loans or similar subsidized loans made under the direct loan program. The portion of the Consolidation Loan that repays HEAL loans is not eligible for interest subsidy, regardless of the date the Consolidation Loan was made. In addition, to be eligible for interest subsidy payments, guaranteed loans must be made by an eligible lender under the

applicable guarantee agency's guarantee program, and must meet requirements prescribed by the rules and regulations promulgated under the Higher Education Act.

The Secretary of Education makes interest subsidy payments quarterly on behalf of the borrower to the holder of a guaranteed loan in a total amount equal to the interest which accrues on the unpaid principal amount prior to the commencement of the repayment period of the loan or during any deferment period.

SPECIAL ALLOWANCE PAYMENTS

The Higher Education Act provides for special allowance payments to be made by the Secretary of Education to eligible lenders. The rates for special allowance payments are based on formulas that differ according to the type of loan, the date the loan was originally made or insured and the type of funds used to finance the loan (taxable or tax-exempt).

The effective formulas for special allowance payment rates for Subsidized Stafford and Unsubsidized Stafford Loans are summarized in the following chart. The T-Bill Rate mentioned in the chart refers to the average of the bond equivalent yield of the 91-day Treasury bills auctioned during the preceding quarter.

Date of Loans	Annualized SAP Rate
On or after October 1, 1981	T-Bill Rate less Applicable Interest Rate + 3.5%
On or after November 16, 1986	T-Bill Rate less Applicable Interest Rate + 3.25%
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.1%
On or after July 1, 1995	T-Bill Rate less Applicable Interest Rate + 3.1% ¹
On or after July 1, 1998	T-Bill Rate less Applicable Interest Rate + 2.8% ²
On or after January 1, 2000	3-Month Commercial Paper Rate less Applicable Interest Rate + 2.34% ³

¹Substitute 2.5% in this formula while loans are in-school, grace or deferment status.

²Substitute 2.2% in this formula while such loans are in-school, grace or deferment status.

³Substitute 1.74% in this formula while such loans are in-school, grace or deferment status.

PLUS, SLS AND CONSOLIDATION LOANS. The formula for special allowance payments on PLUS, SLS and Consolidation Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less applicable Interest Rate + 3.1%
On or after January 1, 2000	3-Month Commercial Paper Rate less applicable Interest Rate + 2.64%

For PLUS and SLS Loans which bear interest at rates adjusted annually, special allowance payments are made only in quarters during which the interest rate ceiling on such loans operates to reduce the rate that would otherwise apply based upon the applicable formula. See "Interest Rates for PLUS Loans" and "Interest Rates for SLS Loans" in this prospectus. Special allowance payments are available on variable rate PLUS Loans and SLS Loans made on or after July 1, 1987 and before July 1, 1994, and on any PLUS Loans made on or after July 1, 1998 and before January 1, 2000, only if the variable rate, which is reset annually, based on the weekly average one-year constant maturity Treasury yield for loans made before July 1, 1998 and based on the 91-day or 52-week Treasury bill, as applicable for loans made on or after July 1, 1998, exceeds the applicable maximum borrower rate. The maximum borrower rate is between 9% and 12% per annum. The portion, if any, of a Consolidation Loan that repaid a loan made under Title VII, Sections 700-721 of the Public Health Services Act, as amended, is ineligible for special allowance payments.

RECAPTURE OF EXCESS INTEREST. The Higher Education Reconciliation Act of 2005 provides that, with respect to a loan for which the first disbursement of principal is made on or after April 1, 2006, if the applicable interest rate for any 3 month period exceeds the special allowance support level applicable to such loan for such period, then an adjustment shall be made by calculating the excess interest and crediting such amounts to the government not less often than annually. The amount of any adjustment of interest for any quarter will be equal to:

- the applicable interest rate minus the special allowance support level for the loan, multiplied by
- the average daily principal balance of the loan during the quarter, divided by
- four

SPECIAL ALLOWANCE PAYMENTS FOR LOANS FINANCED BY TAX—EXEMPT BONDS. The effective formulas for special allowance payment rates for Stafford Loans and Unsubsidized Stafford Loans differ depending on whether loans to borrowers were acquired or originated with the proceeds of tax-exempt obligations. The formula for special allowance payments for loans financed with the proceeds of tax-exempt obligations originally issued prior to October 1, 1993 is:

T-Bill Rate less Applicable Interest Rate + 3.5%

provided that the special allowance applicable to the loans may not be less than 9 1/2% less the Applicable Interest Rate. Special rules apply with respect to special allowance payments made on loans

- originated or acquired with funds obtained from the refunding of tax-exempt obligations issued prior to October 1, 1993, or
- originated or acquired with funds obtained from collections on other loans made or purchased with funds obtained from tax-exempt obligations initially issued prior to October 1, 1993.

Amounts derived from recoveries of principal on loans eligible to receive a minimum 9 1/2% special allowance payment may only be used to originate or acquire additional loans by a unit of a state or local government, or non-profit entity not owned or controlled by or under common ownership of a for-profit entity and held directly or through any subsidiary, affiliate or trustee, which entity has a total unpaid balance of principal equal to or less than \$100,000,000 on loans for which special allowances were paid in the most recent quarterly payment prior to September 30, 2005. Such entities may originate or acquire additional loans with amounts derived from recoveries of principal until December 31, 2010. Loans acquired with the proceeds of tax-exempt obligations originally issued after October 1, 1993 receive special allowance payments made on other loans.

ADJUSTMENTS TO SPECIAL ALLOWANCE PAYMENTS. Special allowance payments and interest subsidy payments are reduced by the amount which the lender is authorized or required to charge as an origination fee. In addition, the amount of the lender origination fee is collected by offset to special allowance payments and interest subsidy payments. The Higher Education Act provides that if special allowance payments or interest subsidy payments have not been made within 30 days after the Secretary of Education receives an accurate, timely and complete request therefor, the special allowance payable to such holder shall be increased by an amount equal to the daily interest accruing on the special allowance and interest subsidy payments due the holder.

DIRECT LOANS

The 1993 Amendments authorized a program of “direct loans,” to be originated by schools with funds provided by the Secretary of Education. Under the direct loan program, the Secretary of Education is directed to enter into agreements with schools, or origination agents in lieu of schools, to disburse loans with funds provided by the Secretary. Participation in the program by schools is voluntary. The goals set forth in the 1993 Amendments call for the direct loan program to constitute 5% of the total volume of loans made under the Federal Family Education Loan Program and the direct loan program for academic year 1994-1995, 40% for academic year 1995-1996, 50% for academic years 1996-1997 and 1997-1998 and 60% for academic year 1998-1999. No provision is made for the

size of the direct loan program thereafter. Based upon information released by the General Accounting Office, participation by schools in the direct loan program has not been sufficient to meet the goals for the 1995-1996 or 1996-1997 academic years. The 1998 Amendments removed references to the “phase-in” of the Direct Loan Program, including restrictions on annual limits for Direct Loan Program volume and the Secretary’s authority to select additional institutions to achieve balanced school representation.

The loan terms are generally the same under the direct loan program as under the Federal Family Education Loan Program, though more flexible repayment provisions are available under the direct loan program. At the discretion of the Secretary of Education, students attending schools that participate in the direct loan program (and their parents) may still be eligible for participation in the Federal Family Education Loan Program, though no borrower could obtain loans under both programs for the same period of enrollment.

It is difficult to predict the impact of the direct lending program. There is no way to accurately predict the number of schools that will participate in future years, or, if the Secretary authorizes students attending participating schools to continue to be eligible for Federal Family Education Loan Program loans, how many students will seek loans under the direct loan program instead of the Federal Family Education Loan Program. In addition, it is impossible to predict whether future legislation will eliminate, limit or expand the direct loan program or the Federal Family Education Loan Program.

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APPENDIX B

GLOBAL CLEARANCE, SETTLEMENT AND TAX DOCUMENTATION PROCEDURES

The information in this Appendix B is an integral part of the prospectus and is incorporated in the prospectus.

Except in certain limited circumstances, the securities offered under the related prospectus supplement will be available only in book-entry form as “Global Securities.” Investors in the Global Securities may hold such Global Securities through any of DTC, Clearstream or Euroclear. The Global Securities will be tradable as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades (other than with respect to a reset date as described under “*Book-Entry Registration—Reset Notes*”) will settle in same-day funds.

Secondary market trading between investors holding Global Securities through Clearstream and Euroclear will be conducted in the ordinary way in accordance with their normal rules and operating procedures and in accordance with conventional eurobond practice (i.e., seven calendar day settlement).

Secondary market trading between investors holding Global Securities through DTC will be conducted according to the rules and procedures applicable to U.S. corporate debt obligations.

Secondary, cross-market trading between Clearstream or Euroclear and DTC participants holding securities will be effected on a delivery-against-payment basis through the respective depositaries of Clearstream and Euroclear (in such capacity) and as DTC participants.

Non-U.S. holders (as described below) of Global Securities will be subject to U.S. withholding taxes unless such holders meet certain requirements and deliver appropriate U.S. tax documents to the securities clearing organizations or their participants.

INITIAL SETTLEMENT

All U.S. dollar denominated Global Securities will be held in book-entry form by DTC in the name of Cede & Co. as nominee of DTC. Investors’ interests in the U.S. dollar-denominated Global Securities will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Clearstream and Euroclear will hold their positions on behalf of their participants through their respective depositaries, which in turn will hold such positions in accounts as DTC participants.

Investors electing to hold their Global Securities through DTC will follow the settlement practices applicable to U.S. corporate debt obligations. Investor securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Investors electing to hold their Global Securities through Clearstream or Euroclear accounts will follow the settlement procedures applicable to conventional eurobonds, except that there will be no temporary global security and no “lock-up” or restricted period. Global Securities will be credited to the securities custody accounts on the settlement date against payment in same-day funds.

SECONDARY MARKET TRADING

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser’s and seller’s accounts are located to ensure that settlement can be made on the desired value date.

TRADING BETWEEN DTC PARTICIPANTS. Secondary market trading between DTC participants will be settled using the procedures applicable to U.S. corporate debt obligations in same-day funds.

TRADING BETWEEN CLEARSTREAM AND/OR EUROCLEAR PARTICIPANTS. Secondary market trading between Clearstream participants or Euroclear participants will be settled using the procedures applicable to conventional eurobonds in same-day funds.

TRADING BETWEEN DTC SELLER AND CLEARSTREAM OR EUROCLEAR PURCHASER. When Global Securities are to be transferred from the account of a DTC participant to the account of a Clearstream participant or a Euroclear participant, the purchaser will send instructions to Clearstream or Euroclear through a Clearstream participant or Euroclear participant at least one business day prior to settlement. Clearstream or Euroclear will instruct the respective depository to receive the Global Securities against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment date to and excluding the settlement date, on the basis of the actual number of days in such accrual period and a year assumed to consist of 360 days. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made by the respective depository to DTC participant's account against delivery of the Global Securities.

After settlement has been completed, the Global Securities will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Clearstream or Euroclear participant's account. The securities credit will appear the next day (European time) and the cash debt will be back-valued to, and the interest on the global securities will accrue from, the value date (which would be the preceding day when settlement occurred in New York.) If settlement is not completed on the intended value date (i.e., the trade fails), the Clearstream or Euroclear cash debt will be valued instead as of the actual settlement date.

Clearstream participants and Euroclear participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to preposition funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Clearstream or Euroclear. Under this approach, they may take on credit exposure to Clearstream or Euroclear until the Global Securities are credited to their accounts one day later.

As an alternative, if Clearstream or Euroclear has extended a line of credit to them, Clearstream participants or Euroclear participants can elect not to preposition funds and allow that credit line to be drawn upon the finance settlement. Under this procedure, Clearstream participants or Euroclear participants purchasing Global Securities would incur overdraft charges for one day, assuming they cleared the overdraft when the Global Securities are credited to their accounts. However, interest on the Global Securities would accrue from the value date. Therefore, in many cases the investment income on the Global Securities earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each Clearstream participant's or Euroclear participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC participants can employ their usual procedures for sending Global Securities to the respective European depository for the benefit of Clearstream participants or Euroclear participants. The sale proceeds will be available to DTC seller on the settlement date. Thus, to DTC participants a cross-market transaction will settle no differently than a trade between two DTC participants.

TRADING BETWEEN CLEARSTREAM OR EUROCLEAR SELLER AND DTC PURCHASER. Due to time zone differences in their favor, Clearstream participants and Euroclear participants may employ their customary procedures for transactions in which Global Securities are to be transferred to the respective clearing system, through the respective depository, to a Depository Trust Company participant. The seller will send instructions to Clearstream or Euroclear through a Clearstream participant or Euroclear participant at least one business day prior to settlement. In these cases Clearstream or Euroclear will instruct the depository, as appropriate, to deliver the Global Securities to the DTC participant's account against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment to and excluding the settlement date, on the basis of the actual number of days in such accrual period and a year assumed to consist of 360 days. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. The payment will then be reflected in the account of the Clearstream participant or Euroclear participant the

following day, and receipt of the cash proceeds in the Clearstream participant's or Euroclear participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the Clearstream participant or Euroclear participant have a line of credit with its respective clearing system and elect to be in debt in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft incurred over that one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Clearstream Participant's or Euroclear Participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use Clearstream or Euroclear and that purchase Global Securities from DTC participants for delivery to Clearstream participants or Euroclear participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(a) borrowing through Clearstream or Euroclear for one day (until the purchase side of the day trade is reflected in their Clearstream or Euroclear accounts) in accordance with the clearing system's customary procedures;

(b) borrowing the Global Securities in the U.S. from a DTC participant no later than one day prior to settlement, which would give the Global Securities sufficient time to be reflected in their Clearstream or Euroclear accounts in order to settle the sale side of the trade; or

(c) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC Participant is at least one day prior to the value date for the sale to the Clearstream participant or Euroclear participant.

CERTAIN U.S. FEDERAL INCOME TAX DOCUMENTATION REQUIREMENTS

A beneficial owner of Global Securities holding securities through Clearstream or Euroclear (or through DTC if the holder has an address outside the U.S.) will be subject to the 30% U.S. withholding tax that generally applies to payments of interest (including original issue discount) on registered debt issued by U.S. Persons, unless (i) each clearing system, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business in the chain of intermediaries between such beneficial owner and the U.S. entity required to withhold tax complies with applicable certification requirements and (ii) such beneficial owner takes one of the following steps to obtain an exemption or reduced tax rate.

EXEMPTION FOR NON-U.S. PERSONS (FORM W-8BEN). Beneficial owners of Global Securities that are non-U.S. Persons can obtain a complete exemption from the withholding tax by filing a signed Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding). If the information shown on Form W-8BEN changes, a new Form W-8BEN must be filed within 30 days of such change.

EXEMPTION FOR NON-U.S. PERSONS WITH EFFECTIVELY CONNECTED INCOME (FORM W-8ECI). A non-U.S. Person including a non-U.S. corporation or bank with a U.S. branch, for which the interest income is effectively connected with its conduct of a trade or business in the United States, can obtain an exemption from the withholding tax by filing Form W-8ECI (Certificate of Foreign Person's Claim for Exemption from Withholding on Income Effectively Connected with the Conduct of a Trade or Business in the United States).

EXEMPTION OR REDUCED RATE FOR NON-U.S. PERSONS RESIDENT IN TREATY COUNTRIES. (Form W-8BEN). Non-U.S. Persons that are Note Owners residing in a country that has a tax treaty with the United States can obtain an exemption or reduced tax rate (depending on the treaty terms) by filing Form W-8BEN.

EXEMPTION FOR U.S. PERSONS (FORM W-9). U.S. Persons can obtain a complete exemption from the withholding tax by filing Form W-9 (Payer's Request for Taxpayer Identification Number and Certification).

U.S. FEDERAL INCOME TAX REPORTING PROCEDURE. The Global Security holder or his agent files by submitting the appropriate form to the person through whom it holds the Global Securities (the clearing agency, in the case of persons holding directly on the books of the clearing agency). Form W-8BEN and Form W-8ECI are generally effective from the date signed to the last day of the third succeeding calendar year.

The term “U.S. Person” means (i) a citizen or resident of the United States, (ii) a corporation or partnership, or other entity taxable as such, organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is includible in gross income for United States tax purposes, regardless of its source or (iv) a trust other than a “Foreign Trust,” as defined in Section 7701(a)(31) of the Code. This summary does not deal with all aspects of U.S. Federal income tax withholding that may be relevant to foreign holders of the Global Securities. For example, the withholding rules applicable to a partner in a partnership that holds Global Securities depend on the status of the partner and the activities of the partnership. Investors are advised to consult their own tax advisors for specific tax advice concerning their holding and disposing of the Global Securities.

\$2,017,000,000*

(*Using an exchange rate of \$1.2816= €1.00)

STUDENT LOAN ASSET-BACKED NOTES

GOAL CAPITAL FUNDING TRUST 2006-1

Issuing Trust

GOAL CAPITAL FUNDING, LLC
Depositor

GOAL FINANCIAL, LLC
Sponsor and Administrator

PROSPECTUS SUPPLEMENT

GOAL FINANCIAL

JOINT BOOK-RUNNING MANAGERS

Banc of America Securities LLC

Barclays Capital

Deutsche Bank Securities

CLASS A-5 CO-MANAGER

Fortis Bank

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION.

WE ARE NOT OFFERING NOTES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED.

WE REPRESENT THE ACCURACY OF THE INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND PROSPECTUS ONLY AS OF THE DATES OF THEIR RESPECTIVE COVERS.

UNTIL NINETY DAYS AFTER THE DATE OF THIS PROSPECTUS SUPPLEMENT, ALL DEALERS THAT EFFECT TRANSACTIONS IN THESE SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS OFFERING, MAY BE REQUIRED TO DELIVER A PROSPECTUS SUPPLEMENT AND PROSPECTUS. THIS IS IN ADDITION TO THE DEALERS' OBLIGATION TO DELIVER A PROSPECTUS SUPPLEMENT AND PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

May 18, 2006