

OFFERING MEMORANDUM

\$188,000,000

Goal Capital Funding Trust 2010-1 Student Loan Asset-Backed Notes

GOAL CAPITAL FUNDING TRUST 2010-1
Issuing Entity

ROUTE 66 VENTURES, LLC (d/b/a Goal Financial)
Sponsor

GOAL CAPITAL FUNDING, LLC
Depositor

GOAL STRUCTURED SOLUTIONS, INC.
Administrator

We are offering the following notes:

<u>Series</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Price to Public</u>
2010-1 Notes	\$188,000,000	3-month LIBOR plus 0.70%	August 25, 2048	98.35938%

The notes are obligations of the issuing entity only and are secured primarily by a pool of student loans originated under the Federal Family Education Loan Program. Credit enhancement for the notes will include overcollateralization and cash on deposit in a capitalized interest fund and a reserve fund. The notes are not obligations of the sponsor, the depositor, the administrator or any of their affiliates.

The notes will receive quarterly distributions on the 25th day of each February, May, August and November as described in this Offering Memorandum, or if such day is not a business day, the next business day, beginning August 25, 2010. On each quarterly distribution date, money will be allocated for payment of principal on the notes beginning August 25, 2010.

The notes offered hereby have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or under the securities laws of any state or territory in the United States and, unless registered or qualified, may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. The notes are being offered in the United States to certain qualified institutional buyers (as defined in Rule 144A) in reliance on an exemption from the registration requirements of the Securities Act provided by Rule 144A, and outside the United States in offshore transactions in reliance on the safe harbor provided by Regulation S under the Securities Act.

You should consider carefully the “Risk Factors” beginning on page 11 of this Offering Memorandum. It is a condition to the issuance of the notes that they be rated as set out in “Summary of Terms – Rating of the Notes.”

The notes have not been registered with, or approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

We are offering the notes through Barclays Capital Inc. (the “initial purchaser”), when and if issued. The notes will be delivered in book-entry form on or about May 28, 2010.

Barclays Capital

May 27, 2010

This Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of the trust or the initial purchaser to subscribe for or purchase, any of the notes in any circumstances or in any state or other jurisdiction where such offer or invitation is unlawful. No action has been taken or will be taken to register or qualify the notes or otherwise to permit a public offering of the notes in any jurisdiction where actions for that purpose would be required. The distribution of this Offering Memorandum and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the trust and the initial purchaser to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the notes and distribution of this Offering Memorandum, see “Notice to Investors.”

This Offering Memorandum has been prepared by us solely for use in connection with the proposed offering of the notes described herein. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or the public generally to subscribe for or otherwise acquire the notes. Any distribution of this Offering Memorandum in whole or in part to any person other than the offeree or such offeree’s advisers is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to herein.

No person has been authorized to give any information or to make any representations other than those contained in this Offering Memorandum. If given or made, such information or representations must not be relied upon as having been authorized by us or the initial purchaser. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has not been any change in the facts set forth in this Offering Memorandum or in the affairs of any party described herein since the date hereof.

In making an investment decision, prospective investors must rely on their own independent investigation of the terms of the offering and weigh the merits and the risks involved with ownership of the notes. We will furnish any additional information (to the extent we have such information or can acquire such information without unreasonable effort or expense and to the extent we may lawfully do so under the Securities Act or applicable local laws or regulations) necessary to verify the information furnished in this Offering Memorandum. Representatives of the trust, the sponsor, the administrator and the initial purchaser will be available to answer questions from investors interested in purchasing notes concerning the notes, the trust and the student loans.

Prospective investors are not to construe the contents of this Offering Memorandum or any prior or subsequent communications from the trust, the administrator, the sponsor or the initial purchaser or any of their officers, employees or agents as investment, legal, accounting, regulatory or tax advice. Prior to any investment in the notes, a prospective investor should consult with its own advisors to determine the appropriateness and consequences of such an investment in relation to that investor’s specific circumstances.

The notes have not been and will not be registered under the Securities Act or under the securities laws of any state (“Blue Sky” laws). Unless registered under the Securities Act, the notes may not be offered or sold within the United States of America or to, or for the benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in full compliance with any applicable Blue Sky laws. Accordingly, the notes are being offered and sold by the initial purchaser (1) in the United States to “qualified institutional buyers” in transactions exempt from the registration requirements of the Securities Act; and (2) to certain persons outside the United States in reliance on Regulation S under the Securities Act. Each purchaser in the United States is hereby notified that the offer and sale of the notes to it may be made in reliance on the exemptions from the registration requirements of the Securities Act provided by Rule 144A. None of the trust, the administrator, the sponsor, the initial purchaser nor any of its or their affiliates, make any undertaking to register the notes under any state or federal securities laws on any future date. The resale, transfer or pledge of the notes is further restricted as described in “Notice to Investors” herein.

The notes may not be offered or sold to persons in the United Kingdom, by means of this Offering Memorandum or any other document, in circumstances which will result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the Financial Services and Markets Act 2000.

Each initial and subsequent purchaser of the notes will be deemed by its acceptance of such notes to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the notes as described in this Offering Memorandum and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. The notes will bear a legend referring to such restrictions and investors must be prepared to bear the risks of their acquisition of the notes for an indefinite period of time. See “Notice to Investors” in this Offering Memorandum.

The initial purchaser makes no representations or warranties as to the accuracy or completeness of the information described in this Offering Memorandum, and nothing herein shall be deemed to constitute such a representation or warranty by the initial purchaser nor a promise or representation as to our future performance or the future performance of the student loans or the notes.

The notes are being offered subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to the approval of certain legal matters by counsel and certain other conditions. No notes may be sold without delivery of this Offering Memorandum.

In connection with the offering, the initial purchaser may over allot or effect transactions with a view to supporting the market price of the notes at levels above that which might otherwise prevail in the open market for a limited period. However, there is no obligation to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

FOR NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER NEW HAMPSHIRE REVISED STATUTE ANNOTATED, CHAPTER 421-B (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED TO OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE INVESTOR OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the notes, the trust will be required, for so long as any note is a “restricted security” within the meaning of Rule 144(a)(3) under the Securities Act, to provide, upon request of a holder of a note, to such holder and a prospective purchaser designated by such holder, the information which is required to be delivered under Rule 144A(d)(4) under the Securities Act, if at the time of the request the trust is not a reporting company under Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended.

IRS CIRCULAR 230 NOTICE

THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL, STATE OR LOCAL TAX PENALTIES. THIS OFFERING MEMORANDUM HAS BEEN WRITTEN AND PROVIDED BY THE DEPOSITOR IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE DEPOSITOR AND/OR THE INITIAL PURCHASER OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS OFFERING MEMORANDUM. PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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Summary of Terms

The following summary is a very general overview of the terms of the notes and does not contain all of the information that you need to consider in making your investment decision.

Before deciding to purchase the notes, you should consider the more detailed information appearing elsewhere in this Offering Memorandum. We may not sell the notes until an Offering Memorandum for the notes is delivered in final form.

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 2010-1. This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. See “Special Note Regarding Forward Looking Statements” in this Offering Memorandum.

Principal Parties and Dates

Issuing Entity

Goal Capital Funding Trust 2010-1

Sponsor

Route 66 Ventures, LLC (d/b/a Goal Financial) hereinafter referred to as Sponsor or Goal Financial

Depositor

Goal Capital Funding, LLC

Administrator

Goal Structured Solutions, Inc.

Backup Administrator

Lord Securities Corporation

Servicers

Great Lakes Educational Loan Services, Inc.

ACS Education Services, Inc.

Eligible Lender Trustee

The Bank of New York Mellon Trust Company, N.A.

Indenture Trustee

The Bank of New York Mellon Trust Company, N.A.

Delaware Trustee

Wilmington Trust Company

Distribution Dates

Distribution dates for the notes will be the 25th day of each February, May, August and November, beginning August 25, 2010. We sometimes refer to these dates as “quarterly distribution dates.” The calculation date for each quarterly distribution date generally will be the second business day before such quarterly distribution date. If any quarterly distribution date is not a business day, the quarterly distribution will be made on the next business day.

Collection Periods

The collection periods will be the three full calendar months preceding each quarterly distribution date. However, the initial collection period will begin on the day after the cut-off date and end on July 31, 2010.

Interest Accrual Periods

The initial interest accrual period for the notes begins on the closing date and ends on August 24, 2010, the day prior to the first quarterly distribution date. 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.

Cut-off Dates

The cut-off date for the student loan portfolio the trust will acquire on the closing date is May 25, 2010.

The information presented in this Offering Memorandum relating to the student loans we expect to purchase on the closing date is as of March 31, 2010, which we refer to as the statistical cut-off date. We and the depositor believe that the information set forth in this Offering Memorandum with respect to the student loans as of the statistical cut-off date is representative of the characteristics of the student loans as they will exist on the closing date for the notes, although certain characteristics on any student

loans acquired after the statistical cut-off date may vary.

Closing Date

The closing date for this offering is expected to be May 28, 2010.

Description of the Notes

General

Goal Capital Funding Trust 2010-1 is offering its Series 2010-1 student loan asset-backed notes in the aggregate principal amount of \$188,000,000. The notes are debt obligations of the trust and will be issued pursuant to an indenture of trust. The notes will receive payments primarily from collections on a pool of student loans held by the issuing entity.

The notes will be issued in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof. Interest and principal on the notes will be payable to the record owners of the notes as of the close of business on the day before the related quarterly distribution date.

Interest on the Notes

The notes will bear interest at an annual rate equal to the lesser of (i) three-month LIBOR, plus 0.70% and (ii) the available funds cap.

“Available funds cap” for any interest accrual period will equal four times the rate, expressed as a percentage, determined by dividing (a) (i) the non-principal payments due on account of the student loan pool (whether paid or unpaid, whether due from a borrower, guaranty agency or the federal government, and including, without limitation, special allowance payments, interest subsidy payments and interest to be capitalized under the terms of the student loan) for the preceding collection period including without limitation, payments due on account of derivative products for such collection period minus (ii) all amounts attributable to rebate fees, trustee, servicing and administrator fees and amounts due on account of derivative products for such collection period by (b) the outstanding principal balance of the notes as of the end of the collection period.

The administrator will determine the rate of interest on the notes on the second business day prior to the start of the applicable interest accrual period. Interest on the notes 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 notes during each interest accrual period will be paid on the following quarterly distribution date.

The spread to three-month LIBOR used to calculate interest due on the notes may be reduced at the sole discretion of the holders of all the notes. See “Description of the Notes – Interest Payments” in this Offering Memorandum.

Principal Payments on the Notes

Payments on the trust’s student loans will be allocated to pay principal on the notes on each quarterly distribution date in an amount equal to the lesser of:

the principal distribution amount for that quarterly distribution date; and

funds available to pay principal as described below in “Security and Sources of Payment for the Notes – Flow of Funds.”

The term “Principal Distribution Amount” means an amount equal to:

for each quarterly distribution date the amount, if any, by which (a) the outstanding amount of the notes immediately prior to such quarterly distribution date exceeds (b) the adjusted pool balance for such distribution date divided by 108%; and

on the final maturity date for the notes, the amount necessary to reduce the aggregate principal balance of the notes to zero.

The term “adjusted pool balance” means, for any quarterly distribution date, the sum of the pool balance and the amount on deposit in the Capitalized Interest Account and the specified reserve fund balance as of the last day of the collection period for that quarterly distribution date.

“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, as reduced by the principal portion of (to the extent not already reflected in such aggregate principal balance):

all payments received by the trust through that date from borrowers,

the guarantee agencies and the U.S. Department of Education;

all amounts received by the trust through that date from purchases of student loans;

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 makes 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% to 97%, or other applicable percentage, as required by the risk sharing provisions of the Higher Education Act.

See “Description of the Notes – Principal Payments on the Notes” in this Offering Memorandum.

In addition to the principal payments described above, any money remaining in the Collection Fund after payment of interest on the notes and the trust’s operating expenses will be used to make supplemental payments of principal on the notes. See “Security and Sources of Payments for the Notes – Flow of Funds” in this Offering Memorandum.

Final Maturity

The quarterly distribution date on which the notes are due and payable in full is August 25, 2048.

The actual maturity of the notes could occur earlier if, for example:

there are prepayments on the student loans held in the trust estate;

supplemental payments of principal are made with money available in the Collection Fund to pay the notes in full prior to maturity; or

the depositor 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).

In the event that the trust’s student loans experience significant prepayments, the actual final payments on the notes may occur substantially before their final maturity date, causing a shortening of the notes’ weighted average life. See “Description of the Notes – Prepayment, Yield and Maturity Considerations” and “Appendix A – Weighted Average Lives, Expected Maturities and Percentage of Original Principal Remaining at Each Quarterly Distribution Date for the Notes.”

Events of Default

Generally, an event of default will occur if:

the trust fails to pay interest on a note within five days of such interest being due and payable;

the trust fails to pay the outstanding principal balance on a note on the final maturity date of that note;

the trust fails to perform any of its other obligations under the indenture or the notes and fails to remedy such failure for 90 days after receiving notice of such failure from the indenture trustee; or

an event of bankruptcy occurs with respect to the trust.

If an event of default occurs and is continuing, the indenture trustee or the noteholders may accelerate the maturity of the notes. See “Summary of Indenture Provisions – Events of Default” and “Remedies on Default.”

Description of the Trust

General

Goal Capital Funding Trust 2010-1 is a Delaware statutory trust formed pursuant to Chapter 38 of Title 12 of the Delaware Code, the operations of which are limited to acquiring, holding

and managing 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 notes to purchase student loans and to make deposits to the Capitalized Interest Fund and the Reserve Fund.

The only sources of funds for payment of all of the notes issued under the indenture are the student loans and investments pledged to the indenture trustee, the payments the trust receives on those student loans and investments and any payments the trust receives under any derivative product agreements. On the closing date, the principal balance and accrued interest on the student loans plus the amounts on deposit in the Acquisition Fund net of all distributions therefrom on the closing date, the Capitalized Interest Fund and the Reserve Fund will be approximately 103.36% of the aggregate principal amount of the notes.

The trust will not enter into any derivative products on the closing date. However, upon receipt of a rating confirmation, the trust may enter into one or more derivative products in the future.

The Trust’s Assets

The assets of the trust will include:

the FFELP student loans acquired with the proceeds of the sale of the notes and other funds contributed by the sponsor;

collections and other payments received on account of the student loans;

money and investments held in funds created under the indenture, including the Acquisition Fund, the Capitalized Interest Fund, the Collection Fund, the Department Rebate Fund and the Reserve Fund; and

its rights under any derivative product agreement that may be provided for the benefit of the trust.

Goal Financial or its affiliates have originated or acquired the student loans to be sold to the trust in the ordinary course of their student loan financing business. The depositor will acquire the student loans from Goal Financial or its affiliates on or prior to the closing date. One of the guarantee agencies described below in “Information Relating to the Guarantee Agencies” guarantees each of the student loans and such student 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.

Except under limited circumstances set forth in the indenture, student loans may not be transferred out of the trust estate. 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 cure such breach, repurchase or replace such student loan, or reimburse the trust for any losses resulting from the breach. See “Summary of the Indenture Provisions – Sale of student loans held in the trust estate” in this Offering Memorandum.

The Acquisition Fund

On the closing date, we will deposit into the Acquisition Fund approximately \$192,912,978 from the proceeds from the sale of the notes and amounts received from the sponsor, which we will use to purchase student loans on the closing date and to pay the costs of issuing the notes. The trust will purchase the student loans for a price equal to 100% of their aggregate outstanding principal balance plus accrued interest.

The Collection Fund

The indenture trustee will deposit into the Collection Fund all revenues derived from student loans, money or assets on deposit in the trust, all amounts transferred from the Capitalized Interest Fund, the Department Rebate Fund and the Reserve Fund and any payments received from a counterparty under any derivative product agreement. Money on deposit in the Collection Fund will be used to pay the trust’s operating expenses (which include amounts owed to the U.S. Department of Education and the guarantee agencies, servicing fees, trustees’ fees and administration fees), amounts due to any counterparty under any derivative product agreement and interest and principal on the notes.

The Capitalized Interest Fund

Approximately \$3,000,000 of the proceeds from the sale of the notes will be deposited into a Capitalized Interest Fund. If on any monthly servicing payment date or quarterly distribution date, money on deposit in the Collection Fund is insufficient to pay amounts owed to the U.S. Department of Education or to the guarantee agencies (other than transfers to repurchase student loans), servicing fees, trustees' fees, administration fees, backup administration fees, interest on the notes and amounts due to any counterparty under any derivative product agreement (other than certain termination payments), then money on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the deficiency, prior to any amounts being transferred from the Reserve Fund. Amounts transferred from the Capitalized Interest Fund will not be replenished. On the May 2011 quarterly distribution date, the indenture trustee will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

The Reserve Fund

The trust will make a deposit to the Reserve Fund from the proceeds of the sale of the notes in the amount of \$477,104. The Reserve Fund is subject to a minimum amount equal to the greater of 0.25% of the pool balance as of the close of business on the last day of the related collection period, or 0.15% of the initial pool balance, or such lesser amount as may be agreed to by the rating agencies as evidenced by a rating confirmation. On each quarterly distribution date or monthly servicing payment date, to the extent that money in the Collection Fund is not sufficient to pay amounts owed to the U.S. Department of Education or to the guarantee agencies (other than transfers to repurchase student loans), servicing fees, trustees' fees, administration fees, backup administration fees, the interest then due on the notes and amounts due to any counterparty on any derivative product agreement (other than certain termination payments), an amount equal to the deficiency will be transferred directly from the Reserve Fund, if such deficiency has not been paid from the Capitalized Interest Fund. To the extent the amount in the Reserve Fund falls below the Reserve Fund minimum balance, the Reserve Fund will be replenished on each quarterly distribution date from funds available in the Collection Fund as described below under "Security and Sources of Payment for the Notes – Flow of Funds." Principal payments due on the notes may be made from the Reserve Fund only on the final maturity date for all of the notes.

Funds on deposit in the Reserve Fund in excess of the Reserve Fund minimum balance will be transferred to the Collection Fund.

The Department Rebate Fund

The indenture trustee will establish a Department Rebate Fund as part of the trust estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. We expect that the Department of Education will reduce the special allowance and interest subsidy payments payable to the trust by the amount of any such rebates owed by the trust. However, in certain circumstances the trust may owe a payment to the Department of Education. If the administrator believes that the trust is required to make any such payment, the administrator will direct the indenture trustee to deposit into the Department Rebate Fund from the Collection Fund the estimated amounts of any such payments. Money in the Department Rebate Fund will be transferred to the Collection Fund to the extent amounts have been deducted by the Department of Education from payments otherwise due to the trust, or will be paid to the Department of Education if necessary to discharge the trust's rebate obligation. See "Appendix B – Description of the Federal Family Education Loan Program – Special Allowance Payments – Recapture of excess interest."

Characteristics of the Student Loan Portfolio

On the closing date, the trust will acquire a portfolio of student loans originated under the FFELP, which are described more fully below under "Characteristics of the Student Loans," having an aggregate outstanding principal balance, plus accrued interest, of \$190,841,504. As of March 31, 2010, the weighted average annual interest rate of the student loans was approximately 7.220% and their weighted average remaining term to scheduled maturity was approximately 198 months.

Flow of Funds

Servicing fees will be paid pro rata to the servicers on each monthly servicing payment date from money available in the Collection Fund. In addition, each month money available in the Collection Fund will be used to pay amounts due to the U.S. Department of Education, including the monthly rebate fees on consolidation loans, amounts required to be deposited into the Department Rebate

Fund, any amounts due to another party under the joint sharing agreement and amounts due and payable to a guarantee agency in connection with the repurchase of rehabilitated student loans. On each quarterly distribution date, prior to an event of default, money in the Collection Fund will be used to make the following deposits and distributions, to the extent funds are available, as set forth in the following chart:

COLLECTION FUND

1st

U.S. Department of Education for consolidation loan rebate fees to the extent unpaid

2nd
(pro rata)

Great Lakes Educational Loan Services, Inc. and ACS Education Services, Inc., as Servicers, The Bank of New York Mellon Trust Company, N.A., as Eligible Lender Trustee and as Indenture Trustee and Wilmington Trust Company, as Delaware Trustee (Servicing and trustees' fees and any such prior unpaid fees)

3rd
(pro rata)

Goal Structured Solutions, Inc. as Administrator and Lord Securities Corporation as Backup Administrator (Administration fee, backup administration fee and any prior unpaid administration fees and backup administration fees)

4th
(pro rata)

Series 2010-1 Noteholders and derivative product counterparties (Interest on the notes and payments due on any derivative product other than certain termination payments.)

5th

Series 2010-1 Noteholders
(Principal Distribution Amount, until paid in full)

6th

Reserve Fund
(Amounts necessary to restore the Reserve Fund to the Reserve Fund minimum balance)

7th

Derivative Product Counterparties
(Any accrued and unpaid termination payments)

8th

Series 2010-1 Noteholders
(To the noteholders as a supplemental payment of principal on the notes until they are paid in full)

9th

Noteholders of any subordinate notes permitted to be issued pursuant to the indenture (interest and principal on such subordinate notes)

10th

To the trust for distribution to the certificateholders pursuant to the trust agreement

Fees and Expenses

All fees and expenses, including servicing and administration fees, are not expected to exceed 0.5% per annum of the outstanding principal balance of the trust's student loans. The fees and expenses of the trust are further described in "The Student Loan Operations of Goal Capital Funding Trust 2010-1 Fees and Expenses."

Joint Sharing Agreement

The trust will enter into a joint sharing agreement with the other entities that may from time to time be party to the joint sharing agreement and The Bank of New York Mellon Trust Company, N.A. on or about the closing date. Under the joint sharing agreement, the parties (including the eligible lender trustees for the parties) will agree that the eligible lender trustees will hold the loans of the respective entities under a single eligible lender number and will indemnify each other for federal interest subsidies, special allowance payments, guarantee payments and any other payments by a guarantee agency in respect of the student loans held by one entity that are incorrectly or inappropriately paid to the eligible lender trustee for another entity and for which the Secretary of Education or a guarantee agency seeks reimbursement. One or more other entities (and, if applicable, their eligible lender trustees) may in the future become parties to the joint sharing agreement.

Credit Enhancement

Credit enhancement for the notes will include overcollateralization and cash on deposit in the Capitalized Interest Fund and the Reserve Fund as described below under "Credit Enhancement Capitalized Interest Fund" and "Credit Enhancement – Reserve Fund."

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. GLELSI and ACS will act as servicer with respect to approximately 56.45% and 43.55% of the trust's student loans, respectively, based on the outstanding principal balance of the student loans as of the statistical cut-off date. Pursuant to servicing agreements with the trust, GLELSI and ACS will each agree to assume responsibility for servicing, maintaining custody of 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 purchase the rights of the trust to collect the principal and interest due on the affected student loan. Servicing fees will include per-borrower servicing fees as well as other discrete servicing fees. Servicing fees are not expected to exceed 0.43% per annum of the outstanding principal balance of the trust's student loans. See "The Student Loan Operations of Goal Capital Funding Trust 2010-1 —Servicing of the Student Loans" and "Fees and Expenses" in this Offering Memorandum. Servicing fees will be paid from monies on deposit in the Collection Fund. See "Security and Sources of Payment for the Notes—Flow of Funds" in this Offering Memorandum.

Administration

Goal Structured Solutions, Inc. ("GS2") will act as the trust's administrator pursuant to an administration agreement with the Delaware trustee, the eligible lender trustee, the indenture trustee and the trust, 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 2010-1—The Administration Agreement" and "Fees and Expenses" in this Offering Memorandum. The administration fee will be paid from monies on deposit in the Collection Fund. See "Security and Sources of Payment for the Notes—Flow of Funds" in this Offering Memorandum.

Backup Administration

In the event that GS2 resigns or is removed as administrator, Lord Securities Corporation will step in as administrator pursuant to the terms of a backup administration agreement.

Optional Purchase

The depositor 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 depositor or its assignee as of the last business day of the preceding collection period and the proceeds will be used on the corresponding quarterly distribution date to repay outstanding notes, which will result in early retirement of the notes. On the closing date, the

depositor intends to assign its purchase option to the sponsor.

If the depositor 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, 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 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.

Book-entry Registration

The notes will be delivered in book-entry form through The Depository Trust Company, and through Clearstream, Luxembourg and Euroclear as participants in The Depository Trust Company. You will not receive a certificate representing your notes except in very limited circumstances.

Federal Income Tax Consequences

Cadwalader, Wickersham & Taft LLP will deliver an opinion that for federal income tax purposes, the 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. See "Certain Federal Income Tax Considerations" in this Offering Memorandum.

ERISA Considerations

Fiduciaries of employee benefit plans, retirement arrangements and other entities in which such plans or arrangements are invested ("Plans"), persons acting on behalf of Plans or persons using the

assets of Plans should review carefully with their legal advisors whether the purchase and holding of the notes could give rise to a transaction prohibited under ERISA or Section 4975 of the Code. See "Certain ERISA Considerations" in this Offering Memorandum.

Rating of the Notes

The notes will be rated as follows:

<u>Series</u>	<u>Rating Agency (Moody's/S&P)</u>
2010-1 Notes	Aaa/AAA

Rule 144A CUSIP Numbers

38021E AA2

Regulation S CUSIP Numbers

U3822T AA1

Rule 144A International Securities Identification Numbers (ISIN)

US38021EAA29

Regulation S International Securities Identification Numbers (ISIN)

USU3822TAA17

Risk Factors

You should consider the following risks associated with your investment in the notes:

Current illiquid market conditions may continue in the future

Despite recent federal market interventions and programs, the current period of general market illiquidity may continue or even worsen and may adversely affect the secondary market for your notes. Accordingly, you may not be able to sell your notes when you want to do so or you may be unable to obtain the price that you wish to receive for your notes and, as a result, you may suffer a loss on your investment. We do not intend to apply for the inclusion of the notes on any exchange or automated quotation system. A trading market for the notes may not develop. The underwriters may assist in resales of the notes, but they are not required to do so.

Ratings of student loan asset-backed notes issued by affiliates of the sponsor may be reviewed or downgraded

Recent disruptions in the credit markets, the widening of interest rate spreads and the collapse of the auction rate securities market have caused the rating agencies to announce that they are reviewing or intend to review the ratings assigned to certain securities, including student loan asset-backed securities. These events led to a number of ratings actions on student loan asset-backed notes, resulting in adverse changes to existing ratings. Ratings actions may take place at any time, including between the pricing date and the closing date of the notes offered by this Offering Memorandum. We cannot predict the timing of any ratings actions.

Adverse action by the rating agencies regarding securities issued previously by Goal Financial-sponsored trusts may adversely affect the market value of the notes or any secondary market for the notes that may develop.

You may have difficulty selling your notes

There currently is no secondary market for the notes. We do not intend to apply for inclusion of the notes on any exchange or automated quotation system. We cannot assure you that any market will develop or, if it does develop, how long it will last. If a secondary market for the notes does 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. Under current market conditions, you may not be able to sell your notes when you want to do so or you may not be able to obtain the price that you wish to receive. The market values of the notes may fluctuate and movements in price may be significant.

The rate of payments on the trust's student loans may affect the maturity and yield of the notes

Student loans may be prepaid at any time without penalty. If the trust receives prepayments on its student loans, those amounts will be used to make principal payments as described below under "Security and Sources of Payment for the Notes—Flow of Funds," which could shorten the average life of the 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 that may provide more favorable repayment terms, including those offered under consolidation loan programs 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 and forbearance may lengthen the remaining term of the trust's student loans and the average life of the notes.

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

on the notes. You will bear entirely any reinvestment risks resulting from a faster or slower incidence of prepayment of the trust's student loans.

Changes to the Higher Education Act or other laws may affect your notes

On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (the "Reconciliation Act") was enacted into law. Effective July 1, 2010, the Reconciliation Act eliminates the FFELP. The terms of existing FFELP loans are not materially affected by the Reconciliation Act; however, due to the elimination of the FFELP, no additional FFELP loans will be available to be added to the portfolios serviced by the servicers and no additional FFELP loans will be guaranteed by any of the guarantee agencies. If a servicer is not able to add additional loans to its serviced portfolios, the amount of loans serviced by such servicer will decrease over time as its existing FFELP loans are repaid, and the overall costs per loan of servicing such FFELP loans may rise, potentially causing that servicer to raise its servicing fees or terminate its servicing business. In addition, the reduction in guarantee and related fees to the guarantee agencies due to the elimination of the FFELP may adversely affect the financial conditions of those guarantee agencies. If any of these were to occur it could reduce the amount of principal or interest paid to you as the owner of the notes or delay those payments past their due date.

Amendments to the Higher Education Act or other relevant federal or state laws, and rules and regulations promulgated by the Secretary of Education, may adversely impact Goal Financial, other lenders, servicers and the guarantee agencies. For example, changes might be made to the rate of interest or special allowance payments paid on FFELP loans, to the level of insurance provided by guaranty agencies, or to the servicing requirements for FFELP loans. Such changes could have a material adverse effect on the trust's student loan operations, the student loans pledged as collateral for the notes, or on the ability of GS2 or its affiliates to act as administrator, or otherwise to comply with their obligations under the transaction documents.

We cannot predict whether any other changes will be made to the Higher Education Act in future legislation, or the effect of such legislation on the trust, the administrator, the servicers, the guarantee agencies or the student loans pledged as collateral for the notes.

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

The ongoing 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.

We do not know 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 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"), authorizes the Secretary of Education 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;

provision is made 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, including delay of payment by the student loan borrower. 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 notes.

The notes may have basis risk which could affect payment of interest on the notes

There is a degree of basis risk associated with the notes. Basis risk is the risk that shortfalls might occur because the interest rates of the student loans and those of the notes adjust on the basis of different indexes. To the extent that three-month LIBOR plus 0.70% exceeds the interest rate on the student loans, then interest payable on the notes would be limited to the Available Funds Cap.

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

The interest rate on the notes is set based on LIBOR, while the borrower interest and special allowance payments on the underlying loans is based on the three month commercial paper rate. See "Appendix B Description of the Federal Family Education Loan Program." If there is an increase in the LIBOR index and no corresponding increase in the commercial paper rate, there will be less interest in the collection account to pay accrued interest on the notes. If there is a decrease in the commercial paper rate and no corresponding decrease in the LIBOR index, the net amount of funds deposited to the collection account representing interest will be reduced. In either of these situations, the trust may not have sufficient funds to pay interest when due, and funds may not be available in future periods to make up for any shortfall in the current payments of interest or expenses. Even if there is a similar reduction in the rates applicable to the 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.

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

Although the trust is not entering into any derivative products on the closing date, it may do so in the future upon receipt of a rating confirmation. If a termination event occurs under any of these derivative products and the trust owes a counterparty a large termination payment that is required to be paid pro rata with interest due on the

notes, the trust may not have sufficient funds on that or future quarterly distribution dates to make required payments of interest or principal, and the holders of the notes may suffer a loss.

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 any other party

Interest and principal on the notes will be paid solely from the funds and assets held in the trust estate created under the indenture for the trust. No insurance or guarantee of the notes will be provided by any government agency or instrumentality, by any affiliate of the trust, by any insurance company or by any other person or entity. 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 indenture;

amounts on deposit in the Reserve Fund, the Capitalized Interest Fund and other funds held in the trust estate; and

any form of derivative products described in this Offering Memorandum.

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

The inability of the depositor, Goal Financial or a servicer to meet its repurchase obligations may result in losses on your investment

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. 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 Goal Financial to purchase such student loan from us pursuant to a student loan repurchase agreement. If the depositor or a servicer or the Goal Financial 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 Goal Financial 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 Goal Financial will be able to fulfill any repurchase, purchase or payment obligation.

Bankruptcy or insolvency of Goal Capital Funding, LLC, Goal Financial or the sellers of student loans could result in payment delays to you

Goal Capital Funding, LLC will be the depositor and will sell to us all of the student loans acquired by the trust estate with the proceeds of the notes. The limited liability company agreement for Goal Capital Funding, LLC contains certain requirements regarding its operations that are intended to reduce the possibility that Goal Capital Funding, LLC would become a debtor under the United States Bankruptcy Code (the "Bankruptcy Code"). The depositor also has two (2) special members and a board of directors with two independent directors that will

participate in some decisions regarding the depositor, such as a decision to seek bankruptcy relief under the bankruptcy or related laws. However, if Goal Capital Funding, LLC or Goal Financial should become a debtor in a bankruptcy action, the bankruptcy court could attempt to consolidate the assets and liabilities of the trust with the bankruptcy estate of Goal Capital Funding, LLC and/or Goal Financial. If that occurs, you can expect delays in receiving payments on your notes and even a reduction in payments on your notes.

We also have taken steps to structure each loan purchase by the depositor from Goal Financial or other seller, and by us from the depositor, such that such transfers would be treated as true sales and not as pledges and the loans purchased should not be included in the bankruptcy estate of Goal Financial or any seller, or the depositor if any of them should become a debtor under the Bankruptcy Code. However, if the bankruptcy court were to determine that the loans constitute property of the estate of Goal Financial, other seller, or the depositor, as the case may be, we could experience delays in receiving payments on our student loans and you could then expect delays in receiving payments on your notes, or even a reduction in payments on your notes. Even if a request to recharacterize these transfers were to be denied, delays in payments on the loans and resulting delays or losses on your notes could result.

Bankruptcy or insolvency of Great Lakes Educational Loan Services, Inc. or ACS Education Services, Inc. could result in payment delays to you

Great Lakes Educational Loan Services, Inc. and ACS Education Services, Inc. will act as the servicers with respect to the student loans acquired by the trust. A servicer may be eligible to become a debtor under the Bankruptcy Code. If a servicer were to become a debtor under the Bankruptcy Code, although the indenture provides that such an event would entitle the trust or the indenture trustee to terminate the servicer, the provision would most likely not be enforceable or the court, conservator, receiver or liquidator may have the power to prevent the trust or the indenture trustee from appointing a successor servicer. However, a rejection of the servicing agreement by the servicer in a bankruptcy proceeding would be treated as a breach of the servicing agreement and give the trust or the indenture trustee a claim for damages and the ability to appoint a successor servicer. An assumption under the Bankruptcy Code would require the servicer to cure its pre-bankruptcy defaults, if any, and demonstrate that it is able to perform following assumption. The bankruptcy court may permit the servicer to assume the servicing agreement and assign it to a third party. An insolvency by an entity governed by state insolvency law would vary depending on the laws of the particular state. We cannot assure you that a bankruptcy or receivership of the servicer would not adversely impact the servicing of the student loans or the trust or the indenture trustee would be entitled to terminate servicer in a timely manner or at all.

If any servicer becomes the subject of bankruptcy or similar proceedings, the trust's or the indenture trustee's claim to collections in that servicer's possession at the time of the bankruptcy filing or other similar filing may not be perfected. In this event, funds available to pay principal and interest on your notes may be delayed or reduced.

A default by a servicer could adversely affect the notes

If a servicer defaults on its obligations under its related servicing agreement, the trust or indenture trustee may remove such servicer. In the event of the removal of such servicer and the appointment of a successor servicer, there may be additional costs associated with the transfer of servicing to the successor servicer, including but not limited to, an increase in the servicing fees the successor servicer charges which could reduce the amount of principal or interest paid to you as owner of the notes or delay those payments past their due dates. In addition, we cannot predict the ability of the successor servicer to perform the obligations and duties under the servicing agreement.

If we do not receive timely payments on our student loans, we may not be able to pay your notes. You may also incur losses or delays in payment on your notes if borrowers default on their student loans

Collections on the student loans may vary greatly in both timing and amount from the payments actually due on the student loans for a variety of economic, social, demographic and other factors. As a result, we may not receive all the payments that are actually due on our student loans. Failures by borrowers to make timely payments of the principal and interest due on the student loans or an increase in deferments or forbearances could affect the revenues of the trust estate, which may reduce the amounts available to pay principal and interest due on the notes. In addition,

many of the student loans have been made to graduate and professional students, who generally have higher debt burdens than student loan borrowers as a whole. We cannot predict with accuracy the effect of these factors, including the effect on the timing and amount of funds available and the ability to pay principal and interest on the notes.

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 of the student loans. For most other student loans, interest generally will be capitalized and added to the principal balance of the student loans. The trust estate will include 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 student loans in our portfolio for which payments are deferred and currently in repayment will vary during the period that the notes are outstanding.

In general, a guarantee agency reinsured by the Department of Education will guarantee 98% of each student loan first disbursed on or before June 30, 2006 and 97% of each student loan first disbursed on or after July 1, 2006. As a result, if a borrower of a student loan defaults and credit enhancement is not otherwise available, the issuing entity will experience a loss of 2% or 3% of the outstanding principal and accrued interest on each of the defaulted loans depending on when it was first disbursed. We do not have any right to pursue the borrower for the remaining unguaranteed portion. If defaults occur on the trust's student loans and credit enhancement is not otherwise available, you may suffer a delay in payment or a loss on your investment.

Payments or losses under the joint sharing agreement may result in delayed payments on the offered notes or losses to noteholders

We will enter into a joint sharing agreement with the Depositor, Goal Capital Funding Trust and Goal Capital Funding Trust 2007-1 pursuant to which each party will agree to indemnify each other party for payments from the Department of Education or the guarantee agencies that are mistakenly credited to it. There is a risk that we will be obligated to make a payment under the joint sharing agreement at a time when, after such payment is made, there are insufficient funds to make scheduled payments on the then-outstanding notes. Similarly, there is no guarantee that another party would have sufficient monies available at a time when we assert a claim under the joint sharing agreement, thus decreasing the funds we would otherwise have available to make distributions.

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. 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.

If the indenture trustee is forced to sell student loans after an event of default, you could realize losses on your notes

Generally, after an event of default, the indenture trustee is authorized to sell the student loans. However, the indenture trustee may not find a purchaser for the student loans. Also, the market value of the student loans plus other assets in the trust estate might not equal the principal amount of notes plus accrued interest. The 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 student loans and lower prices available in the secondary market for those student loans. There may be even fewer potential buyers for those student loans, and therefore lower prices available in the secondary market. You may suffer a loss if the indenture trustee is unable to find purchasers willing to pay prices for the student loans sufficient to pay the principal amount of the notes plus accrued interest.

The notes may be repaid early due to an optional purchase. If this happens, your yield may be affected and you will bear reinvestment risk

The notes may be repaid before you expect them to be in the event of an optional purchase. Each event would result in the early retirement of the notes outstanding on that date. If this happens, your yield on the notes may be affected and you will bear the risk that you cannot reinvest the money you receive in comparable notes at an equivalent yield.

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 or an originator may arise before the origination or acquisition of student loans, or before a trust pledges its student loans under the indenture or could arise at any time later and nonetheless have priority over a security interest previously granted. 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.

Less than all of the noteholders can approve amendments to the indenture or waive defaults under the indenture without your approval and rating agencies can confirm the ratings based upon such amendments or waivers

Under the indenture, holders of specified percentages of the aggregate principal amount of the notes and other obligations (including counterparties under derivative products) may amend or supplement provisions of the indenture and the notes and waive events of defaults and compliance provisions without the consent of the other noteholders. You have no recourse if such other noteholders vote in a manner with which you do not agree. The other noteholders may vote in a manner which impairs the ability to pay principal and interest on a noteholder's notes. The indenture also 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 and the execution by a trust of derivative products.

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

We expect to issue the notes only in book-entry form

We expect that the notes will be initially represented by a certificate registered in the name of Cede & Co., the nominee for DTC, and will not be registered in your name or the name of your nominee. Unless and until definitive securities are issued, holders of the notes will not be recognized by the indenture trustee as registered holders as that term is used in the indenture and 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 described in "Summary of Terms – Rating of the Notes." Ratings are based primarily on the creditworthiness of the underlying student loans, 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 the 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. Ratings may be increased, lowered or withdrawn by any rating agency if in the rating agency's judgment circumstances so warrant. A downgrade in the rating of your notes is likely to decrease the price a subsequent purchaser will be willing to pay for your notes.

Our ability to pay principal and interest on the notes may be compromised if a counterparty defaults under derivative products

We may, upon receipt of a rating confirmation, in the future enter into derivative products that are intended to mitigate the interest rate risk associated with the notes. If a payment is due to us under a derivative product, a default by the counterparty may reduce the amount of funds available to us and thus our ability to pay the principal and interest on the notes. Moreover, our ability to pay principal and interest on the notes also may be adversely affected if the derivative products are not fully effective at mitigating the interest rate risk associated with the notes.

In addition, an early termination of a derivative product may occur in the event that either:

the counterparty fails to make a required payment within any specified grace period of the date that payment was due; or

the counterparty fails, within a specified number of days of the date on which the credit ratings of the counterparty or its credit support provider fall below the required ratings specified in the agreement, to:

obtain a replacement derivative product with terms substantially the same as the existing agreement; or

establish any other arrangement satisfactory to the trust and the applicable rating organizations.

If an early termination occurs, we may no longer have the benefit of that derivative product and we may not be able to enter into substitute derivative products.

Provisions subordinating rights of a derivative product counterparty to rights of noteholders upon the bankruptcy of the derivative product counterparty may be unenforceable

On January 25, 2010, the United States Bankruptcy Court for the Southern District of New York ruled that certain provisions in a CDO indenture subordinating payments owed to Lehman Brothers Special Financing Inc. ("Lehman"), as swap provider, constituted unenforceable modifications of Lehman's contractual rights based solely on the commencement of its bankruptcy case. The Bankruptcy Code provides an exception to this rule with respect to various derivative product agreements, including swap agreements. In Lehman's case, Lehman created a special purpose entity ("Saphir") that issued certain notes backed by collateral. Saphir also entered into a swap agreement with Lehman. Under the indenture, Lehman's rights in the collateral had priority over the rights of the noteholders. However, upon the commencement of a bankruptcy case with respect to Lehman, the priorities would be reversed. Lehman filed for bankruptcy on October 3, 2008, and Saphir terminated the swap agreement by notice to Lehman citing Lehman's bankruptcy filing as the event of default. The Court concluded that the provisions subordinating Lehman's right to payment, upon its bankruptcy, to the rights of the noteholders were unenforceable. The exception did not apply because the subordination provisions were contained in the indenture rather than the swap agreement. While the ruling was limited to the facts of that particular case, if a swap agreement is entered into, we cannot assure you that in the event of a bankruptcy of any swap provider, a bankruptcy court would uphold any similar subordination in similar circumstances. In the event that a swap provider is owed a swap termination payment with priority over the noteholders, noteholders could incur significant losses.

Principal of the student loans may amortize faster because of incentive programs

The student loans purchased by the trust are 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 for the trust student loans, affecting payment of obligations.

Student loans are unsecured and the ability of the guarantee agencies to honor their guarantees may become impaired

All student loans that we acquire and pledge to the trust estate will be unsecured. As a result, the only security for payment of a student loan is the guarantee provided by the guarantee agency. Payments of principal and interest are guaranteed by guarantee agencies to the extent described herein.

A deterioration in the financial status of a guarantee agency and its ability to honor guarantee claims on defaulted student loans could result in a failure of that guarantee agency to make its guarantee payments to the indenture trustee in a timely manner. See the caption “Changes to the Higher Education Act or other laws may affect your notes” above. 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 principal and interest paid to you as the owner of 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 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 thereto. See “Student Loan Guarantees and Federal Reinsurance” in this Offering Memorandum. 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.

Failure to comply with loan origination 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 our student loans. These requirements establish servicing requirements and procedural guidelines and specify school and borrower eligibility criteria.

The Department of Education regulates each lender and servicer of FFELP loans. Under these regulations, a third-party servicer is jointly and severally liable with its client lenders for liabilities to the Department of Education arising from its violation of applicable requirements. In addition, if any lender or servicer fails to meet standards of financial responsibility or administrative capability included in the regulations, or violates other requirements, the Department of Education may impose penalties or fines and limit, suspend, or terminate the lender’s eligibility to participate in or the servicer’s eligibility to contract to service loans originated under the FFELP.

If the trust or any of its affiliates were so fined, or their FFELP eligibility were limited, suspended or terminated, payment on the notes could be adversely affected. If any servicer were so fined or held liable, or its eligibility were limited, suspended, or terminated, its ability to properly service the student loans and to satisfy its obligation to purchase student loans with respect to which it has breached its representations, warranties or covenants could be adversely affected. In addition, if the Department of Education terminates any servicer’s eligibility, a

servicing transfer will take place and there may be delays in collections and temporary disruptions in servicing. Any servicing transfer may temporarily adversely affect payments to you.

A guarantee agency may reject a loan for claim payment due to a violation of the FFELP 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. Violations of due diligence collection and servicing requirements can result from human error. Violations can also result from computer processing system errors, or from problems arising in connection with the implementation of a new computer platform or the conversion of additional loans to a servicing system.

The trust's student loan purchase agreement with the depositor requires the depositor to repurchase its loans if the representations and warranties made by the depositor 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.

The use of master promissory notes may compromise the indenture trustee's security interest in the student loans

Loans made under the FFELP may be evidenced by a master promissory note. Once a borrower executes a master promissory note with a lender, additional loans made by the lender are evidenced by a confirmation sent to the borrower, and all loans are governed by the single master promissory note.

A loan evidenced by a master promissory note may be sold independently of the other loans governed by the master promissory note. If the trust purchases a 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 loan. This could occur if the holder of the master promissory note were to take an action inconsistent with the issuing entity's rights to a 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 issuing entity's rights to the 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 loan.

Offset by guarantee agencies or the Department of Education could reduce the amounts available for payment of your notes

The eligible lender trustee will use a Department of Education lender identification number that will also be used for other student loans held by the eligible lender trustee on behalf of the trust and other trusts created by the depositor. The billings submitted to the Department of Education will be consolidated with the billings for payments for all student loans held by the eligible lender trustee on behalf of the trust and the other trusts created by the depositor, and payments on the billings will be made by the Department of Education or the guarantee agency to the eligible lender trustee in lump sum form. These payments will be allocated by the eligible lender trustee among the various student loans held under the same lender identification number.

If the Department of Education or a guarantee agency determines that the eligible lender trustee owes a liability to the Department of Education or the guarantee agency on any student loan for which the eligible lender trustee is legal titleholder, the Department of Education or the guarantee agency might seek to collect that liability by offsetting against payments due the eligible lender trustee under the indenture. This offsetting or shortfall of payments due to the eligible lender trustee could adversely affect the amount of available funds and the trust's ability to pay interest and principal on the notes. See "Payments or losses under the joint sharing agreement may result in

delayed payments on the offered notes or losses to noteholders” above and the captions “Summary of Terms – Joint Sharing Agreement” and “Student Loan Guarantees and Federal Reinsurance” in this Offering Memorandum.

Issuance of Subordinate Notes

The indenture may be amended to provide for the issuance of one or more series of subordinate notes without the noteholders’ consent so long as (i) a rating confirmation is obtained, (ii) the payments thereon are fully subordinate to the payment in full of interest and principal of the notes offered by this Offering Memorandum.

Goal Capital Funding Trust 2010-1

General

Goal Capital Funding Trust 2010-1 is a Delaware statutory trust formed by Goal Capital Funding, LLC (“Goal Capital Funding”) pursuant to an amended and restated trust agreement by and between Goal Capital Funding, as depositor and initial certificate holder, and Wilmington Trust Company, as Delaware trustee, for the transactions described in this Offering Memorandum. The assets of the trust will include student loans the trust acquires, 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 activities in connection therewith. The trust will not engage in any activity other than:

acquiring, holding and managing the student loans and the other assets of the trust, and the proceeds therefrom;

issuing the notes;

entering into derivative products as described under the caption “Description of the Trust – General”

engaging in other activities related to the activities listed above.

The notes will be secured by the trust’s assets. The Collection Fund, the Capitalized Interest Fund, the Acquisition Fund, the Department Rebate Fund and the Reserve Fund will be maintained in the name of the indenture trustee for the benefit of the noteholders. The servicers described below will act as custodians of the promissory notes and other documents with respect to the trust’s student loans.

Goal Capital Funding will initially hold all of the equity interests in the trust. The mailing address for Goal Capital Funding, is 1229 King Street, Third Floor, Alexandria, Virginia 22314 and its telephone number is (703) 837-1630. The trust’s fiscal year ends on June 30th.

Goal Capital Funding is a wholly-owned subsidiary of Goal Financial, the sponsor of the transactions described in this Offering Memorandum.

Goal Capital Funding is further described below under the caption “The Sponsor, and the Depositor and the Administrator —The Depositor.” Goal Financial is further described below under the caption “The Sponsor, the Depositor and the Administrator—The Sponsor.”

As of the closing date, the capitalization of the trust will consist of the proceeds from the sale of the notes and amounts received from the sponsor which shall be deposited into the Acquisition Fund, Capitalized Interest Fund and Reserve Fund as further described below under the caption “Use of Proceeds.”

Eligible Lender Trustee

The eligible lender trustee is The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States. It maintains a corporate trust office at 10161 Centurion Parkway, Jacksonville, Florida 32256. The Bank of New York Mellon Trust Company, N.A. has been, and currently is, serving as eligible lender trustee for numerous securitization transactions and programs involving pools of student loan receivables.

The Bank of New York Mellon Trust Company, N.A. has provided the above information. Other than the above paragraph, The Bank of New York Mellon Trust Company, N.A. has not participated in the preparation of, and is not responsible for, any other information contained in this Offering Memorandum.

On the closing date, the eligible lender trustee will enter into an eligible lender trust agreement with the trust, and, pursuant to the eligible lender trust 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 Offering Memorandum 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 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 bad faith, fraud, willful misconduct or negligence. 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 bad faith, fraud, willful misconduct or negligence.

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 moneys, fees and expenses 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.

Indenture Trustee

The indenture trustee is The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States. It maintains a corporate trust office at 10161 Centurion Parkway, Jacksonville, Florida 32256. The Bank of New York Mellon Trust Company, N.A. has been, and currently is, serving as indenture trustee for numerous securitization transactions and programs involving pools of student loan receivables.

The Bank of New York Mellon Trust Company, N.A. has provided the above information. Other than the above paragraph, The Bank of New York Mellon Trust Company, N.A. has not participated in the preparation of, and is not responsible for, any other information contained in this Offering Memorandum.

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 Mellon Trust Company, N.A. will act as indenture trustee for the benefit of and to protect the interests of the noteholders and will act as paying agent for the notes. 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 this Offering Memorandum for additional information regarding the responsibilities of the indenture trustee.

Delaware Trustee

The depositor has established 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 Delaware 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 Delaware trustee.

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 Offering Memorandum.

Except as specifically delegated to the administrator in the administration agreement, Wilmington Trust Company will also execute and deliver all agreements required to be entered into on behalf of the trust.

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 trust and the issuance of the notes.

The Sponsor

Goal Financial, a Delaware limited liability company, is the sponsor for the transaction described in this Offering Memorandum. Headquartered in Alexandria, Virginia, historically Goal Financial originated, consolidated, securitized and continues to hold, directly or indirectly, student loans, principally loans originated under FFELP.

In 2008, Goal Financial ceased all future loan originations through FFELP, having stopped accepting applications for new FFELP loans in 2007. As of March 31, 2010, Goal Financial and its subsidiaries have approximately 11 employees and, through its affiliates manages over \$7.4 billion of education loan receivables. Although Goal Financial no longer markets or originates education loans, management of its student loan portfolio will remain central to the company's mission as it pursues diversifying its business interests beyond lending.

Goal Financial is the sole member and equity holder of WiseChoice Brands, LLC, which owns and operates WiseChoice.com and ScholarshipExperts.com. WiseChoice.com is a personalized, online college counseling resource that helps high school students and their families identify “best-fit” colleges, based on the student’s academics, personality, learning style, budget, preferences and other factors. ScholarshipExperts.comTM offers a free scholarship search service on the Internet at www.scholarshipexperts.com, and provides scholarship information for U.S. and International students.

Goal Financial’s principal offices are located at 1229 King Street, Third Floor, Alexandria, Virginia 22314 and its telephone number is (703) 837-1630.

The Depositor

The depositor, Goal Capital Funding, is a Delaware limited liability company formed on August 11, 2005. Goal Financial is the sole equity member of Goal Capital Funding. Goal Capital Funding's Limited Liability Company Agreement limits Goal Capital Funding's activities to those that relate to the acquisition, financing, sale and securitization of student loans.

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

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

The Administrator

GS2 is a Delaware corporation that commenced business on January 1, 2008 as a limited liability company and converted to a corporation on March 12, 2010. Goal Financial "spun off" its Treasury and Capital Markets operations to initially form GS2 and create a new business focused on consumer loan asset management. All of the common stock in GS2 is currently held by a single individual, Ryan D. Katz, who is also the majority owner of Goal Financial. It is anticipated that Goal Financial and GS2 will undergo a reorganization between May 13, 2009 and June 30, 2009. After this project is complete, (1) GS2 will be wholly owned by an Employee Stock Ownership Plan (for the benefit of employees of GS2 and certain of its subsidiaries in accordance with federal law); (2) the membership interests of Goal Financial will be approximately 99% owned by GS2; and (3) the remaining membership interests in Goal Financial will be owned directly or indirectly by one or more of Goal Financial's current members. As a part of this reorganization, Goal Financial will redeem a substantial portion of the current members' membership interests in exchange for subordinated, unsecured promissory notes, the principal amount of which will be payable over a 15 year period. This reorganization is expected to improve both the value of Goal Financial and its working capital position over time.

GS2 currently has a staff of approximately 25 full time employees or equivalents (independent contractors) and is headquartered at 401 West A Street, Suite 1300 in San Diego California. GS2 also has employees in Minnesota and Virginia.

The principal business of GS2 is performing professional services associated with (i) serving as master servicer, sub-servicer or administrator for securitizations of consumer loans and other financing arrangements for pools of consumer loans, (ii) valuation and related advisory services, (iii) consumer loan portfolio performance analytics, and (iv) transaction advisory and management services. Its primary client is Goal Financial, and it also acts in a backup administrator role for a large bank in connection with certain student loan asset-backed securitizations and acts as master servicer for a large private equity fund in connection with a pool of private student loans. GS2 has acted as sub-administrator to Goal Financial's student loan securitization trusts since 2008. The primary management and operations team of GS2 has been managing all of Goal Financial's student loan securitization trusts since 2004.

GS2 will enter into an administration agreement with the trust, Wilmington Trust Company, as Delaware trustee and The Bank of New York Mellon Trust Company, N.A. as eligible lender trustee and indenture trustee. Under the administration agreement, on each 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 "The Student Loan Operations of Goal Capital Funding Trust 2010-1 - Administration Agreement" below.

GS2 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.

The Backup Administrator

Lord Securities Corporation (“Lord”) is a financial services and securitization administration firm that has served the structured finance market since 1971. Lord provides transaction sponsors and their financial and legal advisors with seamless, multi-jurisdictional service and support through its world-wide network of affiliates and by way of its experienced personnel. Professional staff at Lord includes certified public accountants, MBAs, attorneys, in-house paralegals and others with extensive experience in structured finance. Lord provides domestic and off-shore special purpose entities with equity capital and independent directors and officers, as well as full-service, third-party special purpose entity administration, ownership, transaction management, accounting, commercial paper issuance and treasury services.

Lord is part of the TMF Structured Finance Services Group (“TMF SFS”), a leading global independent provider of structured finance services in all major financial centers and key emerging markets. TMF SFS acts for premier global financial institutions on some of the most complex and innovative cross-border transactions in the industry. TMF SFS was one of the first players in the European market and it has been providing structured finance services since 1994. TMF SFS is currently managing over 1,100 special purpose vehicles in connection with a broad range of structures and asset classes across the globe.

Except as otherwise indicated, the foregoing information regarding Lord has been obtained from Lord and has not been independently verified.

The Student Loan Operations of Goal Capital Funding Trust 2010-1

The trust will use the proceeds from the sale of the notes to make deposits to the Acquisition Fund, the Capitalized Interest Fund and the Reserve Fund. Proceeds from the sale of the notes, along with an additional contribution received from Goal Financial, deposited in the Acquisition Fund will be used to purchase student loans. The eligible lender trustee will first acquire student loans on behalf of the depositor, which will direct that the student loans be sold and transferred to the Acquisition Fund of the trust. The eligible lender trustee, 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 Goal Financial pursuant to loan purchase agreements.

The student loans we expect to acquire on the closing date were held by affiliates of Goal Financial meeting specific criteria, including requirements that as of the cut-off date each student loan:

is 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 FFELP;

is not more than 269 days past due;

is not in claim status with a guarantee agency;

contains terms in accordance with those required under the FFELP, the guarantee agreements and other applicable requirements;

is fully disbursed;

does not have a borrower who is noted in a servicer’s related records as currently involved in a bankruptcy proceeding; and

has special allowance payments, if any, based on the three-month commercial paper rate.

Additionally, delinquent loans will not constitute more than 20% of the principal balance of the pool of student loans the issuing entity acquires. With respect to any student loan as to which the related borrower is determined to be a resident of the City of New York, New York, for which all monthly payments due under such

student loan, up to and as of the closing date have not been made in full, Title 20 of New York City's Administrative Code could impose certain penalties upon the trust for violations by the trust, servicer or any collection agency of certain debt collection practices proscribed by the statute. If such violations were to occur, penalties could be as high as \$1,000 per student loan plus \$100 per instance of contact with a student loan borrower. In such instances, all penalties assessed would be required to be paid by the trust. As of the statistical cutoff date less than 1% of the student loans have related borrowers who are residents of the City of New York, New York and approximately 106 student loans have related borrowers who are residents of the City of New York, New York for which all monthly payments due under such student loan have not been paid.

Servicing of student loans

On the closing date, the trust will enter into servicing agreements with each of GLELSI and ACS under which GLELSI and ACS, as servicers, will agree to service the related student loans. GLELSI and ACS will act as servicers with respect to approximately 56.45% and 43.55% of the trust's student loans, respectively, based on the outstanding principal balance of the student loans as of the statistical cut-off date. 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 and the rules and regulations of the guarantee agencies 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.

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. 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 third party guarantee agencies and lender servicing and origination functions. GLHEC and affiliates also maintain offices in St. Paul, Minnesota, Aberdeen, South Dakota and Boscobel and Eau Claire, Wisconsin and customer support staff located nationally.

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 December 31, 2009, GLELSI serviced 3,337,949 student and parental accounts with an outstanding balance of \$48.4 billion for over 1,250 lenders nationwide, including the U.S. Department of Education. As of December 31, 2009, 56% of the portfolio serviced by GLELSI was in repayment status, 6% was in grace status and the remaining 38% 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.

Except as otherwise indicated, the foregoing information regarding GLELSI has been obtained from GLELSI and has not been independently verified.

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.

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 guarantee agency;
- provide data as required by any guarantee agency;
- 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 student 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 in servicing a student loan; provided, however, that, if any such deficiency results in the denial by a guarantee agency of the benefit of any guarantee applicable to such student loan and GLELSI is unable to cause the reinstatement of the guarantee within twelve months of such denial, GLELSI will be obligated to purchase such student loans from the trust for an amount equal to the outstanding principal balance of the student loan plus all accrued interest, fees and other amounts due in respect of the student loan as of the date of purchase. Upon such payment, the student loan will be transferred to GLELSI.

GLELSI will agree to indemnify the trust for losses relating to GLELSI's negligence or misconduct in servicing the student loans for which it is servicer, but will not be liable for related consequential damages.

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

Payments on Student Loans

Payments received on the trust's student loans generally will be deposited into a lockbox account at an insured depository institution in the name of GLELSI each business day. Payments received on the trust's student loans will not be segregated from payments received on other student loans serviced by GLELSI. Payments received on account of the trust's student loans will be transferred daily on the day after collection to the indenture trustee for deposit into the Collection Fund. Prior to the transfer of such funds to the indenture trustee, the applicable servicer may invest those funds for its own account.

ACS Education Services

General

ACS Education Services, Inc. ("ACS") acts as a loan servicing agent for the issuer. ACS is a for-profit corporation and a wholly-owned subsidiary of Affiliated Computer Services, Inc. ("ACSI"). On Feb. 08, 2010, Xerox Corporation completed its acquisition of ACSI transforming Xerox into the world's leader in business process and document management. Headquartered in Norwalk, Connecticut, Xerox is a Fortune 500 company with a worldwide workforce of 130,000 employees, providing services to clients in more than 160 countries. Xerox's common stock trades on the New York Stock Exchange under the symbol "XRX". As of March 31, 2010, ACSI provided loan servicing for approximately \$219 billion in student and parental loans, including Federal Direct Student Loans under contract with the U.S. Department of Education. ACS has its headquarters at One World Trade Center, Suite 2200, Long Beach, California 90831, and has regional processing centers in Long Beach and Bakersfield, California; Utica, New York; Montego Bay, Jamaica; Juarez, Mexico; Oakbrook, Illinois; Aberdeen, South Dakota; Canyon, Texas; Tempe, Arizona; Madison, Mississippi; Bangalore, India; Kuala Lumpur, Malaysia; and Pasay City, Philippines.

Except as otherwise indicated, the foregoing information regarding ACS has been obtained from ACS and has not been independently verified.

The ACS Servicing Agreement

The ACS servicing agreement will continue until terminated according to its terms. Pursuant to the servicing agreement, ACS will generally agree to provide all customary student loan servicing activities with respect to the trust student loans in accordance with generally established procedures and industry standards and practices. Such services generally include billing and processing payments from borrowers, undertaking certain required collection activities with respect to delinquent loans, submitting guarantee claims with respect to defaulted loans, establishing and maintaining records with respect to its servicing activities, and providing certain reports of its activities and the student loan portfolios serviced by them. ACS will agree to service the trust student loans in material compliance with the Higher Education Act, the regulations of the applicable guarantee agency, and other applicable federal and state laws and regulations.

In addition, the servicer will keep ongoing records on the loans and its collection activities in compliance with the applicable guarantee agreements and all other applicable federal and state laws, including, if applicable, the Higher Education Act.

The initial term of the servicing agreement is five years; however, such term will automatically extend for successive twelve month periods unless either party provides 90 days written notice of termination prior to the end of any such extension of the term. Either party may terminate the servicing agreement if a material breach of the agreement has not been cured within 90 days or, if the material breach is non-payment of ACS's fees, 30 days,

following written notice thereof. ACS may terminate or amend (as set forth in the servicing agreement) the servicing agreement if, in ACS's reasonable determination, changes in any current or future law, regulation or other requirement applicable to the loans it services under the servicing agreement expose ACS to a materially increased risk of liability to certain parties, impose materially increased duties or obligations upon ACS, cause ACS to incur additional material expenses or materially restrict or derogate from ACS's indemnification rights or limits of liability. Additionally, the trust may terminate the servicing agreement if ACS announces or actually commences a wind-down of its servicing activities.

Pursuant to the servicing agreement, ACS is entitled to cure any errors or omissions in the performance of its duties under the servicing agreement by reperformance of such duties to the extent such reperformance will reasonably eliminate or mitigate losses to the trust. The servicing agreement further provides that ACS shall not be liable in the performance of services except for willful misconduct or negligence and then only to the extent of principal and interest on rejected claims. ACS's liability for loans that entered repayment status prior to the date ACS assumed servicing responsibility for such loan or loans or which have previously been cured following a non-ACS servicing error is limited to general money damages in an aggregate amount not to exceed compensation theretofore paid with respect to such serviced loan.

Under the servicing agreement, ACS is not liable for its failure to comply with any law, rule, regulation or other requirement applicable to any trust student loans which was not articulated in writing and actually made known to ACS, which is inconsistent with industry practice or prior guarantor conduct or during any period in which the U.S. Department of Education and/or any guarantor shall have indicated that it will not enforce such requirement. ACS is not liable for any incidental, indirect, special, punitive or consequential damages, for failure to provide services because of reasons beyond its control, for any violation of applicable law, regulation or other requirement under the servicing agreement where ACS's action or inaction was not negligent, for any losses, liabilities or expenses arising from or relating to guarantor error, for any losses, liabilities or expenses arising from electronic data interchange failure not directly related to ACS's negligence, or for the uncollectibility or non-payment with respect to accounts serviced under the servicing agreement or the failure of a guarantor to pay any claim except where such uncollectibility or failure is a result of ACS's negligence or willful misconduct.

In certain circumstances the trust is required to indemnify ACS for all claims, losses, liabilities and reasonable expenses unless a court determines that such claim or action is the direct result of ACS's negligence or willful misconduct; provided, however, the trust's obligation to indemnify ACS pursuant to the servicing agreement is subordinate to the rights of the noteholders under the indenture and is payable only to the extent that monies may be released from the lien of the indenture. If a court determines that such claim or action was the direct result of ACS's negligence or willful misconduct, ACS is required to indemnify the trust.

Payments on Student Loans

Payments received on the trust's student loans generally will be deposited into a lockbox account at an insured depository institution in the name of ACS each business day. Payments received on the trust's student loans will not be segregated from payments received on other student loans serviced by ACS. Payments received on account of the trust's student loans will be transferred to the indenture trustee for deposit into the Collection Fund. Prior to the transfer of such funds to the indenture trustee, the applicable servicer may invest those funds for its own account.

Administration Agreement

GS2 will act as the administrator of the trust. GS2 will enter into an administration agreement with the trust, Wilmington Trust Company, as Delaware trustee and The Bank of New York Mellon Trust Company, N.A., as eligible lender trustee and indenture trustee. Under the administration agreement, the administrator agrees to perform its duties as administrator and to perform the duties of the trust under the indenture, the trust's trust agreement and related documents. 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 the required distributions from the funds on each monthly servicing payment date and on each distribution date as described in this Offering Memorandum;

preparing, using data received from the servicers, and providing quarterly and annual distribution to the eligible lender trustee and the indenture trustee 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 this Offering Memorandum. See “Fees and Expenses” in this Offering Memorandum.

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

the servicing fees, trustees’ fees and administrative fees for the collection period;

the amount of interest distributions for the notes and the applicable interest rate;

the amount of principal distributions on the notes;

the pool balance at the end of the collection period;

the outstanding principal amount for all of the outstanding notes; and

the balance of student loans held by the 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 Delaware trustees or successor trustees; and

removing the Delaware trustee or the indenture trustee.

The trust or the indenture trustee may remove the administrator upon an administrator default and GS2 may resign as administrator upon 60 days’ written notice, provided that no resignation will become effective until a successor administrator has assumed GS2’s duties under the administration agreement and the rating agencies confirm that the appointment of such successor administrator will not result in a downgrade or suspension of or withdrawal of the ratings then applicable to the notes.

Administrator default

An administrator default under the administration agreement will consist of:

the administrator’s failure to perform any of its duties under the administration agreement and the failure to cure such non-performance within 10 days after receipt of notice, or, if such default cannot be cured in such time, the failure to give, within 10 days, such assurance of cure as is reasonably satisfactory to the trust; or

the occurrence of an event of bankruptcy involving the administrator.

An event of bankruptcy means:

the commencement of a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official, making a general assignment for the benefit of creditors, declaring a moratorium with respect to one's debts or failure to generally pay one's debts as they become due; or

the commencement of an involuntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official, provided such action is not dismissed within 60 days.

Statements as to Compliance

The administration agreement will require the administrator to deliver to the trust and indenture trustee an annual 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.

You may obtain a copy of the certificate by sending a written request to the administrator.

Backup Administration Agreement

In the event that GS2 resigns or is removed as administrator, Lord Securities Corporation will step in as administrator within approximately 45 days of notice under a new administration agreement with terms substantially similar to those described under the caption "Administration Agreement" above. Pursuant to the terms of the Administration Agreement, the Delaware trustee, the eligible lender trustee and the indenture trustee have consented to such appointment.

Student Loan Purchase Agreements

The eligible lender trustee will purchase student loans originated under the FFELP 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 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 loans. The depositor will be obligated under the student loan purchase agreement to deliver each student loan note and related documentation to the applicable servicer as custodial agent for the indenture trustee, and to deliver the instruments of transfer for the student loans as necessary for a valid transfer of the loans.

The depositor, in selling and transferring the student loans to the trust, will make representations, warranties and covenants with respect to the student loans sold pursuant to the student loan purchase agreement, including the following:

each 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 loan and has full right and authority to sell and assign the same free and clear of all liens, pledges or encumbrances;

each loan to be sold under the student loan purchase agreement is either insured or guaranteed; and

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 loans.

At the request of the administrator or eligible lender trustee, the depositor will be obligated to repurchase any loan purchased from the depositor if (unless resulting from an act or omission of the trust):

any representation or warranty made or furnished by the depositor in or pursuant to the student loan purchase agreement will prove to have been materially incorrect as to the 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 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 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 loan unenforceable is asserted by a maker or endorser, if any, of the loan with respect to his or her obligation to pay all or any part of the loan, if the trust or eligible lender trustee believe in good faith that the facts, if true, raise a reasonable doubt as to the enforceability of the loan.

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

Each transfer of student loans to the trust will be structured to consistent with a "true sale" of the student loans. In addition, the depositor, the indenture trustee, the eligible lender trustee and the 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.

Fees and Expenses

The fees and expenses payable by the trust are set forth in the table below. The priority of payment of such fees and expenses is described below in "Security and Sources of Payments for the Notes – Flow of Funds" in this Offering Memorandum.

<u>Fee and Expense</u>	<u>Recipient</u>	<u>Amount</u>
Servicing Fee	GLELSI and ACS	Servicing fees are not expected to exceed 0.43% per annum
Administration Fee	GS2	0.05% ⁽¹⁾
Backup Administration Fee	Lord Securities Corporation	\$10,000 per annum
Indenture Trustee and Eligible Lender Trustee	The Bank of New York Mellon Trust Company, N.A.	\$12,000 per annum
Delaware Trustee Fee	Wilmington Trust Company	\$5,000 per annum

⁽¹⁾ As a percentage of the pool balance.

The servicing fees payable to GLELSI and ACS, which are calculated on a discrete per-borrower or per-service basis, as applicable, are not expected to exceed 0.43% per annum of the outstanding principal balance of the trust's student loans.

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

Use of Proceeds

The proceeds from the sale of the notes, along with the additional contribution received from Goal Financial, are expected to be applied as follows:

Deposit to Acquisition Fund	\$192,912,978
Deposit to Capitalized Interest Fund	\$3,000,000
Deposit to Reserve Fund	<u>\$477,104</u>
Total	<u>\$196,390,082</u>

Approximately \$1,500,000 of the proceeds of the sale of the offered notes deposited to the Acquisition Fund will be used to pay the costs of issuance.

Acquisition of Student Loans

On the closing date, we will deposit into the Acquisition Fund approximately \$192,912,978 from the proceeds of the notes and amounts received from Goal Financial, which we will use to purchase student loans on the closing date and pay the costs of issuing the notes. The trust will purchase its student loans for a price equal to 100% of their aggregate outstanding principal balance as of the cut-off date, plus interest accrued but unpaid to and including the cut-off date.

The eligible lender trustee on behalf of Goal Capital Funding will acquire the student loans from affiliates of Goal Financial. See "Relationships Among Financing Participants" in this Offering Memorandum. Each of the parties selling student 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 "The Student Loan Operations of Goal Capital Funding Trust 2010-1 - The Student Loan Purchase Agreement" in this Offering Memorandum.

Characteristics of the Student Loans (As of the Statistical Cut-off Date)

As of March 31, 2010, the statistical cut-off 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 student loans to be acquired with the proceeds of the notes is other than the statistical cut-off date, the characteristics of those student loans will vary from the information presented below. The aggregate outstanding balance of the student loans in each of the following tables includes the principal balance due from borrowers, including interest to be capitalized and accrued borrower interest. The percentages set forth in the tables below may not always add to 100% and the balances may not always add to \$190,841,504 due to rounding.

Certain borrower incentive programs apply to student loans originated or purchased by us and our affiliates that, among other things, provide (i) for an interest rate reduction for borrowers that make payments on their student loans electronically such as via the Automated Clearing House ("ACH") which is a secure payment transfer system and (ii) an interest rate or principal balance reduction for borrowers that make a specified number of on-time payments. The borrower benefit incentive programs which are applicable to the student loans held by the trust are summarized in the following table:

<u>Rate Reduction</u>	<u>Principal Reduction</u>	<u>Qualifier</u>	<u>Disqualifying Event</u>	<u>Duration of Benefit Once Earned</u>
0.25%	N/A	Payments made by ACH.	Termination of ACH payments.	Benefit lost upon disqualifying event.
0.50%	N/A	Payments made by ACH.	Termination of ACH payments.	Benefit lost upon disqualifying event.
1.00%	N/A	36 months of consecutive on-time payments.	Any delinquency greater than 13 days.	Benefit lost upon disqualifying event.
1.00%	N/A	Borrower has disqualified from 5% principal reduction benefit, and has made 36 consecutive on-time payments.	Any delinquency greater than 13 days.	Benefit lost upon disqualifying event.
1.00%	N/A	24 months of consecutive on-time payments.	Any delinquency greater than 13 days.	Benefit lost upon disqualifying event.
1.25%	N/A	36 months of consecutive on-time payments.	Any delinquency greater than 13 days.	Benefit lost upon disqualifying event.
N/A	3% of current principal.	36 months of consecutive on-time payments.	Any delinquency greater than 13 days.	Life of Loan Benefit.
N/A	5% of original principal plus capitalized interest.	First payment is on-time.	Any delinquency greater than 13 days.	Benefit lost upon disqualifying event.
N/A	8% of current principal.	36 months of consecutive on-time payments.	Any delinquency greater than 9 days.	Life of Loan Benefit.
N/A	8% of current principal.	36 months of consecutive on-time payments.	Any delinquency greater than 7 days.	Life of Loan Benefit.
N/A	Final 6 payments are waived.	Borrower has disqualified from 8% principal reduction benefit, and has made 36 consecutive on-time payments.	N/A.	Life of Loan Benefit.

The borrower benefit incentive program applicable for a specific loan is dependant upon the application date for the loan. Only one program is available for a single loan, except in the case of an interest rate reduction for payments made by ACH, which may be obtained in addition to a benefit for making consecutive or other on-time payments.

Borrower benefit incentives are governed by specific terms and conditions, and if such requirements are met by the borrower, the benefit may not be cancelled or changed by the trust or the servicers.

**Composition of the Student Loan Portfolio
(As of the Statistical Cut-off Date)**

Aggregate outstanding balance	\$190,841,504
Number of loans	19,654
Average outstanding balance per loan	\$9,710
Average outstanding balance per borrower	\$23,957
Weighted average annual interest rate	7.220%
Weighted average remaining term (months)	198
Percentage of loans with SAP index based on commercial paper	100%
Percentage of loans with graduated repayment characteristics	16.30%

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 2.374% as of the statistical cut-off date.

**Distribution of the Student Loans by Loan Type
(As of the Statistical Cut-off Date)**

<u>Loan Type</u>	Number of <u>Loans</u>	Aggregate Outstanding <u>Balance</u>	Percent of Loans by Aggregate Outstanding <u>Balance</u>
Consolidation	4,206	\$ 92,394,345	48.41%
PLUS	12,184	83,423,001	43.71
Stafford	2,723	10,820,435	5.67
Grad PLUS	541	4,203,724	2.20
Total	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by Interest Rate
(As of the Statistical Cut-off Date)**

<u>Interest Rate</u>	Number of <u>Loans</u>	Aggregate Outstanding <u>Balance</u>	Percent of Loans by Aggregate Outstanding <u>Balance</u>
Less than 2.9999%	70	\$ 610,615	0.32%
3.0000% - 3.4999%	211	2,190,363	1.15
3.5000% - 3.9999%	85	2,329,511	1.22
4.0000% - 4.4999%	147	4,146,922	2.17
4.5000% - 4.9999%	280	7,141,696	3.74
5.0000% - 5.4999%	423	10,829,783	5.67
5.5000% - 5.9999%	368	9,805,192	5.14
6.0000% - 6.4999%	397	9,632,497	5.05
6.5000% - 6.9999%	4,086	34,799,890	18.23
7.0000% - 7.4999%	778	14,486,312	7.59
7.5000% - 7.9999%	85	3,106,117	1.63
8.0000% - 8.4999%	1,158	11,797,317	6.18
8.5000% - 8.9999%	11,566	79,965,289	41.90
Total	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by School Type
(As of the Statistical Cut-off Date)**

<u>School Type</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
4-Year Institution	13,180	\$ 86,869,579	45.52%
Graduate	2,171	10,986,037	5.76
2-Year Institution	86	526,655	0.28
Other	4,217	92,459,233	48.45
Total	19,654	\$190,841,504	100.00%

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

<u>SAP Interest Rate Index</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Three-Month CP Index	19,654	\$190,841,504	100.00%
Total	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by Borrower Payment Status
(As of the Statistical Cut-off Date)**

<u>Borrower Payment Status</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
In-School	1,140	\$ 4,353,843	2.28%
Grace	135	503,082	0.26
Deferment	2,686	34,426,291	18.04
Repayment	12,713	117,031,854	61.32
Forbearance	2,980	34,526,434	18.09
Total	19,654	\$190,841,504	100.00%

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

<u>Current Status</u>	<u>Remaining School Term</u>	<u>Remaining Grace Term</u>	<u>Remaining Deferment Term</u>	<u>Remaining Forbearance Term</u>	<u>Remaining Repayment Term</u>
In-School	17	6	0	0	117
Grace	0	3	0	0	125
Deferment	0	0	13	0	226
Forbearance	0	0	0	5	195
Repayment	0	0	0	0	187

**Distribution of the Student Loans by Number of Days Delinquent
(As of the Statistical Cut-off Date)**

<u>Days Delinquent</u>	Number of <u>Loans</u>	Aggregate Outstanding <u>Balance</u>	Percent of Loans by Aggregate Outstanding <u>Balance</u>
0 - 30	17,816	\$172,633,794	90.46%
31 - 60	722	7,420,970	3.89
61 - 90	358	3,572,984	1.87
91 - 120	227	1,978,766	1.04
121 - 150	147	1,412,865	0.74
151 - 180	117	1,220,034	0.64
181 - 210	93	947,356	0.50
211 - 240	117	1,089,187	0.57
241 - 270	57	565,548	0.30
Total	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by Date of Disbursement
(As of the Statistical Cut-off Date)**

<u>Disbursement Date</u>	Number of <u>Loans</u>	Aggregate Outstanding <u>Balance</u>	Percent of Loans by Aggregate Outstanding <u>Balance</u>
October 1, 1993 through June 30, 2006	239	\$1,567,726	0.82%
July 1, 2006 and thereafter	19,415	189,273,777	99.18
Total	19,654	\$190,841,504	100.00%

Student loans disbursed on or after October 1, 1993 and before July 1, 2006, are 98% guaranteed by the guarantee agency. Loans for which the first disbursement is made on or after July 1, 2006, and prior to July 1, 2010, are 97% guaranteed by the guarantee agency.

**Distribution of the Student Loans by Range of Principal Balance
(As of the Statistical Cut-off Date)**

<u>Principal Balance</u>	Number of <u>Loans</u>	Aggregate Outstanding <u>Balance</u>	Percent of Loans by Aggregate Outstanding <u>Balance</u>
\$9,999 or less	13,720	\$ 63,196,761	33.11%
\$10,000 - \$14,999	2,438	29,829,968	15.63
\$15,000 - \$19,999	1,379	23,724,871	12.43
\$20,000 - \$24,999	802	17,939,618	9.40
\$25,000 - \$29,999	404	11,002,007	5.76
\$30,000 - \$39,999	412	14,111,711	7.39
\$40,000 - \$49,999	214	9,440,640	4.95
\$50,000 - \$59,999	99	5,419,527	2.84
\$60,000 - \$69,999	67	4,308,024	2.26
\$70,000 - \$79,999	37	2,750,401	1.44
\$80,000 - \$89,999	25	2,122,327	1.11
\$90,000 - \$99,999	14	1,315,021	0.69
\$100,000 - \$124,999	25	2,800,647	1.47
\$125,000 - \$149,999	8	1,097,785	0.58
\$150,000 or greater	10	1,782,196	0.93
Total	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by
Months to Scheduled Maturity
(As of the Statistical Cut-off Date)**

<u>Number of Months</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Less than or equal to 60	545	\$ 1,138,009	0.60%
61 - 120	11,013	68,655,019	35.97
121 - 180	4,306	32,046,481	16.79
181 - 240	1,591	22,336,242	11.70
241 - 300	1,144	23,204,571	12.16
301 - 360	827	33,226,836	17.41
361 or more	228	10,234,346	5.36
	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by Geographic Location
(As of the Statistical Cut-off Date)**

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

<u>Geographic Location</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Alabama	172	\$ 1,695,172	0.89%
Alaska	36	283,990	0.15
Arizona	265	3,206,136	1.68
Arkansas	191	1,708,989	0.90
California	1,701	17,094,706	8.96
Colorado	285	2,912,811	1.53
Connecticut	368	3,558,880	1.86
Delaware	86	679,996	0.36
District of Columbia	79	1,160,851	0.61
Florida	849	8,308,316	4.35
Georgia	483	6,530,675	3.42
Hawaii	150	1,032,775	0.54
Idaho	45	646,945	0.34
Illinois	785	8,114,184	4.25
Indiana	365	3,239,558	1.70
Iowa	103	1,681,690	0.88
Kansas	128	1,294,872	0.68
Kentucky	169	1,559,070	0.82
Louisiana	207	2,148,362	1.13
Maine	78	736,576	0.39
Maryland	544	5,523,443	2.89
Massachusetts	624	6,434,929	3.37
Michigan	377	5,349,505	2.80
Minnesota	326	3,321,731	1.74
Mississippi	205	1,375,795	0.72
Missouri	314	2,755,405	1.44
Montana	87	680,876	0.36
Nebraska	84	584,519	0.31
Nevada	143	1,382,413	0.72
New Hampshire	124	1,223,524	0.64
New Jersey	922	9,525,575	4.99
New Mexico	125	1,312,030	0.69
New York	1,996	18,261,622	9.57
North Carolina	646	5,162,573	2.71
North Dakota	34	527,139	0.28
Ohio	697	8,881,472	4.65
Oklahoma	175	1,461,329	0.77
Oregon	186	2,644,319	1.39
Pennsylvania	1,793	13,139,116	6.88
Rhode Island	46	468,732	0.25
South Carolina	232	2,139,354	1.12
South Dakota	51	642,408	0.34
Tennessee	275	2,726,708	1.43
Texas	1,643	12,808,358	6.71
Utah	59	576,391	0.30
Vermont	25	328,148	0.17
Virginia	576	5,913,591	3.10

<u>Geographic Location</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Washington	273	2,906,570	1.52
West Virginia	76	725,629	0.38
Wisconsin	397	3,856,334	2.02
Wyoming	13	82,171	0.04
Other	41	525,246	0.28
Total	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by Servicer
(As of the Statistical Cut-off Date)**

<u>Servicer</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
ACS	13,807	\$ 83,113,296	43.55%
Great Lakes	5,847	107,728,208	56.45
Total	19,654	\$190,841,504	100.00%

**Distribution of the Student Loans by Guarantee Agency
(As of the Statistical Cut-off Date)**

<u>Guarantee Agency*</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
FA of Maine	24	\$ 168,498	0.09%
Michigan HEAA	65	289,581	0.15
Missouri CBHE	91	419,648	0.22
Montana GSLP	36	201,641	0.11
ASA	930	7,542,109	3.95
CSAC	1,799	10,600,417	5.55
ECMC	427	2,787,427	1.46
Great Lakes (GLHELIC)	5,847	107,728,208	56.45
ISAC	390	1,986,055	1.04
KHEASA	148	609,742	0.32
NELA	91	508,132	0.27
NJSA	124	959,636	0.50
NSLP	305	1,722,788	0.90
NYHESC	1,394	8,862,168	4.64
OGSLP	164	876,420	0.46
OSFA	121	640,981	0.34
PHEAA	2,203	13,309,235	6.97
RIHE	173	1,051,820	0.55
Texas Guarantee	1,314	6,251,739	3.28
USAF	4,008	24,325,258	12.75
Total	19,654	\$190,841,504	100.00%

*See "Information Relating to the Guarantee Agencies" for the full name of the guarantee agencies.

**Distribution of the Student Loans by Eligibility to Earn Floor Income
(As of the Statistical Cut-off Date)**

<u>Disbursement Date</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Prior to April 1, 2006	225	\$ 1,286,022	0.67%
April 1, 2006 and thereafter	19,429	189,555,482	99.33
Total	19,654	\$190,841,504	100.00%

The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. See the caption "Description of The Federal Family Education Loan Program - Special allowance payments - Recapture of excess interest" in Appendix B to this Offering Memorandum.

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 "Student Loan Guarantees and Federal Reinsurance" in this Offering Memorandum.

As of the statistical cut-off date, of the student loans held in the trust estate approximately

56.45% are guaranteed by Great Lakes Higher Education Guaranty Corporation ("GLHEGC"), a non-profit corporation organized in Wisconsin, guaranteeing student loans since 1967;

12.75% are guaranteed by United Student Aid Funds, Inc. ("USAF"), a non-profit corporation organized in Delaware, guaranteeing student loans since 1960;

and the remaining 30.80% are guaranteed by one of the following guarantee agencies:

- American Student Assistance ("ASA")
- California Student Aid Commission ("CSAC")
- Educational Credit Management Corporation ("ECMC")
- Illinois Student Assistance Corporation ("ISAC")
- Kentucky Higher Education Assistance Authority ("KHEASA")
- Finance Authority of Maine ("FA of Maine")
- Michigan Higher Education Assistance Authority ("Michigan HEAA")
- Missouri Student Loan Program ("Missouri CBHE")
- Montana Guaranteed Student Loan Program ("Montana GSLP")
- National Student Loan Program ("NSLP")
- Northwest Education Loan Association ("NELA")
- New Jersey Office of Student Assistance ("NJSA")
- New York State Higher Education Services Corporation ("NYSHESC")
- Oklahoma Guaranteed Student Loan Program ("OGSLP")
- Office of Student Financial Assistance ("OSFA")
- Pennsylvania Higher Education Assistance Agency ("PHEAA")
- Rhode Island Higher Education Assistance Authority ("RIHE")
- Texas Guaranteed Student Loan Corporation ("Texas Guarantee")

Information Relating to GLHEGC

As of March 31, 2010, Great Lakes Higher Education Guaranty Corporation ("GLHEGC") guaranteed 10% or more of the portfolio of student loans. Information regarding GLHEGC is provided below. Except as otherwise indicated, the information regarding GLHEGC has been obtained from GLHEGC and has not been independently verified.

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, South Dakota, Puerto Rico and the Virgin Islands. On January 1, 2002, GLHEC (and GLHEGC directly and through its support services agreement with GLHEC), outsourced certain aspects of its student loan program

guaranty support operations to GLELSI. 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 direct and outsourced student loan program operations. 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 offices in St. Paul, Minnesota, Aberdeen, South Dakota and Boscobel and Eau Claire, Wisconsin 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.

Except as otherwise indicated, the foregoing information regarding GLHEGC has been obtained from GLHEGC and has not been independently verified.

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 the trust, GLHEGC or the initial purchaser. No representation is made by the trust, GLHEGC or the initial purchaser 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 guaranty agency.

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

Federal Fiscal Year	Guaranty Volume (Millions)
2005	\$9,686.3
2006	12,797.2
2007	11,797.3
2008	7,399.9
2009	7,010.8

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/}
2005	0.83%
2006	0.72%
2007	0.69%
2008	0.76%
2009	0.79%

The Department of Education's website at <http://www.fp.ed.gov/fp/attachments/publications/PublicReserveRatioReport09.pdf> has posted reserve ratios for GLHEGC for federal fiscal years 2005, 2006, 2007, 2008 and 2009 of .578%, .517%, .550%, .613% and .610%, respectively. GLHEGC believes the Department of Education has not calculated the reserve ratio in accordance with the Higher Education Act and the correct ratio should be .83%, .72%, .69%, .76% and .79%, respectively, as shown above and as explained in the following footnote. On November 17, 2006, the Department of Education advised GLHEGC that beginning in Federal Fiscal Year 2006 it will publish reserve ratios that include loan loss provision and deferred revenues. GLHEGC believes this change should more closely approximate the statutory calculation. 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%.)

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
2005	.51%
2006	.62%
2007	.77%
2008	.98%
2009	1.34%

As a result of various statutory and regulatory changes over the past several years, historical rates may not be an accurate indicator of current delinquency or default trends or future claims rates.

Information Relating to USAF

United Student Aid Funds, Inc. ("USAF") was organized as a private, nonprofit corporation under the General Corporation Law of the State of Delaware in 1960. In accordance with its Certificate of Incorporation, USAF: (i) maintains facilities for the provision of guarantee services with respect to approved education loans made to or for the benefit of eligible students who are enrolled at or plan to attend approved educational institutions; (ii) guarantees education loans made pursuant to certain loan programs under the Higher Education Act, as well as loans made under certain private loan programs; and (iii) serves as the designated guarantor for education-loan programs under the Higher Education Act in Arizona, Hawaii and certain Pacific Islands, Indiana, Kansas, Maryland, Mississippi, Nevada and Wyoming.

USAF contracts with Sallie Mae, Inc., a wholly owned subsidiary of SLM Corporation. USAF also contracts with Student Assistance Corporation, a wholly owned subsidiary of SLM Corporation. SLM Corporation and its subsidiaries are not sponsored by nor are they agencies of the United States of America.

Effective December 13, 2004, USAF became the sole member of the Northwest Education Loan Association, a guarantor serving the States of Washington, Idaho and the Northwest.

For the purpose of providing loan guarantees under the Higher Education Act, USAF has entered into various agreements (collectively, the "Federal Reinsurance Agreements") with the U.S. Secretary of Education. Pursuant to the Federal Reinsurance Agreements, USAF serves as a "guaranty agency" as defined in Section 435(j) of the Higher Education Act. The Higher Education Act allows the Secretary, after giving the guaranty agency notice and the opportunity for a hearing, to terminate the Federal Reinsurance Agreements if the Secretary determines that the administrative or financial condition of the guaranty agency jeopardizes the agency's continued ability to perform its responsibilities under its guaranty agreement, it is necessary to protect the federal financial interest, or to ensure the continued availability of loans to student- or parent-borrowers.

Reinsurance is paid to USAF by the Secretary in accordance with a formula based on the annual default rate of loans guaranteed by USAF under the Higher Education Act and the disbursement date of loans. The rate of reinsurance ranges from 100 percent to 75 percent of USAF's losses on default-claim payments made to lenders. The Higher Education Amendments of 1998 (the "1998 Reauthorization Law") reduced the reinsurance coverage for loans in default made on or after Oct. 1, 1998, to a range from 95 percent to 75 percent based upon the annual default claims rate of the guaranty agency. Reinsurance on non-default claims remains at 100 percent.

The 1998 Reauthorization Law requires guaranty agencies to establish two (2) separate funds, a federal reserve fund (property of the United States) and an agency operating fund (property of the guaranty agency). The federal reserve fund is to be used to pay lender claims and to pay a default-aversion fee to the agency operating fund. The agency operating fund is to be used by the guaranty agency to pay its operating expenses.

The Higher Education Reconciliation Act (HERA), which was signed into law in February 2006, requires all guarantors to collect and deposit into the federal reserve fund a federal default fee of 1 percent of the principal amount of all Stafford and PLUS loans guaranteed on or after July 1, 2006. USAF paid the federal default fee to the federal reserve fund from the operating fund on behalf of the borrower for all PLUS loans made by a lender that paid the federal default fee on behalf of its Stafford borrowers for loans guaranteed by USAF from July 1, 2006, through June 30, 2007, and for all PLUS loans guaranteed by USAF on or after July 1, 2007 through June 30, 2008, for graduate- and professional-student-borrowers. For loans guaranteed beginning February 1, 2008, USAF subsidized from its non-federal resources, one-half of the 1 percent federal default fee, when the originating lender paid the other half of the fee for borrowers attending schools in USAF's designated and key states of Arizona, California, Florida, Hawaii, Indiana, Kansas, Maryland, Mississippi, Nevada and Wyoming, and for borrowers attending all other schools with final 2005 cohort-default rates of less than 7 percent. Effective October 1, 2009, USAF no longer paid the federal default fee from the operating fund on behalf of the borrower.

As of September 30, 2009, USAF held net assets on behalf of the federal reserve fund of approximately \$408 million. Through September 30, 2009, the outstanding, unpaid, aggregate amount of principal and interest on loans that had been directly guaranteed by USAF under the Federal Family Education Loan Program was approximately \$107 billion. Also, as of September 30, 2009, USAF had operating fund assets totaling slightly over \$1 billion, which includes the \$408 million of net assets held on behalf of the federal reserve fund.

Except as otherwise indicated, the foregoing information regarding USAF has been obtained from USAF and has not been independently verified.

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 the trust, USAF or the initial purchaser. No representation is made by the trust, USAF or the initial purchaser 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 USAF or any other guarantee agency.

USAF's "reserve ratio" complies with the U.S. Department of Education definition, which is determined by dividing the fund balance reserves, including non-cash allowance and other non-cash charges and amounts to be remitted to the U.S. Department of Education for reserve recalls in 2003 through 2005, in a guarantor's federal reserve fund, by the total amount of loans outstanding. Following this formula, the reserve ratio for the federal reserve fund administered by USAF for the last five fiscal years was as follows:

<u>Fiscal Year</u>	<u>Reserve Ratio</u>
2009	0.380%
2008	0.330%
2007	0.280%
2006	0.258%
2005	0.452%

USAF's "guarantee volume" is the approximate aggregate principal amount of federally reinsured education loans (including subsidized and unsubsidized Federal Stafford and Federal PLUS loans but excluding

Federal Consolidation loans) guaranteed by USAF. For the last five fiscal years, the “guarantee volume” was as follows (in billions):

Fiscal Year	Guarantee Volume (billions)
2009	\$20.067
2008	\$17.202
2007	\$15.581
2006	\$12.586
2005	\$10.742

USAF’s “recovery rate,” which provides a measure of the effectiveness of the collection efforts against defaulted borrowers after the guarantee claim has been satisfied, is determined by dividing the amount recovered from borrowers by USAF during the fiscal year by the aggregate amount of default claims paid by USAF outstanding at the end of the prior fiscal year. For the last five fiscal years, the “recovery rate” was as follows:

Fiscal Year	Recovery Rate
2009	36.19%
2008	45.60%
2007	40.30%
2006	38.03%
2005	35.05%

USAF’s “loss rate” represents the percentage of claims purchased from lenders but not covered by reinsurance. For the last five fiscal years, the “loss rate” was as follows:

Fiscal Year	Loss Rate
2009	4.62%
2008	4.26%
2007	4.07%
2006	3.84%
2005	3.46%

In addition, USAF’s “claims rate” represents the percentage of federal reinsurance claims paid by the Secretary during any fiscal year relative to USAF’ existing portfolio of loans in repayment at the end of the prior fiscal year. For the last five fiscal years, the “claims rate” was as follows:

Fiscal Year	Claims Rate
2009	1.92%
2008	2.07%
2007	2.13%
2006	1.21%
2005	1.41%

USAF is headquartered in Fishers, Indiana. USAF will provide a copy of its most recent annual report upon receipt of a written request directed to its headquarters at P.O. Box 6028, Indianapolis, Indiana 46206-6028, Attention: Vice President, Corporate Communications.

Description of the Notes

General

The notes will be issued pursuant to the terms of an Indenture of Trust between the trust and The Bank of New York Mellon Trust Company, N.A., as eligible lender trustee and as indenture trustee. The following summary describes the material terms of the indenture and the notes. However, it is not complete and is qualified in its entirety by the actual provisions of the indenture and the notes.

Except as expressly stated in this Offering Memorandum, neither the indenture trustee nor the eligible lender trustee participated in the preparation of this Offering Memorandum and they make no representations concerning the notes, the collateral or any other matter stated in this Offering Memorandum. Neither the indenture trustee nor the eligible lender trustee has any duty or obligation to pay the notes from their own funds, assets or corporate capital or to make inquiry regarding, or investigate the use of, amounts disbursed from the trust estate.

Interest Payments

Interest will accrue on the notes during each interest accrual period. The initial interest accrual period for the notes begins on the closing date and ends on August 24, 2010. 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.

Interest on the notes will be payable to the noteholders on each quarterly distribution date commencing August 25, 2010. Subsequent quarterly distribution dates for the 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 notes for each interest accrual period will be equal to the lesser of (i) three-month LIBOR, plus 0.70% and (ii) the available funds cap.

“Available funds cap” for any interest accrual period will equal four times the rate, expressed as a percentage, determined by dividing (a) (i) the non-principal payments due on account of the student loan pool (whether paid or unpaid, whether due from a borrower, guaranty agency or the federal government, and including, without limitation, special allowance payments, interest subsidy payments and interest to be capitalized under the terms of the student loan) for the preceding collection period including without limitation, payments due on account of derivative products for such collection period minus (ii) all amounts attributable to rebate fees, trustee, servicing and administrator fees and amounts due on account of derivative products for such collection period by (b) the outstanding principal balance of the notes as of the end of the collection period.

Interest on the notes shall accrue from and including the preceding quarterly distribution date to but excluding the following quarterly distribution date (each an “interest accrual period”). Interest shall be calculated on the basis of the actual number of days elapsed in each interest accrual period divided by 360 and rounding the resultant figure to the fifth decimal point.

At the sole discretion of noteholders representing 100% of the outstanding principal balance of the notes, the spread to three-month LIBOR used to calculate interest due on the notes will be reduced to a level determined by such noteholders upon written instruction from such noteholders to the indenture trustee, the administrator and the trust. The reduction in the spread will become effective as of the beginning of the next interest accrual period. The spread to three-month LIBOR may not be increased subsequently except pursuant to the terms of a supplemental indenture and under no circumstances may the spread to three-month LIBOR at any time exceed the spread to three-month LIBOR effective on the closing date.

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 which appears on Reuters LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, 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 Reuters LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, 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 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, 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.

“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, holiday or other day on which banks located 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 or executive order to close.

Principal Payments on the Notes

The quarterly distribution date on which the notes are due and payable in full is August 25, 2048. The actual date on which the final distribution on the notes will be made may be earlier than the maturity date as a result of a variety of factors.

Payments on the trust’s student loans will be allocated to pay principal on the notes on each quarterly distribution date in an amount equal to the lesser of:

the principal distribution amount for that quarterly distribution date; and

funds available for the payment of principal as described below under “Security and Sources of Payment for the Notes—Flow of Funds.”

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 Reserve Fund minimum balance that are transferred to the Collection Fund, will not be available to make principal payments on the notes except upon their final maturity.

The term “Principal Distribution Amount” means an amount equal to:

for any distribution date, the amount, if any, by which (a) the outstanding amount of the notes immediately prior to such quarterly distribution date exceeds (b) the adjusted pool balance for such distribution date divided by 108%; and

on the final maturity date for the notes, the amount necessary to reduce the aggregate principal balance of the notes to zero.

The term “Adjusted Pool Balance” means, for any quarterly distribution date, the sum of the pool balance and the amounts on deposit in the Capitalized Interest Account and the specified reserve fund balance as of the last day of the collection period for that quarterly distribution date.

The term “Pool Balance” for any date means the aggregate principal balance of the student loans held by the trust on that date, including accrued interest that is expected to be capitalized, as reduced by the principal portion of (to the extent not already reflected in such principal balance):

all payments received by the trust through that date from borrowers, the guarantee agencies and the Department of Education;

all amounts received by the trust through that date from purchases of student loans;

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 makes 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% to 98% or 97%, or other applicable percentage, as required by the risk sharing provisions of the Higher Education Act.

In addition to the principal payments described above, any money remaining in the Collection Fund after payment of interest on the notes and the trust's operating expenses will be used to make supplemental payments of principal on the notes. See "Security and Sources of Payment for the Notes – Flow of Funds" in this Offering Memorandum.

Optional Purchase

The depositor 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 depositor 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 notes. On the closing date, the depositor intends to assign its purchase option to Goal Financial.

If the depositor 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, 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 the 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.

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 the notes and the yield on the 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 the notes will occur prior to the notes' final maturity date. Accordingly, in the event that the trust's student loans experience significant prepayments, the actual final payments on the 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 the notes until each dollar of principal of the notes 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 or the occurrence of certain other circumstances or events relating to the trust's student loans, Goal Financial is required under its student loan repurchase agreement to purchase loans that depositor fails to repurchase and the servicer is obligated to purchase 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 the notes and the yield on the 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 guarantee agencies 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 the notes.

See "Weighted Average Lives, Expected Maturities and Percentages of Original Principal Remaining at Each Quarterly Distribution Date for the Notes" attached hereto as Appendix A.

Security and Sources of Payment for the Notes

General

The notes are our limited obligations, secured by and payable solely from the trust estate. The following assets serve as security for the notes:

revenues, consisting of all principal and interest payments, proceeds, charges and other income received by the indenture trustee or us, on account of any student loan, including guarantee payments and payments of and any insurance proceeds with respect to, interest, 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 derivative product agreement that may be provided for the benefit of the trust;

student loans purchased with money from the acquisition fund or otherwise acquired and pledged or credited to the acquisition fund; and

rights under any servicing agreements, guarantee agreements and other agreements.

The trust may enter into derivative products upon receipt of a rating confirmation. The trust's obligations under these derivative products are on a parity with the notes.

Funds

The following funds will be created by the indenture trustee under the indenture for the benefit of the noteholders:

Acquisition Fund;
Collection Fund;
Department Rebate Fund;
Capitalized Interest Fund; and
Reserve Fund.

Acquisition Fund

On the closing date, we will deposit into the Acquisition Fund approximately \$192,912,978 from the proceeds from the sale of the notes and amounts received from Goal Financial, which we will use to purchase student loans on the closing date and to pay the costs of issuing the notes. The trust will purchase the student loans for a price equal to 100% of their aggregate outstanding principal balance plus accrued interest.

Collection Fund

The indenture trustee will deposit into the Collection Fund all revenues derived from student loans, money or assets on deposit in the trust, all amounts transferred from the Acquisition Fund, the Capitalized Interest Fund, the Department Rebate Fund and the Reserve Fund and any payments received from a counterparty to any derivative product agreement. Money on deposit in the Collection Fund will be used to pay the trust's operating expenses (which include amounts owed to the U.S. Department of Education and the guarantee agencies, amounts due to another party under the joint sharing agreement, amounts due and payable to a guarantee agency in connection with the repurchase of rehabilitation loans, servicing fees, trustees' fees, administration fees and backup administration fees), amounts due to any counterparty on any derivative product agreement and interest and principal on the notes. See "– Flow of Funds" below.

Department Rebate Fund

The indenture trustee will establish a Department Rebate Fund as part of the trust estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. We expect that the Department of Education will reduce the special allowance and interest subsidy payments payable to the trust by the amount of any such rebates owed by the trust. However, in certain circumstances the trust may owe a payment to the Department of Education. If the administrator believes that the trust is required to make any such payment, the administrator will direct the indenture trustee to deposit into the Department Rebate Fund from the Collection Fund the estimated amounts of any such payments. Money in the Department Rebate Fund will be transferred to the Collection Fund to the extent amounts have been deducted by the Department of Education from payments otherwise due to the trust, or will be paid to the Department of Education if necessary to discharge the trust's rebate obligation. See "Appendix B – Description of the Federal Family Education Loan Program – Special Allowance Payments – Recapture of excess interest" in this Offering Memorandum.

Capitalized Interest Fund

Approximately \$3,000,000 of the proceeds from the sale of the notes will be deposited into a Capitalized Interest Fund. If on any monthly servicing payment date or quarterly distribution date, money on deposit in the Collection Fund is insufficient to pay amounts owed to the U.S. Department of Education or to the guarantee agencies (other than transfers to repurchase student loans), servicing fees, trustees' fees, administration fees, backup administration fees, interest on the notes and amounts due to any counterparty under any derivative product agreement (other than certain termination payments), then money on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the deficiency, prior to any amounts being transferred from the Reserve Fund. Amounts transferred from the Capitalized Interest Fund will not be replenished. On the May 25, 2011 quarterly distribution date, the indenture trustee will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

Reserve Fund

A deposit will be made to the Reserve Fund from the proceeds of the sale of the notes in an amount equal to \$477,104. On each quarterly distribution date or monthly servicing payment date, to the extent that money in the Collection Fund is not sufficient to pay certain of the trust's operating expenses, including amounts owed to the U.S. Department of Education and the guarantee agencies (other than transfers to repurchase student loans), servicing fees, trustees' fees, administration fees, backup administration fees, the interest then due on the notes and amounts due to any counterparty on any derivative product agreement (other than certain termination payments), the amount of the deficiency will be paid directly from the Reserve Fund, to the extent moneys are not available to be transferred to the Collection Fund from the Capitalized Interest Fund. Money withdrawn from the Reserve Fund will be restored through transfers from the Collection Fund as available. The Reserve Fund is subject to a minimum balance equal to the greater of 0.25% of the pool balance as of the close of business on the last day of the related collection period, or 0.15% of the initial pool balance, which amount may be satisfied with cash or permitted securities, or such lesser amount as may be agreed to by the rating agencies as evidenced by a rating confirmation.

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 the notes, amounts on deposit in the Reserve Fund, other than amounts in excess of the Reserve Fund minimum balance that are transferred to the Collection Fund, will not be available to cover any principal payment shortfalls. On the final maturity date of the notes, amounts on deposit in the Reserve Fund will be available to pay principal on the notes and accrued interest.

Flow of Funds

Servicing fees will be paid to the servicers on each monthly servicing payment date from money available in the Collection Fund. In addition, each month money available in the Collection Fund will be used to pay amounts due to the U.S. Department of Education, including the monthly rebate fees on consolidation loans, and the guarantee agencies with respect to student loans owned by the trust and amounts required to be deposited into the Department Rebate Fund. On each quarterly distribution date, prior to an event of default, available funds in the Collection Fund (which may include under certain circumstances money deposited in the Collection Fund during the current collection period) will be used to make the following deposits and distributions, in the following order:

to the U.S. Department of Education for consolidation loan rebate fees to the extent unpaid;

to the servicers, the indenture trustee, the Delaware trustee and the eligible lender trustee pro rata, the servicing fees and the trustees' fees due on such quarterly distribution date and any prior unpaid fees;

to the administrator and the backup administrator, the administration fee and the backup administration fee, pro rata, and any prior unpaid administration fees and backup administration fees and any prior unpaid fees;

to the noteholders to pay interest due on the notes and to any counterparty to pay amounts due on any derivative product agreement pari passu with the notes (other than certain termination payments);

to pay to the noteholders, the principal distribution amount until paid in full;

to the Reserve Fund, the amount, if any, necessary to restore the Reserve Fund to the Reserve Fund minimum balance;

to a derivative product counterparty, if any, any accrued and unpaid termination payments due to such counterparty under the applicable derivative product agreement;

to the holders of the notes as supplemental payment of principal on the notes until they have been paid in full;

the noteholders of any subordinate notes permitted to be issued pursuant to the indenture, interest and principal on such subordinate notes; and

to the trust for distribution to the certificateholders pursuant to the trust agreement.

Investment of funds held by indenture 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 us. In the absence of an order, and to the extent practicable, the indenture trustee will invest amounts held under the 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

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 those investors are participants of such systems, or indirectly through organizations which are participants in such systems.

None of the trust, the administrator, the servicers, the indenture trustee or the initial purchaser 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, the trust may discontinue use of the system of book-entry transfers through DTC or a successor securities depository. In that event, note certificates will be printed and delivered. DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to the trust or the indenture trustee. In the event that a successor securities depository is not obtained, note certificates (“Individual Notes”) are required to be printed and delivered.

Form, denomination and trading

Form and Denomination

The notes will be issued in fully registered form. The notes will be represented by registered notes in global form. You will not receive a certificate representing your notes except in very limited circumstances.

Notes offered and sold in reliance on Rule 144A will be issued in the form of a global note in definitive, fully registered form (the “Rule 144A Global Note”) and will be deposited with the indenture trustee, as a custodian for The Depository Trust Company (“DTC”), and registered in the name of Cede & Co. (“Cede”), a nominee of DTC, for credit to the respective accounts of the purchasers of such notes at DTC. The Rule 144A Global Note (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and in the indenture and will bear the legend regarding such restrictions set forth under “Notice To Investors” herein.

Notes (“Regulation S Notes”) sold in offshore transactions in reliance on Regulation S (“Regulation S”) under the Securities Act (a purchaser in such a transaction, a “Regulation S Purchaser”) will be represented by one or more global notes in definitive, fully registered form without interest coupons (the “Regulation S Global Notes”, and together with the Rule 144A Global Notes, the “Global Notes”) registered in the name of Cede, as nominee of DTC, deposited with the indenture trustee as custodian for DTC.

The notes will be issued in minimum denominations of U.S. \$100,000 and in integral multiples of U.S. \$1,000 in excess thereof.

Global Notes

DTC will record electronically the outstanding principal balance of the 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.

The notes offered hereby and sold in reliance on Rule 144A will be represented initially by Rule 144A Global Notes and will be deposited with the indenture trustee as custodian for DTC or any successor and registered in the name of Cede, as nominee of DTC. No person other than a Qualified Institutional Buyer may own a beneficial interest in the Rule 144A Global Notes.

The notes sold in offshore transactions in reliance on Regulation S will be represented initially by Regulation S Global Notes and will be deposited with the indenture trustee as custodian for DTC, or any successor thereto, and registered in the name of Cede, as nominee of DTC. Prior to and including the 40th day after the later of the commencement of the offering and the date of original issuance of the notes (the “Restricted Period”), beneficial interests in the Regulation S Global Notes may be held only through Clearstream Banking, société anonyme, Luxembourg (“Clearstream”) or Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”). The Regulation S Global Notes and any Individual Notes issued in exchange therefor after the Restricted Period will be subject to certain restrictions on transfer set forth herein and in the indenture. No person other than a Regulation S Purchaser may own a beneficial interest in the Regulation S Notes.

During the Restricted Period, a beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in a Rule 144A Global Note only upon receipt by the indenture trustee of a written certificate in the form required under the indenture from the transferor to the effect that such transfer is being made to a person who the transferor reasonably believes is purchasing for its own account or accounts as to which it exercises sole investment discretion and that such person and each such account is a Qualified Institutional Buyer, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After the Restricted Period, such transfer shall only be made upon receipt by the indenture trustee of a written certification by the proposed transferee to the effect that such transferee is a Qualified Institutional Buyer, provided, however, that such a written certification need not be received by the indenture trustee if the proposed transferee is listed in the latest available Standard & Poor’s Rating Group Rule 144A list of Qualified Institutional Buyers or other industry recognized subscriber services listing Qualified Institutional Buyers.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in a Regulation S Global Note during the Restricted Period only upon receipt by the indenture trustee of a written certification from the transferor in the form required under the indenture to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S and that the interest transferred will be held immediately thereafter through Euroclear or Clearstream. After the Restricted Period, such transfer shall only be made upon receipt by the indenture trustee of a written certification from the transferor in the form required under the indenture to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144 under the Securities Act, provided, however, that such a written certification need not be received by the indenture trustee if the proposed transferee is listed in the latest available Standard & Poor’s Rating Group Rule 144A list of Qualified Institutional Buyers or other industry recognized subscriber services listing Qualified Institutional Buyers.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Note will, upon transfer, cease to be a beneficial interest in such Global Note and become a beneficial interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Note for as long as it retains an interest therein.

No holder of a beneficial interest in a Global Note will be entitled to receive an Individual Note representing its interest in such Global Note, except under the limited circumstances described below under “— Individual Notes.” Unless and until Individual Notes are issued in respect of the Global Notes, all references to actions by holders of the Global Notes will refer to actions taken by DTC upon instructions received from holders of beneficial interests in Global Notes through its participating organizations (together with Clearstream and Euroclear participating organizations, the “Participants”), and all references herein to payments, notices, reports and statements to holders of notes in global form will refer to payments, notices, reports and statements to DTC or its custodian, as the registered holder of the Global Notes, for distribution to holders of beneficial interests in Global Notes through its participants in accordance with DTC procedures.

Unless and until Individual Notes are issued in respect of the Global Notes, beneficial interests in the Global Notes will be transferred on the book-entry records of DTC and its participants. The indenture trustee will not record or otherwise provide or be responsible for the registration of such transfers.

Qualified Institutional Buyers and Regulation S Purchasers who are owners of notes may hold their notes through DTC (in the United States) or Clearstream or Euroclear (in Europe) if they are Participants of such system, or indirectly through organizations that are Participants in such systems. Clearstream and Euroclear will hold omnibus positions on behalf of the Participants and the Euroclear Participants, respectively, through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories (collectively, the "Depositories") which in turn will hold such positions in customers' securities accounts in the Depositories' names on the books of DTC.

Transfers between DTC Participants will occur in accordance with DTC rules. Transfers between Clearstream Participants and Euroclear Participants will occur in accordance with their applicable 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 depository; 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 depository 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 depositories.

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 DTC participant will be received with value on the 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.

Individual Notes

If DTC is at any time unwilling or unable to continue as a depository, notes in definitive registered form will be issued to the beneficial owners in exchange for the Global Notes. In such event, Individual Notes delivered in exchange for the Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

In the case of Individual Notes issued in exchange for a Global Note, such Individual Note will bear the legend referred to under "Notice To Investors" (unless the administrator determines otherwise in accordance with applicable law). The holders of a registered Individual Note may transfer such Individual Note, subject to compliance with the provisions of such legend, by surrendering it at the office or agency maintained for such purpose, which initially will be the office of the indenture trustee.

Identification numbers and payments on the Global Notes

The trust will apply to DTC for acceptance in its book-entry settlement systems of the notes denominated in U.S. Dollars. The notes will have the CUSIP numbers and ISINs, as applicable, set forth in this Offering

Memorandum under those respective headings in the “Summary of Terms.” Payments of principal, interest and any other amounts payable under each Global Note will be made to or to the order of the relevant clearing system’s nominee as the registered holder of such Global Note.

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. No payment delay to noteholders holding U.S. Dollar denominated notes clearing through DTC will occur on any distribution date, unless, as set forth above, those noteholders’ interests are held indirectly through participants in European clearing systems.

Depository 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 and 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 the 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 will not receive certificates representing their ownership interests in the notes, except in the event that use of the book-entry system for the 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.

Principal and interest payments on 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 trust, 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 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 the notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in the notes 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, in the case of Euroclear or Clearstream, 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. Under its usual procedures, DTC mails an omnibus proxy to the 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.

Clearstream Banking, société 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. Clearstream participants are recognized financial institutions around the world, including initial purchasers, 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 "Certain Federal Income Tax Considerations" herein). 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 system's ability to effect such actions on its behalf through DTC.

Summary of the Indenture Provisions

The following is a summary of some of the provisions contained in the indenture. This summary is not comprehensive 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 the indenture are for the equal benefit, protection and security of the registered owners of all of the notes.

The revenues and other money, student loans and other assets pledged under the indenture will be free and clear of any pledge, lien, charge or encumbrance, other than that created by the indenture. The 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

The trust will represent and warrant in the indenture that:

it is duly authorized under the Delaware Statutory Trust Act to create and issue the notes and to execute and deliver the indenture and any derivative product, and to make the pledge to the payment of notes and of any derivative products under the indenture;

all necessary trust action for the creation and issuance of the notes and the execution and delivery of the indenture and any derivative product has been duly and effectively taken; and

the notes in the hands of the registered owners of the notes and any derivative product are and will be valid and enforceable obligations of the trust secured by and payable solely from the trust estate.

Sale of student loans held in trust estate

Except under the circumstances described in this Offering Memorandum, student loans may not be sold, or otherwise disposed of, by the indenture trustee free from the lien of the indenture while any notes are outstanding. However, if necessary for administrative purposes or if so requested by a borrower, the trust may sell student loans so long as the aggregate amount of such student loans does not exceed \$5,000,000.

Further covenants

The trust will file financing statements and continuation statements in any jurisdiction necessary to perfect and maintain the security interest it grants under the indenture.

Upon written request of the indenture trustee, the 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 obligations, 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.

The trust will cause an annual audit (which may be consolidated with Goal Financial) 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 the 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

The 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 quarterly 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 the notes during the preceding period;

the amount of interest payments made with respect to the 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 outstanding principal amount of the notes as of the close of business on the last day of the preceding period;

the interest rate for the notes with respect to each distribution date; and

the number and principal amount of student loans that are delinquent or for which claims have been filed with a guarantee agency.

A copy of these reports may be obtained by any noteholder by a written request to the indenture trustee.

Enforcement of servicing agreements

The trust will diligently enforce all terms, covenants and conditions of the servicing agreements, including the prompt payment of all amounts due to a servicer under such servicing agreements. The trust will not permit the release of the obligations of such servicer under the related servicing agreement except in conjunction with permitted amendments or modifications and will not waive any default by a servicer under any servicing agreement without the approval of the indenture trustee and a rating confirmation. The trust will not consent or agree to or permit any amendment or modification of a servicing agreement which will in any manner materially adversely affect the rights or security of the registered owners.

Additional covenants with respect to the Higher Education Act

The trust will verify that the indenture trustee under the 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.

The 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 the servicing agreements with the servicers 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

The trust will preserve and keep in full force and effect its existence, rights and franchises as a Delaware statutory trust. The 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 the 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

The indenture defines 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;

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;

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 the trust, the indenture trustee may take possession of any portion of the trust estate of the 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 the trust or otherwise, conduct the 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, to the Department of Education, any guarantee agency or any party under the joint sharing agreement, amounts due and owing thereto;

second, to the trustees, pro rata, for fees due and owing to the trustees;

third, to the servicers, pro rata, for due and unpaid servicing fees;

fourth, to the administrator and backup administrator, pro rata, for due and unpaid administrator fees and backup administrator fees;

fifth, pro rata, to the 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 and to the noteholders for amounts due and unpaid on the notes for interest, pro rata, without preference or priority of any kind, according to the amounts due and payable on the notes for such interest;

sixth, to noteholders for amounts due and unpaid on the notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the notes for principal;

seventh, to the counterparties, in proportion to their entitlements under the applicable derivative product, without preference or priority, any termination payments due and any other unpaid issuer payments due thereunder;

eighth, to the noteholders of any subordinate notes permitted to be issued pursuant to the indenture, interest and principal on such subordinate notes; and

ninth, to the trust for distribution to the certificateholders pursuant to the trust agreement.

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 obligations outstanding under the 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 any interest on any note, unless:

The holders of all of the obligations outstanding consent to such sale;

The proceeds of such sale are sufficient to pay in full all outstanding obligations (including any obligation under any derivative product) 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 obligations outstanding.

Appointment of receiver. If an event of default occurs, and all of the outstanding obligations under the 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 at the direction of the registered owners of a majority of the collective aggregate principal amount of the obligations then outstanding under the indenture will 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 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 notes and all sums paid or advanced by the indenture trustee under the indenture and the reasonable compensation, expenses, disbursements and advances of the trustees and the servicers, the administrator, backup administrator 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 obligations then outstanding 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 based upon an opinion of counsel 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 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 the 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:

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 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 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. 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 the 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 the indenture and perform any duty thereunder either itself or by or through its attorneys, agents, or employees. The 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 the trust.

Duties of the indenture trustee. The indenture trustee will not make any representations as to the validity or sufficiency of the agreements, the notes or of any assets or documents. If no event of default 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 agreements. However, the indenture trustee will not be responsible for the accuracy or content of any of the documents furnished to it by the holders or any of the parties under the agreements.

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 in accordance with the direction of the holders in an event of default. 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 the indenture unless properly indemnified and provided with security to its satisfaction. The indenture trustee is not required to take notice of any event under the indenture unless and until it shall have been specifically notified in writing of the event of default by the registered owners or the 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 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 the 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 indenture, subject only to the prior lien of the notes for the payment of the principal and interest thereon from the Collection Fund.

The 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. The 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 the 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 the 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. The trust will pay to the indenture trustee compensation for all services rendered by it under the 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 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 notes and any derivative product 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 notes then outstanding under the 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 90 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. The 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 the 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. The trust can agree with the indenture trustee to enter into any indentures supplemental to the indenture for any of the following purposes without notice to or the consent of registered owners:

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, in the opinion of counsel, be necessary or desirable to assure implementation of the student loan business in conformance with the Higher Education Act;

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 with the Higher Education Act and the regulations thereunder or the Internal Revenue Code of 1986, as amended (the "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;

to create any additional funds or accounts under the indenture deemed by the indenture trustee to be necessary or desirable;

to provide for the issuance of subordinate notes, the payment of which is fully subordinate to the full payment of the interest and principal on the notes, upon the receipt of a rating confirmation;

to make any other change which, in the judgment of the indenture trustee, is not materially adverse to the registered owners of any obligations outstanding under the indenture; or

to make any other changes acceptable to the rating agencies as evidenced by a rating confirmation.

Supplemental indentures requiring consent of registered owners. Any amendment of the 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, provided that the changes described below may be made in a supplemental indenture only with the consent of the registered owners of each affected obligation then outstanding,

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.

Trust irrevocable

The trust created by the 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 indenture.

Satisfaction of Indenture

If the registered owners of the notes issued under the indenture are paid all the principal of and interest due on their notes at the times and in the manner stipulated in the 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 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.

Credit Enhancement

Credit enhancement for the notes will include overcollateralization and cash on deposit in the Capitalized Interest Fund and the Reserve Fund. See “Security and Sources of Payment for the Notes.” The Capitalized Interest Fund and the Reserve Fund are intended to enhance the likelihood of timely distributions of interest to the noteholders and to decrease the likelihood that the noteholders will experience losses. Credit enhancement will not provide protection against all risks of loss and may not guarantee payment to noteholders of all amounts to which they are entitled. 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.

Student Loan Guarantees and Federal Reinsurance

Guarantee Agencies

A guarantee agency guarantees loans made to students or parents of students by eligible lenders. 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 FFELP 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 reinsurance 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.

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. 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 FFELP, 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.

Federal agreements

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 FFELP 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

Eligibility for federal reimbursement

To be eligible for federal reimbursement payments, guaranteed loans must be made by an eligible lender under the applicable guarantee agency's guarantee program, which must meet requirements prescribed by the rules and regulations promulgated under the Higher Education Act, including the borrower eligibility, loan amount, disbursement, interest rate, repayment period and federal default fee provisions described herein and the other requirements set forth in the Higher Education Act.

The delinquency period required for a student loan to be declared in default is 270 days for loans payable in monthly installments and 330 days for a loan payable less frequently than monthly. The guarantee agency must pay the lender for the defaulted loan prior to submitting a claim to the Secretary of Education for reimbursement. The guarantee agency must submit a reimbursement claim to the Secretary of Education within 30 days after it has paid the lender's default claim. As a prerequisite to entitlement to payment on the guarantee by the guarantee agency, and in turn payment of reimbursement by the Secretary of Education, the lender must have exercised reasonable care and diligence in making, servicing and collecting the guaranteed loan.

In making the loan, the lender must ensure the loan is being made to an eligible borrower attending an eligible institution under the Higher Education Act. The lender must obtain a valid promissory note executed by the borrower and must also disclose the terms and conditions of the loan as well as the borrower's rights and responsibilities before making the loan. The loan proceeds must then be disbursed in a specified manner.

After the loan is made, the lender must establish repayment terms with the borrower, properly administer deferments and forbearances, and credit the loan for payments made. If a borrower becomes delinquent in repaying a loan, the lender must perform certain collection procedures, primarily telephone calls, demand letters, skip tracing procedures and requesting assistance from the applicable guarantee agency, that vary depending upon the length of time a loan is delinquent.

Effect of annual claims rate

The Secretary of Education currently agrees to reimburse the guarantee agency for the amounts paid on default claims made by lenders as described in the table below, so long as the eligible lender has properly serviced such loans. 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 borrower's ineligibility for the loan, bankruptcy, death, total and permanent disability, attendance at a closed school, or loan being falsely certified. In the case of a PLUS Loan obtained by the parent of a dependent student, the Secretary of Education agrees to repay 100% of the unpaid principal plus applicable accrued interest as a result of the dependent student's death or attendance at a closed school, or the loan being falsely certified. Also, the Secretary of Education agrees to reimburse the guarantee agency for an amount equal to a refund to which the borrower was entitled but did not receive from the school plus any accrued interest and other costs associated with the unpaid refund that should have been made by the school.

The reimbursement formula for default claims varies depending on when the loan was initially disbursed, as summarized below:

<u>Claims Rate</u>	<u>Federal Payment on loans disbursed prior to 10/1/93</u>	<u>Federal Payment on loans disbursed on or after 10/01/93</u>	<u>Federal Payment on loans disbursed on or after 10/01/98</u>
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% and over	95% of claims up to 5% 85% of claims 5% and 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% and over, 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 original principal amount of loans in repayment means the original principal amount of all loans guaranteed by a guarantee agency less:

- the original principal amount of loans for which the guarantee was canceled;
- the original principal amount of loans for which the first principal installment payment has not become due;
- the original principal amount of loans that have been fully repaid; and
- the original principal amount of loans for which reinsurance has been lost and cannot be regained.

The reduced reinsurance for federal guarantee 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 FFELP 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 of defaulted loans to the Secretary, 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 sells defaulted loans that are eligible for rehabilitation to an eligible lender. For a defaulted loan to be rehabilitated, the borrower must request rehabilitation and the guarantee agency must receive an on-time, voluntary, full payment each month for 12 consecutive months. However, effective July 1, 2006, for a loan to be eligible for rehabilitation, the guarantee agency must receive 9 payments made within 20 days of the due date during 10 consecutive months. 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.

The guarantee agency repays the Secretary of Education an amount equal to 81.5% of the outstanding principal balance of the loan at the time of sale to the lender multiplied by the reimbursement percentage in effect at

the time the loan was reimbursed. The amount of such repayment is 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 outstanding principal and interest balance at the time of sale of the rehabilitated loan.

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 which is subsequently determined not to be in default; or

a loan for which the guarantee agency inadvertently paid the claim.

Certain ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA ("ERISA Plans"). Section 4975 of the Code imposes substantially similar prohibited transaction restrictions on certain employee benefit plans, including tax-qualified retirement plans described in Section 401(a) of the Code ("Qualified Retirement Plans") and on individual retirement accounts and annuities described in Sections 408(a) and (b) of the Code ("IRAs," collectively, with Qualified Retirement Plans, "Tax-Favored Plans"). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Non-ERISA Plans"), are not subject to the requirements set forth in ERISA or the prohibited transaction restrictions under Section 4975 of the Code. However, such Non-ERISA Plans may be subject to the provisions of other applicable federal, state, local or foreign law ("Similar Law"). Any governmental plan or church plan that is qualified under Section 401(a) and exempt from taxation under Section 501(a) of the Code is, moreover, subject to the prohibited transaction rules set forth in Section 503 of the Code.

In addition to the imposition of general fiduciary requirements, including those of investment prudence and diversification and the requirement that an ERISA Plan's investment of its assets be made in accordance with the documents governing such ERISA Plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans (each a "Plan" and collectively "Plans") and entities whose underlying assets include "plan assets" by reason of Plans investing in such entities with persons ("Parties in Interest" or "Disqualified Persons" as such terms are defined in ERISA and the Code, respectively) who have certain specified relationships to the Plans, unless a statutory, class or administrative exemption is available. Parties in Interest or Disqualified Persons that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA or Section 4975 of the Code unless a statutory, class or administrative exemption is available. Section 502(l) of ERISA requires the Secretary of the U.S. Department of Labor (the "DOL") to assess a civil penalty against a fiduciary who violates any fiduciary responsibility under ERISA or commits any other violation of part 4 of Title I of ERISA or any other person who knowingly participates in such breach or violation. If the investment constitutes a prohibited transaction under Section 408(e) of the Code, the IRA may lose its tax-exempt status.

The investment in a security by a Plan may, in certain circumstances, be deemed to include an investment in the assets of the entity issuing such security, such as the issuing entity. Certain transactions involving the purchase, holding or transfer of notes may be deemed to constitute prohibited transactions if assets of the issuing entity are deemed to be assets of a Plan. These concepts are discussed in greater detail below.

Plan Assets Regulation

The DOL has promulgated a regulation set forth at 29 C.F.R. § 2510.3-101 (the “Plan Assets Regulation”) concerning whether or not the assets of an ERISA Plan would be deemed to include an interest in the underlying assets of an entity (such as the issuing entity) for purposes of the general fiduciary responsibility provisions of ERISA and for the prohibited transaction provisions of ERISA and Section 4975 of the Code, when a Plan acquires an “equity interest” in such entity. The Plan Asset Regulation, as modified by Section 3(42) of ERISA, defines the term “plan assets.” Depending upon a number of factors set forth in the Plan Assets Regulation, “plan assets” may be deemed to include either a Plan’s interest in the assets of an entity (such as the issuing entity) in which it holds an equity interest or merely to include its interest in the instrument evidencing such equity interest. For purposes of this section, the terms “plan assets” (“Plan Assets”) and the “assets of a Plan” have the meaning specified in the Plan Assets Regulation and ERISA Section 3(42) and include an undivided interest in the underlying interest of an entity which holds Plan Assets by reason of a Plan’s investment therein (a “Plan Asset Entity”).

Under the Plan Assets Regulation, the assets of the issuing entity would be treated as Plan Assets if a Plan acquires an equity interest in the issuing entity and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features.

If the notes are treated as having substantial equity features, a Plan or a Plan Asset Entity that purchases notes could be treated as having acquired a direct interest in the issuing entity. In that event, the purchase, holding, transfer or resale of the notes could result in a transaction that is prohibited under ERISA or the Code.

The Plan Assets Regulation provides an exemption from “plan asset” treatment for securities issued by an entity if such securities are debt securities under applicable state law with no “substantial equity features.” While not free from doubt, on the basis of the notes as described herein, it appears that the notes should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation.

In the event that the notes cannot be treated as indebtedness for purposes of ERISA, under an exception to the Plan Assets Regulation, the assets of a Plan will not include an interest in the assets of an entity, the equity interests of which are acquired by the Plan, if at no time do Plans in the aggregate own 25% or more of the value of any class of equity interests in such entity, as calculated under the Plan Assets Regulation, as modified by Section 3(42) of ERISA. Because the availability of this exception depends upon the identity of the noteholders at any time, there can be no assurance that the notes will qualify for this exception and that the issuing entity’s assets will not constitute a Plan Asset subject to ERISA’s fiduciary obligations and responsibilities. Therefore, neither a Plan nor a Plan Asset Entity should acquire or hold notes in reliance upon the availability of this exception under the Plan Assets Regulation.

Prohibited Transactions

The acquisition or holding of notes by or on behalf of a Plan, whether or not the underlying assets are treated as Plan Assets, could give rise to a prohibited transaction if the issuing entity or any of its respective affiliates is or becomes a Party in Interest or Disqualified Person with respect to such Plan, or in the event that a note is purchased in the secondary market by a Plan from a Party in Interest or Disqualified Person with respect to such Plan. There can be no assurance that the issuing entity or any of its respective affiliates will not be or become a Party in Interest or a Disqualified Person with respect to a Plan that acquires notes. Any such prohibited transaction could be treated as exempt under ERISA and the Code if the notes were acquired pursuant to and in accordance with one or more statutory exemptions, individual exemptions or “class exemptions” issued by the DOL. Such class exemptions include, for example, Prohibited Transaction Class Exemption (“PTCE”) 84-14 (an exemption for certain transactions determined by an independent qualified professional asset manager), PTCE 90-1 (an exemption for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (an exemption for certain transactions involving bank collective investment funds), PTCE 95-60 (an exemption for certain transactions

involving an insurance company's general account) and PTCE 96-23 (an exemption for certain transactions determined by a qualifying in-house asset manager).

The initial purchaser, the indenture trustee, the eligible lender trustee, the servicers, the administrator or their affiliates may be the sponsor of, or investment advisor with respect to, one or more Plans. Because these parties may receive certain benefits in connection with the sale or holding notes, the purchase of notes using plan assets over which any of these parties or their affiliates has investment authority might be deemed to be a violation of a provision of Title I of ERISA or Section 4975 of the Code. Accordingly, notes may not be purchased using the assets of any Plan if any of the initial purchaser, the indenture trustee, the eligible lender trustee, the servicers, the administrator or their affiliates has investment authority for those assets, or is an employer maintaining or contributing to the plan, unless an applicable prohibited transaction exemption is available and such prohibited transaction exemption covers such purchase.

Purchaser's/Transferee's Representations and Warranties

Each purchaser and each transferee of a note (including a Plan's fiduciary, as applicable) shall be deemed to represent and warrant that (a) it is not a Plan and is not acquiring the note directly or indirectly for, or on behalf of, a Plan or with Plan Assets, Plan Asset Entity or any entity whose underlying assets are deemed to be plan assets of such Plan or (b) the acquisition and holding of the notes by or on behalf of, or with Plan Assets of, any Plan, Plan Asset Entity or any entity whose underlying assets are deemed to be Plan Assets of such Plan is permissible under applicable law, will not result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Law, and will not subject the issuing entity or initial purchaser to any obligation not affirmatively undertaken in writing.

Consultation with Counsel

Any Plan fiduciary or other investor of Plan Assets considering whether to acquire or hold notes on behalf of or with Plan Assets of any Plan or Plan Asset Entity, and any insurance company that proposes to acquire or hold notes, should consult with its counsel with respect to the potential applicability of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code with respect to the proposed investment and the availability of any prohibited transaction exemption. A fiduciary with respect to a Non-ERISA Plan which is a Tax Favored Plan that proposes to acquire or hold notes should consult with counsel with respect to the applicable federal, state and local laws.

Certain Federal Income Tax Considerations

The discussion of tax issues set forth in this Offering Memorandum was written to support the promotion and marketing of the transactions described in this Offering Memorandum. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any U.S. federal, state or local tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

The following discussion summarizes certain U.S. federal income tax consequences to a holder who purchases the notes for cash in this offering. This discussion is limited to certain tax accounting issues and should be read in conjunction with the section entitled "Appendix C—Global Clearance, Settlement and Tax Documentation Procedures" attached to this Offering Memorandum.

The following are the material U.S. federal income tax consequences of the purchase, ownership and disposition of the notes. This discussion is general in nature and does not address issues that may be relevant to a particular holder subject to special treatment under U.S. federal income tax laws (such as tax-exempt organizations, partnerships or pass-through entities, persons holding notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in notes or currencies and traders that elect to mark-to-market their notes). In addition, this discussion does not consider the effect of any alternative minimum taxes or foreign, state, local or other tax laws, or any U.S. tax considerations (e.g., estate or gift tax), other than U.S. federal income tax considerations, that may be applicable to particular holders. Furthermore, this discussion assumes that holders hold notes as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Code.

This discussion is based on the Code and applicable Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect. There are no rulings or cases on similar transactions. Moreover, the administrator does not intend to request rulings with respect to the U.S. federal income tax treatment of the notes. Thus, there can be no assurance that the U.S. federal income tax consequences of the notes described below will be sustained if the relevant transactions are examined by the Internal Revenue Service (the “IRS”) or by a court if the IRS proposes to disallow such treatment. The trust will be provided with an opinion of federal tax counsel regarding certain U.S. federal income tax matters discussed below. An opinion of federal tax counsel, however, is not binding on the IRS or the courts.

Unless otherwise indicated herein, it is assumed that any holder is a U.S. tax person, and, except as set forth below, this discussion does not address the tax consequences of holding a note to any holder who is not a U.S. tax person. As used herein, “U.S. tax person” means a person that is for U.S. federal income tax purposes:

a citizen or individual resident of the United States;

a corporation, including an entity treated as such, organized in or under the laws of the United States or any state thereof or the District of Columbia;

an estate the income of which is includible in gross income for U.S. federal income tax purposes, regardless of its source; or

a trust whose administration is subject to the primary supervision of a U.S. tax court and which has one or more U.S. tax persons who have the authority to control all substantial decisions of the trust.

The U.S. federal income tax treatment of a partner in a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) that holds a note will depend, among other things, upon whether or not the partner is a U.S. tax person. Partners and partnerships should consult their tax advisors as to the particular federal income tax consequences applicable to them.

To the extent provided in Treasury regulations, some trusts in existence on August 20, 1996, and treated as U.S. tax persons prior to that date, that elect to continue to be treated as U.S. tax persons, will be U.S. tax persons and not foreign persons.

Tax Characterization of the Trust

Cadwalader, Wickersham & Taft LLP, federal tax counsel to the trust and the depositor, will deliver its opinion to the trust that the trust will not be treated as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. This opinion will be based on the assumption that the terms of the trust agreement and related documents will be complied with.

Tax Consequences to Holders of Notes in General

Treatment of the Notes as Indebtedness. Cadwalader, Wickersham & Taft LLP, federal tax counsel to the trust and the depositor, will deliver an opinion that the notes will qualify as debt for U.S. federal income tax purposes. The depositor will agree, and the noteholders will agree by their purchase of the notes, to treat the notes as debt for U.S. federal income tax purposes. The consequences of the notes being treated as debt for U.S. federal income tax purposes are described below. Treatment of the notes as equity interests could have adverse tax consequences to certain holders. For example, all or a portion of the income accrued by tax-exempt entities, including pension funds, might be “unrelated business taxable income,” income to foreign holders might be subject to U.S. federal income tax and U.S. federal income tax return filing and withholding requirements, and individual holders might be subject to limitations on their ability to deduct their shares of trust expenses, including losses. Noteholders are strongly encouraged to consult with their own tax advisors regarding the possibility that the notes could be treated as equity interests.

Stated Interest. Stated interest on the notes will be taxable as ordinary income for federal income tax purposes when received or accrued in accordance with the method of tax accounting of the holder of the notes.

Original Issue Discount. Stated interest other than qualified stated interest must be accrued under the rules applicable to original issue discount (“OID”). Qualified stated interest must be unconditionally payable at least annually. The trust intends to treat the interest formula for the notes as meeting the requirements for “qualified stated interest” under Treasury regulations relating to OID, except as described below.

A note will be treated as issued with OID if the excess of the note’s “stated redemption price at maturity” over its issue price exceeds a *de minimis* amount equal to one-fourth of 1 percent of the note’s stated redemption price at maturity multiplied by the number of years to its maturity, based on the anticipated weighted average life of the notes, calculated using the “prepayment assumption” used in pricing the notes and weighting each payment by reference to the number of full years elapsed from the closing date prior to the anticipated date of such payment. Generally, the issue price of a note should be the first price at which a substantial amount of the notes is sold to persons other than placement agents, underwriters, brokers or wholesalers. The stated redemption price at maturity of a note is generally equal to all payments on the note other than payments of “qualified stated interest.” The trust intends to treat stated interest on the notes as qualified stated interest such that, the stated redemption price of the notes is generally expected to equal the principal amount of the notes. Any *de minimis* OID on the notes must be included in income as capital gain as principal payments are received on the notes in the proportion that each such payment bears to the original principal balance of the note. The treatment of the resulting gain is subject to the general rules discussed under “Sale or Other Disposition” below.

If the notes are treated as issued with OID, a holder will be required to include OID in income before the receipt of cash attributable to such income using a constant yield method. The amount of OID generally includible in income is the sum of the daily portions of OID with respect to a note for each day during the taxable year or portion of the taxable year in which the holder holds the note. Special provisions apply to debt instruments on which payments may be accelerated due to prepayments of other obligations securing those debt instruments. Under these provisions, the computation of OID on such debt instruments must be determined by taking into account both the prepayment assumption, if any, used in pricing the debt instrument and the actual prepayment experience. As a result of these special provisions, the amount of OID on the notes issued with OID that will accrue in any given accrual period may either increase or decrease depending upon the actual prepayment rate. Holders of the notes are strongly encouraged to consult with their own tax advisors regarding the impact of the OID rules in the event that notes are issued with OID.

Market Discount. The notes, whether or not issued with OID, may be subject to the “market discount rules” of Section 1276 of the Code. In general, these rules apply if the holder purchases the note at a market discount—that is, a discount from its stated redemption price at maturity or, if the notes were issued with OID, adjusted issue price—that exceeds a *de minimis* amount specified in the Code. If the holder acquires the note at a market discount and (a) recognizes gain upon a disposition, or (b) receives payments that do not constitute qualified stated interest, the lesser of (1) such gain or payment or (2) the accrued market discount that has not previously been included in income, will be taxed as ordinary interest income.

Generally, market discount accrues in the ratio of stated interest allocable to the relevant period to the sum of the interest for such period plus the remaining interest as of the end of such period, computed taking into account the prepayment assumption, if any, or in the case of a note issued with OID, in the ratio of OID accrued for the relevant period to the sum of the OID accrued for that period plus the remaining OID as of the end of such period. A holder may elect, however, to determine accrued market discount under the constant yield method, computed taking into account the prepayment assumption, if any. The treatment of the resulting gain is subject to the general rules discussed under “Sale or Other Disposition” below.

Limitations imposed by the Code which are intended to match deductions with the taxation of income may defer deductions for interest on indebtedness incurred or continued, or short-sale expenses incurred, to purchase or carry a note with accrued market discount. A holder may elect to include market discount in gross income as it accrues. If it makes this election, the holder will not be required to defer deductions. Any such election will apply to all debt instruments acquired by the holder on or after the first day of the first taxable year to which such election applies. The adjusted basis of a note subject to such election will be increased to reflect market discount included in gross income, thereby reducing any gain or increasing any loss on a sale or taxable disposition.

Acquisition Premium. A purchaser of a note at a price greater than its adjusted issue price and less than its remaining stated redemption price at maturity will be required to include in gross income the daily portions of the OID on the note reduced *pro rata* by a fraction, the numerator of which is the excess of its purchase price over such adjusted issue price and the denominator of which is the excess of the remaining stated redemption price at maturity over the adjusted issue price. Alternatively, such a purchaser may elect to treat all such acquisition premium under the constant yield method, as described below under "Election to Treat All Interest as OID."

Amortizable Bond Premium. In general, if a holder purchases a note at a premium—that is, an amount in excess of the principal amount payable at maturity—the holder will be considered to have purchased the note with "amortizable bond premium" equal to the amount of such excess. A holder may elect to amortize such bond premium as an offset to interest income and not as a separate deduction item as it accrues under a constant yield method, or one of the other methods described above under "Market Discount" over the remaining term of the note, using the prepayment assumption, if any. A holder's tax basis in the note will be reduced by the amount of the amortized bond premium. Any such election shall apply to all debt instruments, other than instruments the interest on which is excludible from gross income, held by the holder at the beginning of the first taxable year for which the election applies or thereafter acquired and is irrevocable without the consent of the IRS. Bond premium on a note held by a holder who does not elect to amortize the premium will decrease the gain or increase the loss otherwise recognized on the disposition of the note.

Election to Treat all Interest as OID. A holder may elect to include in gross income all interest with respect to the notes, including stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium, using the constant yield method described under "Original Issue Discount" (the "accrual method election"). This election will generally apply only to the specific note for which it was made. The accrual method election, however, could trigger other deemed elections as described below. An accrual method election for a note with market discount held by a holder that has not made an election under Section 1278(b) of the Code to include market discount in income on a current basis will result in a deemed election under Section 1278(b) of the Code. Such a deemed election will apply to all debt instruments with market discount acquired by the holder during the current taxable year and all subsequent years. Similarly, if a holder has not made an election under Section 171(c)(2) of the Code to amortize bond premium, and the notes were determined to have amortizable bond premium, an accrual method election will result in a deemed election under Section 171(c)(2) of the Code for all of the holder's debt instruments with amortizable bond premium held at the beginning of the taxable year and acquired thereafter. Neither the market discount election under Section 1278(b) of the Code nor the bond premium election under Section 171(c)(2) of the Code may be revoked (including where either such election is deemed made as a result of the accrual method election) without the permission of the IRS. Holders are strongly encouraged to consult with their own tax advisors before making this election.

Sale or Other Disposition. If a holder of a note sells the note, the holder will recognize gain or loss in an amount equal to the difference between the amount realized on the sale and the holder's adjusted tax basis in the note. The adjusted tax basis will equal the holder's cost for the note, increased by any market discount, OID and gain previously included by the holder in income with respect to the note, and decreased by the amount of any bond premium previously amortized and by the amount of principal payments previously received by the noteholder with respect to the note. Any such gain or loss will be capital gain or loss if the note was held as a capital asset, except for gain representing accrued interest and accrued market discount not previously included in income. Capital gains or losses will be long-term capital gains or losses if the note was held for more than one year. Capital losses generally may be used only to offset capital gains.

Tax Consequences to Foreign Investors. The following information describes the material U.S. federal income tax treatment of investors in the notes that are foreign persons. The term "foreign person" means any person other than a U.S. tax person, as defined above. The IRS has issued regulations that set forth procedures to be followed by a foreign person in establishing foreign status for certain purposes. Prospective investors are strongly encouraged to consult with their tax advisors concerning the requirements imposed by the regulations and their effect on the holding of the notes.

Interest (including OID) paid or accrued to a foreign person that is not effectively connected with the conduct of a trade or business within the United States by the foreign person will generally be considered "portfolio

interest” and generally will not be subject to U.S. federal income tax and withholding tax, as long as the foreign person:

is not actually or constructively a “10 percent shareholder” of Goal Financial or a “controlled foreign corporation” with respect to which Goal Financial is a “related person” within the meaning of the Code, and

provides an appropriate statement, signed under penalties of perjury, certifying that the holder is a foreign person and providing that foreign person’s name and address. For beneficial owners that are individuals or entities treated as corporations, this certification may be made on IRS Form W-8BEN. If the information provided in this statement changes, the foreign person must report that change within 30 days of such change. The statement generally must be provided in the year a payment occurs or in any of the three preceding years.

If this interest were not portfolio interest, then it would be subject to U.S. federal income and withholding tax at a current rate of 30% unless reduced or eliminated pursuant to an applicable income tax treaty. For a description of certain documentation requirements pertaining to such withholding tax, see “Appendix C—Global Clearance, Settlement and Tax Documentation Procedures—U.S. Federal Income Tax Documentation Requirements” attached to this Offering Memorandum.

Any capital gain realized on the sale or other taxable disposition of a note by a foreign person will be exempt from U.S. federal income and withholding tax, provided that:

the gain is not effectively connected with the conduct of a trade or business in the United States by the foreign person, and

in the case of an individual foreign person, the foreign person is not present in the United States for 183 days or more in the taxable year and certain other requirements are met.

If the interest, gain or income on a note held by a foreign person is effectively connected with the conduct of a trade or business in the United States by the foreign person, the holder—although exempt from the withholding tax previously discussed if a duly executed IRS Form W-8ECI is furnished—generally will be subject to U.S. federal income tax on the interest, gain or income at regular federal income tax rates. In addition, if the foreign person is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its “effectively connected earnings and profits” within the meaning of the Code for the taxable year, as adjusted for certain items, unless it qualifies for a lower rate under an applicable tax treaty.

Information Reporting and Backup Withholding. The indenture trustee will be required to report annually to the IRS, and to each noteholder, the amount of interest paid on, OID accrued on, or the proceeds from the sale or other disposition of, the notes and the amount withheld for federal income taxes, if any, for each calendar year, except as to exempt recipients—generally, corporations, tax-exempt organizations, qualified pension and profit-sharing trusts, individual retirement accounts, or nonresident aliens who provide certification as to their status. Each noteholder other than one who is not subject to the reporting requirements will be required to provide, under penalties of perjury, a certificate containing its name, address, correct federal taxpayer identification number (which includes a U.S. social security number), and a statement that the holder is not subject to backup withholding. Should a non-exempt noteholder fail to provide the required certification or should the IRS notify the indenture trustee or the trust that the holder has provided an incorrect federal taxpayer identification number or is otherwise subject to backup withholding, the indenture trustee or the trust will be required to withhold at a prescribed rate from the interest otherwise payable to the noteholder, or the proceeds from the sale or other disposition of the notes, and remit the withheld amounts to the IRS as a credit against the holder’s federal income tax liability.

European Union Directive on the Taxation of Savings Income

The European Union has adopted a Directive regarding the taxation of savings income. Member states of the European Union (“Member States”) are required 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 have instead opted to 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 notes made through the Irish 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.

State and Local Tax Consequences

The above discussion does not address the tax treatment of the trust, the notes, or the holders of the notes under any state or local tax laws. Prospective investors are urged to consult with their own tax advisors regarding the state and local tax treatment of the trust as well as any state and local tax consequences to them of purchasing, owning and disposing of the notes.

* * *

The federal and state tax discussions described above may not be applicable depending upon each holder's particular tax situation. Prospective purchasers are strongly encouraged to consult with their own tax advisors as to the tax consequences to them of purchasing, owning or disposing of notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in federal or other tax laws.

Reports to Noteholders

Quarterly reports concerning Goal Capital Funding Trust 2010-1 will be delivered to noteholders. Generally, you will receive those reports not from the trust, but through Cede & Co., as nominee of The Depository Trust Company and registered holder of the notes. See "Book-Entry Registration" in this Offering Memorandum. These periodic reports will contain information concerning the student loans in the trust and certain activities of the trust during the period since the previous report, such as:

- descriptions of portfolio characteristics;
- identification of remaining note balances;
- descriptions of amounts of the distribution allocable to principal and interest of the notes;
- changes in pool balance over the distribution period;
- fees paid by the trust; and
- limited descriptions of activity in the acquisition fund, the reserve fund, capitalized interest fund, collection fund and acquisition fund.

Special Note Regarding Forward Looking Statements

This Offering Memorandum contains 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 an issuing entity'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 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 Offering Memorandum and the documents that we reference in this Offering Memorandum, 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.

Relationships Among Financing Participants

Goal Capital Funding is the depositor of the trust and will be the seller of the student loans acquired by the trust with the proceeds of the notes. Goal Capital Funding owns all of the beneficial interests of the trust. Goal Capital Funding is a wholly owned subsidiary of Goal Financial, the sponsor of the transactions described in this Offering Memorandum. See the caption "The Sponsor, the Depositor and the Administrator" in this Offering Memorandum.

In the ordinary course of their respective businesses, the initial purchaser and its affiliates have engaged and may in the future engage in investment banking or commercial banking transactions with the trust, the depositor, Goal Financial and their affiliates. A portion of the proceeds from the sale of the notes will be used to acquire FFELP loans that are presently financed in warehouse facilities with affiliates of Goal Financial, and which are funded in part through notes issued to affiliates of the initial purchaser.

Plan of Distribution

Subject to the terms and conditions to be set forth in the note purchase agreement among the depositor, Goal Financial and the initial purchaser, the depositor will agree to cause the trust to sell to the initial purchaser, and the initial purchaser will agree to purchase from the trust, the aggregate principal amount of the notes offered in this Offering Memorandum.

The initial purchaser may elect to engage in transactions that stabilize the price of the notes. These transactions consist of bids of purchase for the purpose of pegging, fixing or maintaining the price of the notes. Purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of those purchases. Neither the trust nor the initial purchaser makes any representations or predictions as to the direction or magnitude of any effect that those transactions may have on the prices of the notes. In addition, neither the trust nor the initial purchaser makes any representations that the initial purchaser 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 initial purchaser has advised that it presently intends to make a market in the notes. However, it is not obligated to do so and it 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 note purchase agreement provides that the depositor and Goal Financial will indemnify the initial purchaser against certain civil liabilities, including liabilities under the Securities Act of 1933, and that the depositor and Goal Financial have agreed to reimburse the initial purchaser for the fees and expenses of its counsel.

The initial purchaser has represented and agreed that:

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 (“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 initial purchaser that would permit a public offering of the notes in any country or jurisdiction where action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum 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 Offering Memorandum comes are required by the depositor and the initial purchaser 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 the Offering Memorandum, 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 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 these regulations or otherwise in compliance with all applicable provisions of these regulations and the FSMA.

Notice To Investors

The following information relates to the form, transfer and delivery of the notes. Because of the following restrictions, purchasers of the notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the notes.

The notes have not been and will not be registered under the Securities Act of 1933 nor with any securities regulatory authority of any state or other jurisdiction within the United States. Accordingly, the notes are being offered (i) within the United States only to qualified institutional buyers in transactions meeting the requirements of Rule 144A, or (ii) outside the United States to persons (other than U.S. Persons) in offshore transactions pursuant to the requirements of Regulation S.

Each purchaser of notes will be deemed to have represented and agreed, that:

(a) in connection with the purchase of the notes, (1) none of the trust, the indenture trustee, the initial purchaser or any of their respective affiliates is acting as a fiduciary or financial or investment advisor for such beneficial owner; (2) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the trust, the indenture trustee or the initial purchaser or any of their respective affiliates other than any statements in this Offering Memorandum relating to the notes, and such beneficial owner has read and understands this Offering Memorandum; (3) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decision (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the trust, the indenture trustee, the administrator or the initial purchaser or any of their respective affiliates; and (4) (A) the purchaser is a QIB as defined in Rule 144A under the Securities Act, is aware (and if it is acquiring the notes for the account of one or more QIBs, each beneficial owner of the notes is aware) that the trust and the initial purchaser are relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A, that it is acquiring the notes for its own account or for the account of one or more QIBs for whom it is authorized to act, in either case for investment purposes and not for distribution in violation of the Securities Act, that it is able to bear the economic risk of an investment in the notes and that the purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the notes, or (B) the purchaser is a person that is not a U.S. Person (as defined in Regulation S) outside the United States of America, acquiring the notes in an offshore transaction pursuant to the safe harbor from the registration requirements of the Securities Act provided by either Rule 903 or Rule 904 of Regulation S;

(b) the purchaser understands that the notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such notes, then it agrees that it will resell or transfer such notes only (1) so long as such notes are eligible for resale pursuant to Rule 144A, to a person whom the seller reasonably believes is a QIB acquiring the notes for its own account or as a fiduciary or agent for others (which others must also be QIBs) to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A, or (2) to a purchaser who is not a U.S. Person (as defined in Regulation S) outside the United States of America, acquiring the notes pursuant to the safe harbor from registration under the Securities Act in accordance with Rule 903 or Rule 904 of Regulation S and, in each case, in accordance with any applicable United States state securities laws or other applicable securities laws of the relevant jurisdiction;

(c) unless the relevant legend set out below has been removed from the notes, such purchaser shall notify each transferee of the notes of the deemed representations set out above and that such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

(d) it is not a Plan and is not acquiring the note directly or indirectly for, or on behalf of, a Plan or with Plan Assets, Plan Asset Entity or any entity whose underlying assets are deemed to be plan assets of such Plan or (b) the acquisition and holding of the notes by or on behalf of, or with Plan Assets of, any Plan, Plan Asset Entity or any entity whose underlying assets are deemed to be Plan Assets of such Plan is permissible under applicable law, will not result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Law, and will not subject the issuing entity or initial purchaser to any obligation not affirmatively undertaken in writing;

(e) it is aware that, except as otherwise provided in the indenture, any of the notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Note Certificates and that beneficial interests therein may be held only through DTC for the respective accounts of participants in those clearing systems;

(f) the purchaser understands that each certificate representing an interest in the notes will bear the following legend, unless determined otherwise in accordance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES OR BLUE SKY LAW OF ANY STATE.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A “QIB”), PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (B) TO A PERSON WHO IS NOT A U.S. PERSON (AS DEFINED IN REGULATIONS PROMULGATED UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES OF AMERICA ACQUIRING THIS NOTE IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATIONS PROMULGATED UNDER THE SECURITIES ACT; (C) PURSUANT TO ANOTHER EXEMPTION AVAILABLE UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) PURSUANT TO A VALID REGISTRATION STATEMENT.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK LIMITED PURPOSE TRUST COMPANY (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

(g) by virtue of its acceptance of such note or beneficial interest therein to indemnify the administrator, the indenture trustee, the eligible lender trustee, and the trust against any and all liability that may result if any transfer of such note is not made in a manner consistent with the applicable restrictive legend set forth above.

Upon the transfer, exchange or replacement of a Rule 144A Global Note Certificate or a Regulation S Global Note Certificate bearing the applicable legend set forth above, or upon specific request for removal of the legends, the trust or the indenture trustee will deliver only replacement Rule 144A Global Note Certificates or Regulation S Global Note Certificates, as the case may be, that bear such applicable legends, or will refuse to remove such applicable legends, unless there is delivered to the trust and the note registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the trust and the indenture trustee that neither the applicable legends nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Transfers of interests in the notes represented by Global Note Certificates within a clearing system will be in accordance with the usual rules and operating procedures of the relevant clearing system.

The laws of some states of the United States of America require that certain persons receive individual certificates in respect of their holdings of the notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited.

Because of the foregoing restrictions, purchasers are advised to consult legal counsel prior to making any resale, pledge or transfer of any of the notes. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Legal Matters

Certain legal matters, including certain income tax matters, will be passed upon for Goal Capital Funding Trust 2010-1 by Cadwalader, Wickersham & Taft LLP.

Ratings

It is a condition to the issuance of the notes that they be rated by at least two nationally recognized statistical rating organizations in their highest rating category. The specific ratings for the notes are described under “Summary of Terms – Rating of the Notes.”

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.

Glossary of Terms

Some of the terms used in this Offering Memorandum are defined below. The indenture contains the definition of other terms used in this Offering Memorandum and reference is made to the indenture for those definitions.

“*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; and, (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.

“*Code*” means the Internal Revenue Code of 1986, as amended, or any successor legislation thereto.

“*Commercial Paper Rate (90-day)*” means the rate determined at the end of each calendar quarter using the daily average of that quarter’s bond equivalent Three-Month Financial Commercial Paper rates. The daily bond equivalent rates are calculated from the Three-Month Financial Commercial Paper discount rates published in the Federal Reserve’s H.15 report. On weekends, holidays, and any other day when no H.15 rates are available, the rate from the most recent published date is used.

“*Derivative Product*” means any interest rate, currency or other hedge agreement, credit default swap or similar agreement entered into between the trust and a counterparty, each as supplemented or amended from time to time.

“*Funds*” means the funds created under the indenture and held by the indenture trustee, including the Acquisition Fund, the Collection Fund, the Department Rebate Fund, the Capitalized Interest Fund and the Reserve Fund.

“*Guarantee*” or “*Guaranteed*” means, 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*” means a guaranty or lender agreement between the indenture trustee and any guarantee agency, and any amendments thereto.

“*Guarantee Agency*” means any entity authorized to guarantee student loans under the Higher Education Act and with which the indenture trustee maintains a guarantee agreement.

“*Higher Education Act*” means the Higher Education Act of 1965, as amended, together with any rules, regulations and interpretations thereunder.

“*Indenture*” means the indenture of trust between Goal Capital Funding Trust 2010-1 and The Bank of New York Mellon Trust Company, N.A., as eligible lender trustee and indenture trustee, including all supplements and amendments thereto.

“*Rating Confirmation*” means a letter or other written communication from each rating agency then providing a rating for any of the notes, confirming that a proposed action, failure to act, or other event specified therein 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.

“*Securities Depository*” means DTC, Euroclear or Clearstream, as applicable, and their successors and assigns, or, if (a) a then-existing Securities Depository resigns from its functions as depository of the notes; or

(b) the trust discontinues use of a Securities Depository pursuant to the indenture, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the notes and which is selected by the trust with the consent of the indenture trustee. The initial Securities Depository for the notes, shall be DTC and the nominee for such Securities Depository shall be “Cede & Co.”

APPENDIX A

Weighted Average Lives, Expected Maturities and Percentages of Original Principal Remaining at Each Quarterly Distribution Date for the 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 Offering Memorandum is based on a combination of two prepayment rates: a prepayment curve methodology for consolidation loans and a flat prepayment rate for non-consolidation loans. The consolidation prepayment rate is derived on a linear function that is ramped over time based on loan age. For purposes of this Offering Memorandum, we refer to the combination of these two prepayment modeling approaches as the “pricing prepayment curve” or “PPC.” For consolidation loans, 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. Non-consolidation loans, the PPC employs a rate fixed at 6%.

100% PPC implies prepayment exactly according to the ramp for consolidation loans and at 6% for non-consolidation loans. For consolidation loans, a rate of “x% PPC” implies the indicated constant percentage to each of the CPRs along the ramp. For non-consolidation loans, a rate of “x% PPC” implies the indicated constant percentage multiplied by 6% CPR.

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:

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

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.

The available funds cap was not considered or incorporated in calculating the information presented in the tables.

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

the statistical cut-off date for the trust student loans is as of March 31, 2010;

the closing date is May 19, 2010;

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;

there are government payment delays of 90 days for interest subsidy and special allowance payments;

there are payment delays of 30 days for consolidation rebate fees paid to the government;

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:

- o 91-day Treasury bill rate of 0.15%; and
- o three-month commercial paper rate of 0.20%;

quarterly distributions begin on August 25, 2010, 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 the outstanding notes at all times will be equal to 0.99%;

0.06% of the pool balance as of the close of business on the last day of the related collection period shall be used to pay the annual administration fee and the annual Delaware trustee fee;

the administration fee is no longer paid after the notes have been paid off in full;

servicing fees for Stafford/PLUS loans, are \$1.72 per borrower per month for student loans in-school and \$3.89 in any other status, and for consolidation loans \$2.88 per borrower per month for any status;

the indenture trustee fee will be \$12,000 annually with \$3,000 paid quarterly;

the Reserve Fund has an initial balance equal to \$477,104 and at all times a balance equal to the greater of (1) 0.25% of the pool balance as of the close of business on the last day of the related collection period and (2) 0.15% of the initial pool balance;

all payments are assumed to be made at the end of the month and amounts on deposit in the Collection Fund and Reserve Fund, including reinvestment income earned in the previous month, net of servicing fees, are reinvested in eligible investments at the assumed reinvestment rate of 0.15% per annum through the end of the collection period; reinvestment earnings are available for distribution from the prior collection period;

the optional redemption does not occur; and

the pool of trust student loans were grouped into 2,433 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, interest rate, loan type, index, margin, rate cap and remaining term.

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

Series	Weighted Average Life (years) ⁽²⁾				
	0%	50%	100%	150%	200%
2010-1 Notes	8.93	7.25	6.15	5.38	4.81

Series	Expected Maturity Date				
2010-1 Notes	November 25, 2033	May 25, 2030	May 25, 2027	February 25, 2025	May 25, 2023

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption does not occur.

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

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

Quarterly Distribution Dates	0%	50%	100%	150%	200%	-
Initial	100%	100%	100%	100%	100%	
8/25/2010	98%	97%	96%	96%	95%	
11/25/2010	96%	95%	94%	93%	92%	
2/25/2011	95%	94%	92%	91%	89%	
5/25/2011	92%	91%	89%	87%	85%	
8/25/2011	91%	89%	86%	84%	82%	
11/25/2011	90%	87%	84%	82%	79%	
2/25/2012	88%	85%	82%	79%	76%	
5/25/2012	87%	83%	80%	77%	73%	
8/25/2012	86%	82%	78%	74%	71%	
11/25/2012	84%	80%	76%	72%	68%	
2/25/2013	83%	78%	73%	69%	65%	
5/25/2013	81%	76%	71%	67%	62%	
8/25/2013	79%	74%	69%	64%	60%	
11/25/2013	78%	72%	67%	62%	57%	
2/25/2014	76%	70%	64%	59%	54%	
5/25/2014	74%	68%	62%	57%	52%	
8/25/2014	73%	66%	60%	55%	49%	
11/25/2014	71%	64%	58%	52%	47%	
2/25/2015	69%	62%	56%	50%	45%	
5/25/2015	67%	60%	53%	48%	42%	
8/25/2015	65%	58%	51%	45%	40%	
11/25/2015	63%	56%	49%	43%	38%	
2/25/2016	62%	54%	47%	41%	35%	

5/25/2016	60%	52%	45%	39%	33%
8/25/2016	58%	50%	43%	36%	31%
11/25/2016	56%	47%	40%	34%	29%
2/25/2017	54%	45%	38%	32%	27%
5/25/2017	52%	43%	36%	30%	25%
8/25/2017	50%	41%	34%	28%	23%
11/25/2017	48%	40%	33%	26%	21%
2/25/2018	46%	38%	31%	25%	20%
5/25/2018	45%	36%	29%	23%	18%
8/25/2018	43%	35%	28%	22%	17%
11/25/2018	42%	33%	26%	20%	15%
2/25/2019	40%	32%	25%	19%	14%
5/25/2019	39%	30%	23%	17%	12%
8/25/2019	37%	29%	22%	16%	11%
11/25/2019	36%	27%	20%	15%	10%
2/25/2020	35%	26%	19%	13%	9%
5/25/2020	34%	25%	18%	12%	8%
8/25/2020	34%	24%	17%	11%	7%
11/25/2020	33%	23%	16%	11%	6%
2/25/2021	32%	23%	15%	10%	5%
5/25/2021	31%	22%	14%	9%	5%
8/25/2021	31%	21%	14%	8%	4%
11/25/2021	30%	20%	13%	7%	3%
2/25/2022	29%	19%	12%	7%	3%
5/25/2022	28%	18%	11%	6%	2%
8/25/2022	28%	18%	10%	5%	1%
11/25/2022	27%	17%	10%	4%	1%
2/25/2023	26%	16%	9%	4%	*
5/25/2023	26%	15%	8%	3%	0%
8/25/2023	25%	15%	8%	3%	0%
11/25/2023	24%	14%	7%	2%	0%
2/25/2024	23%	13%	6%	2%	0%
5/25/2024	23%	13%	6%	1%	0%
8/25/2024	22%	12%	5%	1%	0%
11/25/2024	21%	11%	5%	*	0%
2/25/2025	21%	11%	4%	0%	0%
5/25/2025	20%	10%	3%	0%	0%
8/25/2025	19%	9%	3%	0%	0%
11/25/2025	19%	9%	2%	0%	0%
2/25/2026	18%	8%	2%	0%	0%
5/25/2026	17%	8%	2%	0%	0%
8/25/2026	17%	7%	1%	0%	0%
11/25/2026	16%	6%	1%	0%	0%
2/25/2027	15%	6%	*	0%	0%
5/25/2027	15%	5%	0%	0%	0%
8/25/2027	14%	5%	0%	0%	0%
11/25/2027	13%	4%	0%	0%	0%
2/25/2028	13%	4%	0%	0%	0%
5/25/2028	12%	3%	0%	0%	0%
8/25/2028	12%	3%	0%	0%	0%

11/25/2028	11%	2%	0%	0%	0%
2/25/2029	10%	2%	0%	0%	0%
5/25/2029	10%	1%	0%	0%	0%
8/25/2029	9%	1%	0%	0%	0%
11/25/2029	9%	1%	0%	0%	0%
2/25/2030	8%	*	0%	0%	0%
5/25/2030	7%	0%	0%	0%	0%
8/25/2030	7%	0%	0%	0%	0%
11/25/2030	6%	0%	0%	0%	0%
2/25/2031	6%	0%	0%	0%	0%
5/25/2031	5%	0%	0%	0%	0%
8/25/2031	5%	0%	0%	0%	0%
11/25/2031	4%	0%	0%	0%	0%
2/25/2032	3%	0%	0%	0%	0%
5/25/2032	3%	0%	0%	0%	0%
8/25/2032	2%	0%	0%	0%	0%
11/25/2032	2%	0%	0%	0%	0%
2/25/2033	1%	0%	0%	0%	0%
5/25/2033	1%	0%	0%	0%	0%
8/25/2033	*	0%	0%	0%	0%
11/25/2033	0%	0%	0%	0%	0%

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption does not occur.

* The balance is less than 0.5% but greater than 0.0%

The above table has 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 this table, 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.

APPENDIX B

Description of The Federal Family Education Loan Program

The Federal Family Education Loan Program

The Higher Education Act provides for a program of 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 (“FFELP”). The Higher Education Opportunity Act of 2008 extended the authorization for the FFELP through September 30, 2014. On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (the “Reconciliation Act”) was enacted into law. Included in the Reconciliation Act were provisions that eliminate the FFELP. Until July 1, 2010 additional FFELP loans may be originated and included in any pool of trust student loans, but on and after such date no new FFELP loans will be originated. However, FFELP Loans originated under the Higher Education Act prior to July 1, 2010 which have been acquired or are anticipated to be acquired by the trust (including the loans described in this Offering Memorandum under the caption “Characteristics of the Student Loans”) continue to be subject to the provisions of the FFELP. The following description of the FFELP has been provided solely to explain certain of the provisions of the FFELP applicable to FFELP Loans made on or after July 1, 1998 and prior to July 1, 2010. Notwithstanding anything herein to the contrary, after June 30, 2010, no new FFELP Loans (including Consolidation Loans) may be made or insured under the FFELP and no funds are authorized to be appropriated, or may be expended, under the Higher Education Act to make or insure loans under the FFELP (including Consolidation Loans) for which the first disbursement is after June 30, 2010, except as expressly authorized by an Act of Congress enacted after the date of enactment of The Student Aid and Fiscal Responsibility Act of 2009. The following summary of the FFELP, as established by the Higher Education Act, does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the text of the Higher Education Act and the regulations thereunder

Generally, a student is eligible for loans made under the FFELP 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, as determined by the institution, for the course of study the student is pursuing;

is not in default on any federal education loans;

has not committed a crime involving fraud in obtaining funds under the Higher Education Act which funds have not been fully repaid; and

meets other applicable eligibility requirements.

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 FFELP. The Higher Education Act allows lesser rates of interest to be charged.

Types of loans

Four types of loans are currently available under the FFELP:

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 FFELP is the Subsidized Stafford Loan. Students who are not eligible for Subsidized Stafford Loans based on their economic circumstances may be able to obtain Unsubsidized Stafford Loans. Graduate or professional students and parents of dependent undergraduate students may be able to obtain PLUS Loans. Consolidation Loans are available to borrowers with existing loans made under the FFELP and other federal programs to consolidate repayment of the borrower's existing loans. Prior to July 1, 1994, the FFELP also offered 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 Stafford Loans.

Subsidized Stafford Loans

General. Subsidized Stafford Loans are eligible for insurance and 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 or professional study. Both annual and aggregate limitations exclude loans made under the PLUS Loan Program. 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 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 Stafford Loans first disbursed to a "new" borrower (a "new" borrower is defined for purposes of this section as one who has no outstanding balance on a FFELP loan on the date the new promissory note is signed) for a period of enrollment beginning before January 1, 1981, the applicable interest rate is fixed at 7%.

For Stafford Loans first disbursed to a "new" borrower, for a period of enrollment beginning on or after January 1, 1981, but before September 13, 1983, the applicable interest rate is fixed at 9%.

For Stafford Loans first disbursed to a "new" borrower, for a period of enrollment beginning on or after September 13, 1983, but before July 1, 1988, the applicable interest rate is fixed at 8%.

For Stafford Loans first disbursed to a borrower with an outstanding balance on a PLUS, SLS, or Consolidation Loan, but not on a Stafford Loan, where the new loan is intended for a period of enrollment beginning before July 1, 1988, the applicable interest rate is fixed at 8%.

For Stafford Loans first disbursed before October 1, 1992, to a “new” borrower or to a borrower with an outstanding balance on a PLUS, SLS, or Consolidation Loan, but not a Stafford Loan, where the new loan is intended for a period of enrollment beginning on or after July 1, 1988, the applicable interest rate is as follows:

Original fixed interest rate of 8% for the first 48 months of repayment. Beginning on the first day of the 49th month of repayment, the interest rate increased to a fixed rate of 10% thereafter. Loans in this category were subject to excess interest rebates and have been converted to a variable interest rate based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 3.25%. The variable interest rate is adjusted annually on July 1. The maximum interest rate for loans in this category is 10%.

For Stafford Loans first disbursed on or after July 23, 1992, but before July 1, 1994, to a borrower with an outstanding Stafford Loan made with a 7%, 8%, 9%, or 8%/10% fixed interest rate, the original, applicable interest rate is the same as the rate provided on the borrower’s previous Stafford Loan (i.e., a fixed rate of 7%, 8%, 9%, or 8%/10%). Loans in this category were subject to excess interest rebates and have been converted to a variable interest rate based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate for a loan in this category is equal to the loan’s previous fixed rate (i.e., 7%, 8%, 9%, or 10%).

For Stafford Loans first disbursed on or after October 1, 1992, but before December 20, 1993, to a borrower with an outstanding balance on a PLUS, SLS, or Consolidation Loan, but not on a Stafford Loan, the original, applicable interest rate is fixed at 8%. Loans in this category were subject to excess interest rebates and have been converted to a variable interest rate based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate for a loan in this category is 8%.

For Stafford Loans first disbursed on or after October 1, 1992, but before July 1, 1994, to a “new” borrower, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate for a loan in this category is 9%.

For Stafford Loans first disbursed on or after December 20, 1993, but before July 1, 1994, to a borrower with an outstanding balance on a PLUS, SLS, or Consolidation Loan, but not on a Stafford Loan, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate for a loan in this category is 9%.

For Stafford Loans first disbursed on or after July 1, 1994, but before July 1, 1995, where the loan is intended for a period of enrollment that includes or begins on or after July 1, 1994, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate for a loan in this category is 8.25%.

For Stafford Loans first disbursed on or after July 1, 1995, but before July 1, 1998, the applicable interest rate is as follows:

When the borrower is in school, in grace, or in an authorized period of deferment, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 2.5%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 8.25%.

When the borrower is in repayment or in a period of forbearance, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 8.25%.

For Stafford Loans first disbursed on or after July 1, 1998, but before July 1, 2006, the applicable interest rate is as follows:

When the borrower is in school, in grace, or in an authorized period of deferment, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 1.7%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 8.25%.

When the borrower is in repayment or in a period of forbearance, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1, plus 2.3%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 8.25%.

For Stafford Loans first disbursed on or after July 1, 2006, the applicable interest rate is fixed at 6.80%. However, for Stafford Loans for undergraduates, the applicable interest rate is reduced in phases for which the first disbursement is made on or after:

July 1, 2008 and before July 1, 2009, the applicable interest rate is fixed at 6.00%,

July 1, 2009 and before July 1, 2010, the applicable interest rate will be fixed at 5.60%.

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, including special allowance payments, are essentially the same as those for 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 the accruing interest will be capitalized when repayment begins and during periods of deferment and forbearance. Unsubsidized Stafford Loans were not available before October 1, 1992. A student meeting the general eligibility requirements for a loan under the FFELP 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, with the exception of Unsubsidized Stafford Loans first disbursed on or after July 1, 2008, which retain a fixed interest rate of 6.80%.

PLUS Loans

General. PLUS Loans are made to parents, and under certain circumstances spouses of remarried parents, of dependent undergraduate students. Effective July 1, 2006, graduate and professional students are eligible borrowers under the PLUS Loan program. For PLUS Loans made on or after July 1, 1993, the borrower must not have an adverse credit history as determined by criteria established by the Secretary of Education. The basic provisions applicable to PLUS Loans are similar to those of Stafford Loans with respect to the involvement of guarantee agencies and the Secretary of Education in providing federal insurance and reinsurance on the loans. However, PLUS Loans differ significantly, particularly from the 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. For PLUS Loans first disbursed on or after January 1, 1981, but before October 1, 1981, the applicable interest rate is fixed at 9%.

For PLUS Loans first disbursed on or after October 1, 1981, but before November 1, 1982, the applicable interest rate is fixed at 14%.

For PLUS Loans first disbursed on or after November 1, 1982, but before July 1, 1987, the applicable interest rate is fixed at 12%.

Beginning July 1, 2001, for PLUS Loans first disbursed on or after July 1, 1987, but before October 1, 1992, the applicable interest rate is variable and is based on the weekly average one-year constant maturity Treasury bill yield for the last calendar week ending on or before June 26 preceding July 1 of each year, plus 3.25%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 12%. Prior to July 1, 2001, PLUS Loans in this category had interest rates which were based on the 52-week Treasury bill auctioned at the final auction held prior to the preceding June 1, plus 3.25%. The annual (July 1) variable interest rate adjustment was applicable prior to July 1, 2001, as was the maximum interest rate of 12%. PLUS Loans originally made at a fixed interest rate, which have been refinanced for purposes of securing a variable interest rate, are subject to the variable interest rate calculation described in this paragraph.

Beginning July 1, 2001, for PLUS Loans first disbursed on or after October 1, 1992, but before July 1, 1994, the applicable interest rate is variable and is based on the weekly average one-year constant maturity Treasury yield for the last calendar week ending on or before June 26 preceding July 1 of each year, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 10%. Prior to July 1, 2001, PLUS Loans in this category had interest rates which were based on the 52-week Treasury bill auctioned at the final auction held prior to the preceding June 1, plus 3.1%. The annual (July 1) variable interest rate adjustment was applicable prior to July 1, 2001, as was the maximum interest rate of 10%.

Beginning July 1, 2001, for PLUS Loans first disbursed on or after July 1, 1994, but before July 1, 1998, the applicable interest rate is variable and is based on the weekly average one-year constant maturity Treasury yield for the last calendar week ending on or before June 26 preceding July 1 of each year, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 9%. Prior to July 1, 2001, PLUS Loans in this category had interest rates which were based on the 52-week Treasury bill auctioned at the final auction held prior to the preceding June 1, plus 3.1%. The annual (July 1) variable interest rate adjustment was applicable prior to July 1, 2001, as was the maximum interest rate of 9%.

For PLUS Loans first disbursed on or after July 1, 1998, but before July 1, 2006, the applicable interest rate is variable and is based on the bond equivalent rate of the 91-day Treasury bill auctioned at the final auction before the preceding June 1 of each year, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 9%.

For PLUS Loans first disbursed on or after July 1, 2006, the applicable interest rate is fixed at 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. Except for dependent undergraduate students, eligibility for SLS Loans was determined without regard to need. SLS Loans were similar to Stafford Loans with respect to the involvement of guarantee agencies and the Secretary of Education in providing federal insurance and reinsurance on the loans. However, SLS Loans differed significantly, particularly from Subsidized Stafford Loans, because federal interest subsidy payments were not available under the SLS Loan Program and special allowance payments were more restricted. The SLS Loan Program was discontinued on July 1, 1994.

Interest rates for SLS Loans. The applicable interest rates on SLS Loans made before October 1, 1992, and on SLS Loans originally made at a fixed interest rate, which have been refinanced for purposes of securing a variable interest rate, are identical to the applicable interest rates described for PLUS Loans made before October 1, 1992.

For SLS Loans first disbursed on or after October 1, 1992, but before July 1, 1994, the applicable interest rate is as follows:

Beginning July 1, 2001, the applicable interest rate is variable and is based on the weekly average one-year constant maturity Treasury yield for the last calendar week ending on or before June 26 preceding July 1 of each year, plus 3.1%. The variable interest rate is adjusted annually on July 1. The maximum interest rate is 11%. Prior to July 1, 2001, SLS Loans in this category had interest rates which were based on the 52-week Treasury bill auctioned at the final auction held prior to the preceding June 1, plus 3.1%. The annual (July 1) variable interest rate adjustment was applicable prior to July 1, 2001, as was the maximum interest rate of 11%.

Consolidation Loans

General. The Higher Education Act authorizes a program under which certain borrowers may consolidate their various federally insured education loans into a single loan insured and reinsured on a basis similar to Stafford Loans. Consolidation Loans may be obtained in an amount sufficient to pay outstanding principal, unpaid interest, late charges, and collection costs on federally insured or reinsured student loans incurred under the Federal Family Education Loan and Direct Loan Programs, including PLUS Loans made to the consolidating borrower, as well as loans made under the Perkins Loan (formally National Direct Student Loan Program), FISL, Nursing Student Loan (NSL), Health Education Assistance Loan (HEAL), and Health Professions Student Loan (HPSL) Programs. To be eligible for a FFELP Consolidation Loan, a borrower must:

have outstanding indebtedness on student loans made under the FFELP and/or certain other federal student loan programs; and

be in repayment status or in a grace period on loans that are to be consolidated.

Borrowers who are in default on loans that are to be consolidated must first make satisfactory arrangements to repay the loans to the respective holder(s) or must agree to repay the consolidating lender under an income-sensitive repayment arrangement in order to include the defaulted loans in the Consolidation Loan. 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.

A married couple who agreed to be jointly liable on a Consolidation Loan for which the application was received on or after January 1, 1993, but before July 1, 2006, is treated as an individual for purposes of obtaining a Consolidation Loan.

Interest rates for Consolidation Loans. For Consolidation Loans disbursed before July 1, 1994, the applicable interest rate is fixed at the greater of:

9%, or

The weighted average of the interest rates on the loans being consolidated, rounded to the nearest whole percent.

For Consolidation Loans disbursed on or after July 1, 1994, based on applications received by the lender before November 13, 1997, the applicable interest rate is fixed and is based on the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest whole percent.

For Consolidation Loans on which the application is received by the lender between November 13, 1997, and September 30, 1998, inclusive, the applicable interest rate is variable according to the following:

For the portion of the Consolidation Loan which is comprised of FFELP, Direct, FISL, Perkins, HPSL, or NSL loans, the variable interest rate is based on the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction before the preceding June 1, plus 3.1%. The variable

interest rate for this portion of the Consolidation Loan is adjusted annually on July 1. The maximum interest rate for this portion of the Consolidation Loan is 8.25%.

For the portion of the Consolidation Loan which is attributable to HEAL Loans (if applicable), the variable interest rate is based on the average of the bond equivalent rates of the 91-day Treasury bills auctioned for the quarter ending June 30, plus 3.0%. The variable interest rate for this portion of the Consolidation Loan is adjusted annually on July 1. There is no maximum interest rate for the portion of a Consolidation Loan that is represented by HEAL Loans.

For Consolidation Loans on which the application is received by the lender on or after October 1, 1998, the applicable interest rate is determined according to the following:

For the portion of the Consolidation Loan which is comprised of FFELP, Direct, FISL, Perkins, HPSL, or NSL loans, the applicable interest rate is fixed and is based on the weighted average of the interest rates on the non-HEAL loans being consolidated, rounded up to the nearest one-eighth of one percent. The maximum interest rate for this portion of the Consolidation Loan is 8.25%.

For the portion of the Consolidation Loan which is attributable to HEAL Loans (if applicable), the applicable interest rate is variable and is based on the average of the bond equivalent rates of the 91-day Treasury bills auctioned for the quarter ending June 30, plus 3.0%. The variable interest rate for this portion of the Consolidation Loan is adjusted annually on July 1. There is no maximum interest rate for the portion of the Consolidation Loan that is represented by HEAL Loans.

For a discussion of required payments that reduce the return on Consolidation Loans, see “Fees – Rebate fee on Consolidation Loans” in this Appendix.

Interest rate during active duty

The Higher Education Opportunity Act of 2008 revised the Servicemembers Civil Relief Act to include FFEL Program loans. Interest charges on FFEL Program loans are capped at 6% during a period of time on or after August 14, 2008, in which a borrower has served or is serving on active duty in the Armed Forces, National Oceanic and Atmospheric Administration, Public Health Services, or National Guard. The interest charge cap includes the interest rate in addition to any fees, service charges, and other charges related to the loan. The cap is applicable to loans made prior to the date the borrower was called to active duty.

Maximum loan amounts

Each type of loan is subject to certain limits on the maximum principal amount, with respect to a given academic year and in the aggregate. Consolidation Loans are currently limited only by the amount of eligible loans to be consolidated. PLUS Loans are limited to the difference between the cost of attendance and the other aid available to the student. Stafford Loans, subsidized and unsubsidized, are subject to both annual and aggregate limits according to the provisions of the Higher Education Act.

Loan limits for Subsidized Stafford and Unsubsidized Stafford Loans. Dependent and independent undergraduate students are subject to the same annual loan limits on Subsidized Stafford Loans; independent students are allowed greater annual loan limits on Unsubsidized Stafford Loans. A student who has not successfully completed the first year of a program of undergraduate education may borrow up to \$3,500 in Subsidized Stafford Loans in an academic year. A student who has successfully completed the first year, but who has not successfully completed the second year, may borrow up to \$4,500 in Subsidized Stafford Loans per academic year. An undergraduate student who has successfully completed the first and second years, but who has not successfully completed the remainder of a program of undergraduate education, may borrow up to \$5,500 in Subsidized Stafford Loans per academic year.

Dependent students may borrow an additional \$2,000 in Unsubsidized Stafford Loans for each year of undergraduate study. Independent students may borrow an additional \$6,000 of Unsubsidized Stafford Loans for each of the first two years and an additional \$7,000 for the third, fourth, and fifth year of undergraduate study. 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 \$20,500 in an academic year where no more than \$8,500 is representative of Subsidized Stafford Loan amounts.

The maximum aggregate amount of Subsidized Stafford and Unsubsidized Stafford Loans, including that portion of a Consolidation Loan used to repay such loans, which a dependent undergraduate student may have outstanding is \$31,000 (of which only \$23,000 may be Subsidized Stafford Loans). An independent undergraduate student may have an aggregate maximum of \$57,500 (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 or professional student, including loans for undergraduate education, is \$138,000, of which only \$65,000 may be Subsidized Stafford Loans. In some instances, schools may certify loan amounts in excess of the limits, such as for certain health profession students.

Loan limits for PLUS Loans. For PLUS Loans made on or after July 1, 1993, the annual amounts of PLUS Loans are limited only by the student's unmet need. There is no aggregate limit for PLUS Loans.

Disbursement requirements

The Higher Education Act requires that Stafford Loans and PLUS Loans be disbursed by eligible lenders in at least two separate installments. The proceeds of a loan made to any first-year undergraduate student borrowing for the first time under the program must be delivered to the student no earlier than 30 days after the enrollment period begins, with a few exceptions.

Effective February 8, 2006, the date of enactment of the Higher Education Reconciliation Act of 2005, schools with a cohort default rate of less than 10% for the three most recent fiscal years for which data is available (with the exception of foreign schools, beginning July 1, 2006) are permitted to request disbursement in single installments and are excused from the 30-day delayed delivery requirement applicable to first-time, first-year borrowers.

Repayment

Repayment periods. Loans made under the FFELP, other than Consolidation Loans and loans being repaid under an income-based or extended repayment schedule, must provide for repayment of principal in periodic installments over a period of not less than five nor more than ten years. A borrower may request, with concurrence of the lender, to repay the loan in less than five years with the right to subsequently extend the minimum repayment period to five years. Since the 1998 Amendments, lenders have been required to offer extended repayment schedules to new borrowers who accumulate outstanding FFELP loans of more than \$30,000, in which case the repayment period may extend up to 25 years, subject to certain minimum repayment amounts. Consolidation Loans must be repaid within maximum repayment periods which vary depending upon the principal amount of the borrower's outstanding student loans, but may not exceed 30 years. For Consolidation Loans for which the application was received prior to January 1, 1993, the repayment period cannot exceed 25 years. Periods of authorized deferment and forbearance are excluded from the maximum repayment period. In addition, if the repayment schedule on a loan with a variable interest rate does not provide for adjustments to the amount of the monthly installment payment, the maximum repayment period may be extended for up to three years.

Repayment of principal on a Stafford Loan does not begin until a student drops below at least a half-time course of study. For Stafford Loans for which the applicable rate of interest is fixed at 7%, the repayment period begins between nine and twelve months after the borrower ceases to pursue at least a half-time course of study, as indicated in the promissory note. For other Stafford Loans, the repayment period begins six months after the borrower ceases to pursue at least a half-time course of study. These periods during which payments of principal are not due are the "grace periods."

In the case of SLS, PLUS, and Consolidation Loans, the repayment period begins on the date of final disbursement of the loan, except that the borrower of a 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 Loan.

During periods in which repayment of principal is required, unless the borrower is repaying under an income-based repayment schedule, payments of principal and interest must in general be made at a rate of at least \$600 per year, except that a borrower and lender may agree to a lesser rate at any time before or during the repayment period. However, at a minimum, the payments must satisfy the interest that accrues during the year. Borrowers may make accelerated payments at any time without penalty.

Income-sensitive repayment schedule. Since 1993, lenders have been required to offer income-sensitive repayment schedules, in addition to standard and graduated repayment schedules, for Stafford, SLS, and Consolidation Loans. Beginning in 2000, lenders have been required to offer income-sensitive repayment schedules to PLUS borrowers as well. Use of income-sensitive repayment schedules may extend the maximum repayment period for up to five years if the payment amount established from the borrower's income will not repay the loan within the maximum applicable repayment period.

Income-based repayment schedule. Effective July 1, 2009, a borrower in the FFELP or Federal Direct Loan Program, other than a PLUS Loan made to a parent borrower or any Consolidation Loan that repaid one or more parent PLUS loans, may qualify for an income-based repayment schedule regardless of the disbursement dates of the loans if he or she has a partial financial hardship. A borrower has a financial hardship if the annual loan payment amount based on a 10-year repayment schedule exceeds 15% of the borrower's adjusted gross income, minus 150% of the poverty line for the borrower's actual family size. Interest will be paid by the Secretary of Education for subsidized loans for the first three years for any borrower whose scheduled monthly payment is not sufficient to cover the accrued interest. Interest will capitalize at the end of the partial financial hardship period, or when the borrower begins making payments under a standard repayment schedule. The Secretary of Education will cancel any outstanding balance after 25 years if a borrower who has made payments under this schedule meets certain criteria.

Deferment periods. No principal payments need be made during certain periods of deferment prescribed by the Higher Education Act. For a borrower who first obtained a Stafford or SLS 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 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 exceeding three years while the borrower is a volunteer under the Peace Corps Act;

during a period not exceeding three years while the borrower is a full-time paid volunteer under the Domestic Volunteer Act of 1973;

during a period not exceeding three years while the borrower is a full-time volunteer in service which the Secretary of Education has determined is comparable to service in the Peace Corp or under the Domestic Volunteer Act of 1970 with an organization which is exempt from taxation under Section 501(c)(3) of the Internal Revenue 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 because of caring for a dependent who is so disabled;

during a period not exceeding two years 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 for a period of enrollment beginning on or after July 1, 1987, is pursuing at least a half-time course of study);

during any period that the borrower is pursuing a course of study in a graduate fellowship program;

during any period the borrower is receiving rehabilitation training services for qualified individuals, as defined by the Secretary of Education;

during a period not exceeding six 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 for a period of enrollment beginning on or after July 1, 1987, during a period not exceeding 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 exceeding one year for mothers, with preschool age children, who are entering or re-entering the work force and who are paid at a rate of no more than \$1 per hour more than the federal minimum wage.

For 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;

during any period that the borrower is pursuing a course of study in a graduate fellowship program;

during any period the borrower is receiving rehabilitation training services for qualified individuals, as defined by the Secretary of Education;

during a period not exceeding three years while the borrower is seeking and unable to find full-time employment; and

during a period not exceeding three years for any reason which has caused or will cause the borrower economic hardship. Economic hardship includes working full time and earning an amount that does not exceed the greater of the federal minimum wage or 150% of the poverty line applicable to a borrower's family size and state of residence. Additional categories of economic hardship are based on the receipt of payments from a state or federal public assistance program, service in the Peace Corps, or until July 1, 2009, the relationship between a borrower's educational debt burden and his or her income.

A borrower serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency may obtain a military deferment. Eligible borrowers may receive the deferment for all outstanding Title IV loans in repayment effective October 1, 2007, for all periods of active duty service that include that date or begin on or after

that date. The deferment period includes the borrower's service period and 180 days following the demobilization date.

A borrower serving on or after October 1, 2007, may receive up to 13 months of active duty student deferment after the completion of military service if he or she meets the following conditions:

is a National Guard member, Armed Forces reserves member, or retired member of the Armed Forces;

is called or ordered to active duty; and

is enrolled at the time of, or was enrolled within six months prior to, the activation in a program at an eligible institution.

The active duty student deferment ends the earlier of when the borrower returns to an enrolled status, or at the end of 13 months.

PLUS Loans first disbursed on or after July 1, 2008, are eligible for the following deferment options:

A parent PLUS borrower, upon request, may defer the repayment of the loan during any period during which the student for whom the loan was borrowed is enrolled at least half time. Also upon request, the borrower can defer the loan for the six-month period immediately following the date on which the student for whom the loan was borrowed ceases to be enrolled at least half time, or if the parent borrower is also a student, the date after he or she ceases to be enrolled at least half time.

A graduate or professional student PLUS borrower may defer the loan for the six-month period immediately following the date on which he or she ceases to be enrolled at least half time. This option does not require a request and may be granted each time the borrower ceases to be enrolled at least half time.

Prior to the 1992 Amendments, only certain of the deferments described above were available to PLUS and Consolidation Loan borrowers. Prior to the 1986 Amendments, PLUS Loan borrowers were not entitled to certain deferments.

Forbearance periods. The Higher Education Act also provides for periods of forbearance during which the lender, in case of a borrower's temporary financial hardship, may postpone any payments. A borrower is entitled to forbearance for a period not exceeding three years while the borrower's debt burden under Title IV of the Higher Education Act (which includes the FFELP) equals or exceeds 20% of the borrower's gross income. A borrower is also entitled to forbearance while he or she is serving in a qualifying internship or residency program, a "national service position" under the National and Community Service Trust Act of 1993, a qualifying position for loan forgiveness under the Teacher Loan Forgiveness Program, or a position that qualifies him or her for loan repayment under the Student Loan Repayment Program administered by the Department of Defense. In addition, mandatory administrative forbearances are provided in exceptional circumstances such as a local or national emergency, a 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.

Interest payments during grace, deferment, and forbearance periods. The Secretary of Education makes interest payments on behalf of the borrower for 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, during in-school, grace, and deferment periods, may be paid monthly or quarterly by the borrower. Any unpaid accrued interest may be capitalized by the lender.

Fees

Guarantee fee and Federal default fee. For loans for which the date of guarantee of principal is on or after July 1, 2006, a guarantee agency is required to collect and deposit into the Federal Student Loan Reserve Fund a Federal default fee in an amount equal to 1% of the principal amount of the loan. The fee is to be collected either by deduction from the proceeds of the loan or by payment from other non-Federal sources. Federal default fees may not be charged to borrowers of Consolidation Loans.

Origination fee. Beginning with loans first disbursed on or after July 1, 2006, the maximum origination fee which may be charged to a Stafford Loan borrower decreases according to the following schedule:

1.5% with respect to loans for which the first disbursement is made on or after July 1, 2007, and before July 1, 2008;

1.0% with respect to loans for which the first disbursement is made on or after July 1, 2008, and before July 1, 2009; and

0.5% with respect to loans for which the first disbursement is made on or after July 1, 2009, and before July 1, 2010.

A lender may charge a lesser origination fee to Stafford Loan borrowers as long as the lender does so consistently with respect to all borrowers who reside in or attend school in a particular state. Regardless of whether the lender passes all or a portion of the origination fee on to the borrower, the lender must pay the origination fee owed on each loan it makes to the Secretary of Education.

An eligible lender is required to charge the borrower of a PLUS Loan an origination fee equal to 3% of the principal amount of the loan. This fee must be deducted proportionately from each disbursement of the PLUS Loan and must be remitted to the Secretary of Education.

Lender fee. The lender of any loan made under the FFELP is required to pay a fee to the Secretary of Education. For loans made on or after October 1, 2007, the fee is equal to 1.0% of the principal amount of such loan. This fee cannot be charged to the borrower.

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 rebate fee. For loans made on or after October 1, 1993, from applications received prior to October 1, 1998, and after January 31, 1999, the fee is equal to 0.0875% (1.05% per annum) of the principal and accrued interest on the Consolidation Loan. For loans made from applications received during the period beginning on or after October 1, 1998, through January 31, 1999, the fee is 0.0517% (0.62% per annum).

Interest subsidy payments

Interest subsidy payments are interest payments paid on the outstanding principal balance of an eligible loan before the time that the loan enters repayment and during 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 on a quarterly basis 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. Subsidized Stafford Loans are eligible for interest payments. Consolidation Loans for which the application was received on or after January 1, 1993, are eligible for interest subsidy payments. Consolidation Loans made from applications received on or after August 10, 1993, are eligible for interest subsidy payments only if all underlying loans consolidated are Subsidized Stafford Loans. 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 FFELP 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.

Special allowance payments

The Higher Education Act provides for special allowance payments (SAP) 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.

<u>Date of Loans</u>	<u>Annualized SAP Rate</u>
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⁾
On or after October 1, 2007 and held by a Department of Education certified not-for-profit holder or Eligible Lender Trustee holding on behalf of a Department of Education certified not-for-profit entity	3 Month Commercial Paper Rate less Applicable Interest Rate + 1.94% ⁽⁴⁾
All other loans on or after October 1, 2007	3 Month Commercial Paper Rate less Applicable Interest Rate + 1.79% ⁽⁵⁾

- (1) Substitute 2.5% in this formula while such loans are in-school, grace, or deferment status
- (2) Substitute 2.2% in this formula while such loans are in-school, grace, or deferment status.
- (3) Substitute 1.74% in this formula while such loans are in-school, grace, or deferment status.
- (4) Substitute 1.34% in this formula while such loans are in-school, grace, or deferment status.
- (5) Substitute 1.19% 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:

<u>Date of Loans</u>	<u>Annualized SAP Rate</u>
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%
PLUS loans on or after October 1, 2007 and held by a Department of Education certified not-for-profit holder or Eligible Lender Trustee holding on behalf of a Department of Education certified not-for-profit entity	3 Month Commercial Paper Rate less Applicable Interest Rate + 1.94%
All other PLUS loans on or after October 1, 2007	3 Month Commercial Paper Rate less Applicable Interest Rate + 1.79%
Consolidation loans on or after October 1, 2007 and held by a Department of Education certified not-for-profit holder or Eligible Lender Trustee holding on behalf of a Department of Education certified not-for-profit entity	3 Month Commercial Paper Rate less Applicable Interest Rate + 2.24%
All other Consolidation loans on or after October 1, 2007	3 Month Commercial Paper Rate less Applicable Interest Rate + 2.09%

For PLUS and SLS Loans made prior to July 1, 1994, and PLUS loans made on or after July 1, 1998, 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.” 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 HEAL Loan 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 three-month period exceeds the special allowance support level applicable to the loan for that period, an adjustment must be made by calculating the excess interest and crediting such amounts to the Secretary of Education 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:

$$\frac{\text{T-Bill Rate less Applicable Interest Rate} + 3.5\%}{2}$$

2

provided that the special allowance applicable to the loans may not be less than 9.5% 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 9.5% 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 June 30, 2010. Loans acquired with the proceeds of tax-exempt obligations originally issued after October 1, 1993, receive special allowance payments made on other loans. Beginning October 1, 2006, in order to receive 9.5% special allowance payments, a lender must undergo an audit arranged by the Secretary of Education attesting to proper billing for 9.5% payments on only eligible “first generation” and “second generation” loans. First generation loans include those loans acquired using funds directly from the issuance of the tax-exempt obligation. Second-generation loans include only those loans acquired using funds obtained directly from first-generation loans. Furthermore, the lender must certify compliance of its 9.5% billing on such loans with each request for payment.

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, the special allowance payable to the lender must be increased by an amount equal to the daily interest accruing on the special allowance and interest subsidy payments due the lender.

APPENDIX C

Global Clearance, Settlement and Tax Documentation Procedures

Except in certain limited circumstances, the notes 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 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 depositories 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 depositories, 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:

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;

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

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 holder that is not a "United States person" (a "U.S. person") within the meaning of Section 7701(a)(30) of the Code (a "non-U.S. holder") holding a book entry note through Clearstream, Euroclear or DTC may be subject to U.S. withholding tax unless such holder provides certain documentation to the trust of such holder's book entry note, the paying agent or any other entity required to withhold tax (any of the foregoing, a "U.S. withholding agent") establishing an exemption from withholding. A non-U.S. holder may be subject to withholding unless each U.S. withholding agent receives:

from a non-U.S. holder that is classified as a corporation for U.S. federal income tax purposes or is an individual, and is eligible for the benefits of the portfolio interest exemption or an exemption (or reduced rate) based on a treaty, a duly completed and executed IRS Form W-8BEN (or any successor form);

from a non-U.S. holder that is eligible for an exemption on the basis that the holder's income from the note is effectively connected to its U.S. trade or business, a duly completed and executed IRS Form W-8ECI (or any successor form);

from a non-U.S. holder that is classified as a partnership for U.S. federal income tax purposes, a duly completed and executed IRS Form W-8IMY (or any successor form) with all supporting documentation (as specified in the U.S. Treasury Regulations) required to substantiate exemptions from withholding on behalf of its partners; certain partnerships may enter into agreements with the IRS providing for different documentation requirements and it is recommended that such partnerships consult their tax advisors with respect to these certification rules;

from a non-U.S. holder that is an intermediary (i.e., a person acting as a custodian, a broker, nominee or otherwise as an agent for the beneficial owner of a note):

if the intermediary is a "qualified intermediary" (a "qualified intermediary") within the meaning of section 1.1441-1(e)(5)(ii) of the U.S. Treasury Regulations, a duly completed and executed IRS Form W-8IMY (or any successor or substitute form)

stating the name, permanent residence address and qualified intermediary employer identification number of the qualified intermediary and the country under the laws of which the qualified intermediary is created, incorporated or governed,

certifying that the qualified intermediary has provided, or will provide, a withholding statement as required under section 1.1441 1(e)(5)(v) of the U.S. Treasury Regulations,

certifying that, with respect to accounts it identifies on its withholding statement, the qualified intermediary is not acting for its own account but is acting as a qualified intermediary, and

providing any other information, certifications, or statements that may be required by the IRS Form W-8IMY or accompanying instructions in addition to, or in lieu of, the information and certifications described in section 1.1441 1(e)(3)(ii) or 1.1441 1(e)(5)(v) of the U.S. Treasury Regulations; or

if the intermediary is not a qualified intermediary (a “nonqualified intermediary”), a duly completed and executed IRS Form W-8IMY (or any successor or substitute form)

stating the name and permanent residence address of the nonqualified intermediary and the country under the laws of which the nonqualified intermediary is created, incorporated or governed,

certifying that the nonqualified intermediary is not acting for its own account,

certifying that the nonqualified intermediary has provided, or will provide, a withholding statement that is associated with the appropriate IRS Forms W-8 and W-9 required to substantiate exemptions from withholding on behalf of such nonqualified intermediary’s beneficial owners, and

providing any other information, certifications or statements that may be required by the IRS Form W-8IMY or accompanying instructions in addition to, or in lieu of, the information, certifications, and statements described in section 1.1441 1(e)(3)(iii) or (iv) of the U.S. Treasury Regulations; or

from a non-U.S. holder that is a trust, depending on whether the trust is classified for U.S. federal income tax purposes as the beneficial owner of the note, either an IRS Form W-8BEN or W-8IMY; any non-U.S. holder that is a trust should consult its tax advisors to determine which of these forms it should provide.

All non-U.S. holders will be required to update the above listed forms and any supporting documentation in accordance with the requirements under the U.S. Treasury Regulations. These forms generally remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. Under certain circumstances, an IRS Form W-8BEN, if furnished with a taxpayer identification number, remains in effect until the status of the beneficial owner changes, or a change in circumstances makes any information on the form incorrect.

In addition, all holders, including holders that are U.S. persons, holding book entry notes through Clearstream, Euroclear or DTC may be subject to backup withholding unless the holder:

provides the appropriate IRS Form W-8 (or any successor or substitute form), duly completed and executed, if the holder is a non-U.S. holder;

provides a duly completed and executed IRS Form W-9, if the holder is a U.S. person; or

can be treated as an “exempt recipient” within the meaning of section 1.604 4(c)(1)(ii) of the U.S. Treasury Regulations (e.g., a corporation or a financial institution such as a bank).

This summary does not deal with all of the aspects of U.S. federal income tax withholding or backup withholding that may be relevant to investors that are non-U.S. holders. Such holders are advised to consult their own tax advisors for specific tax advice concerning their holding and disposing of book entry notes.

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\$188,000,000

Student Loan Asset-Backed Notes

Goal Capital Funding Trust 2010-1
Issuing Entity

Goal Capital Funding, LLC
Depositor

Goal Structured Solutions, Inc.
Administrator

OFFERING MEMORANDUM

Barclays Capital

You should rely only on the information provided in this Offering Memorandum. We have not authorized anyone to provide you with different information.

We are not offering the notes in any state or other jurisdiction where the offer would not be permitted or which would require us to register or qualify the notes.

May 27, 2010