

Offering Memorandum
\$602,000,000

Student Loan Consolidation Center Student Loan Trust I
Student Loan Asset-Backed Notes

Senior Series 2011-1

STUDENT LOAN CONSOLIDATION CENTER
STUDENT LOAN TRUST I
Issuer

CONSOLIDATION LOAN FUNDING, LLC
Depositor

GOAL FINANCIAL, LLC
Sponsor and Issuer Administrator

ROUTE 66 VENTURES, INC.
(d/b/a Goal Structured Solutions)
Sub-Administrator

Student Loan Consolidation Center Student Loan Trust I, a Delaware statutory trust (the “*Issuer*”), is issuing the following notes (the “*Series 2011-1 Senior Notes*”).

<u>Series</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>Stated Maturity Date</u>	<u>Price to Public</u>
Series 2011-1 Senior Notes	\$602,000,000	One-Month LIBOR plus 1.22%	October 25, 2027	100%

Prospective investors in the Series 2011-1 Senior Notes should consider the discussion of certain material factors set forth under “Risk Factors” on page 12 of this Offering Memorandum. It is a condition of the issuance of the Series 2011-1 Senior Notes that they be rated as set forth in “Summary of Terms—Ratings.”

THE SERIES 2011-1 SENIOR NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “*SECURITIES ACT*”), OR ANY SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES (“*BLUE SKY LAWS*”), AND, UNLESS SO REGISTERED, 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 BLUE SKY LAWS. ACCORDINGLY, THE SERIES 2011-1 SENIOR NOTES ARE BEING OFFERED AND SOLD ONLY TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND TO INSTITUTIONAL ACCREDITED INVESTORS AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT.

The Series 2011-1 Senior Notes, together with all other Indenture Obligations issued pursuant to the Indenture, will represent limited obligations of the Issuer, payable solely from the Trust Estate created under the Indenture and described herein. The Series 2011-1 Senior Notes are being issued as Additional Notes pursuant to the Indenture and are secured in parity with certain previously issued Senior Notes and Other Senior Obligations, as described herein. The Series 2011-1 Senior Notes are not insured or guaranteed by any government agency or instrumentality, by any insurance company or by any other person or entity. The Holders of the Series 2011-1 Senior Notes, together with all other Indenture Obligations issued pursuant to the Indenture, will have recourse to the Trust Estate pursuant to the Indenture, but will not have recourse to any other assets of the Issuer.

THE SERIES 2011-1 SENIOR 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 Series 2011-1 Senior Notes through Barclays Capital Inc. (the “*Initial Purchaser*”), when and if issued. The Initial Purchaser also serves as dealer manager for the Tender Offer described herein. The Series 2011-1 Senior Notes will be delivered in book-entry form on or about March 15, 2011.

Barclays Capital

March 14, 2011

This Offering Memorandum and the information contained herein are subject to completion and amendment.

This Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Initial Purchaser to subscribe for or purchase, any of the Series 2011-1 Senior 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 Series 2011-1 Senior 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 Series 2011-1 Senior Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Issuer 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 Series 2011-1 Senior Notes and distribution of this Offering Memorandum, see “Notice to Investors: Transfer Restrictions.”

This Offering Memorandum has been prepared by us solely for use in connection with the proposed offering of the Series 2011-1 Senior 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 Series 2011-1 Senior 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 dealer, broker, salesman or other person has been authorized by the Issuer or the Initial Purchaser to give any information or make any representations, other than those contained in this Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer or the Initial Purchaser. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2011-1 Senior Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Offering Memorandum is the Issuer’s Offering Memorandum, and the information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer.

The Series 2011-1 Senior Notes are being issued pursuant to the Indenture of Trust, dated as of March 1, 2002 (the “*Base Indenture*”), among the Issuer, The Bank of New York Mellon (as successor to The Bank of New York), as eligible lender trustee for the Issuer (the “*Eligible Lender Trustee*”), and The Bank of New York Mellon (as successor to The Bank of New York), as trustee (together with any successor and any other corporation which may be substituted in its place pursuant to the Indenture, the “*Trustee*”), as supplemented by (i) the First Supplemental Indenture of Trust, dated as of March 1, 2002 (the “*First Supplemental Indenture*”), between the Issuer and the Trustee, (ii) the Second Supplemental Indenture of Trust, dated as of July 1, 2002 (the “*Second Supplemental Indenture*”), between the Issuer and the Trustee, (iii) the Third Supplemental Indenture of Trust, dated as of November 19, 2007 (the “*Third Supplemental Indenture*”), between the Issuer and the Trustee, (iv) the Fourth Supplemental Indenture of Trust, dated as of January 7, 2008 (the “*Fourth Supplemental Indenture*”), between the Issuer and the Trustee, (v) the Fifth Supplemental Indenture of Trust, dated as of November 30, 2009 (the “*Fifth Supplemental Indenture*”), between the Issuer and the Trustee and (vi) the Sixth Supplemental Indenture of Trust, dated as of March 15, 2011 (the “*Sixth Supplemental Indenture*” and, collectively with the Base Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture and the Fifth Supplemental Indenture, the “*Indenture*”), between the Issuer and the Trustee. The Series 2011-1 Senior Notes, together with all other Indenture Obligations issued pursuant to the Indenture, will be payable from and secured by: (i) Financed Student Loans acquired with the proceeds of previous issuances and cash on hand; (ii) funds on deposit in certain trust funds and accounts held under the Indenture (including investment earnings thereon); and (iii) rights of the Issuer in and to certain agreements, including any Servicing Agreement, the Eligible Lender Trust Agreement and the FFELP Guarantee Agreements, as the same relate to Financed Student Loans (as more specifically described herein, the “*Trust Estate*”). See “Summary of Terms—Trust Estate Assets” and “Source of Payment and Security for the Notes—General” herein. At the time of acquisition from moneys held under the Indenture, the Student Loans were required to meet certain eligibility criteria described

herein. Such Student Loans are referred to as “*Financed Eligible Loans*.” See “Glossary of Certain Defined Terms” attached hereto as Appendix A.

The Series 2011-1 Senior Notes will receive monthly principal distributions, until they are paid in full, as more fully described herein. See “Description of the Series 2011-1 Senior Notes” herein.

The Series 2011-1 Senior Notes will bear interest at an annual rate equal to One-Month LIBOR, plus 1.22%. The Trustee will determine One-Month LIBOR for the Series 2011-1 Senior Notes on each LIBOR Determination Date as specified herein. Interest on the Series 2011-1 Senior Notes will be calculated on the basis of the actual number of days elapsed during the Interest Period on the basis of a year consisting of 360 days.

The Issuer has previously issued its Series 2002 Notes in March of 2002, and its Series 2002-2 Notes in July, September and November of 2002. The Series 2002 Notes and the Series 2002-2 Notes are collectively referred to herein as the “*Previous Notes*.” See “Previous Issuances” herein. The Issuer will be purchasing at a price determined as specified by the Trustee in the Tender Offer certain Previous Senior Notes with the proceeds from the sale of the Series 2011-1 Senior Notes, together with Additional Funds (as defined herein), pursuant to the Tender Offer. See “The Tender Offer” herein.

The Indenture authorizes the issuance of other Notes (“*Additional Notes*”) under certain circumstances, in the future, which Additional Notes may be issued in parity with the Series 2011-1 Senior Notes, or subordinate thereto, with the same or later maturities than the Series 2011-1 Senior Notes. Notwithstanding such authorization of the Indenture, the Issuer has covenanted that while the Series 2011-1 Senior Notes are Outstanding, such Additional Notes may be issued as Senior Notes so long as (i) the net principal proceeds of such Additional Notes will be used to prepay outstanding Previous Senior Notes; (ii) they are issued on a date that the Senior Asset Requirement is satisfied (both immediately before and after giving effect to the issuance); (iii) they mature later than the Stated Maturity of the Series 2011-1 Senior Notes and (iv) they do not permit any payments of principal thereon prior to or simultaneously with the Maturity of the Series 2011-1 Senior Notes, other than where there has been a declaration of acceleration of the Notes. See “Source of Payment and Security for the Notes—Priorities” and “Description of the Indenture—Notes and Other Obligations” herein. The Series 2011-1 Senior Notes, the Previous Notes and any Additional Notes are collectively referred to herein as the “*Notes*.”

Certain persons participating in this offering may engage in transactions which stabilize, maintain or otherwise affect the price of the Series 2011-1 Senior Notes, including over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids. See “Plan of Distribution” herein.

There is currently no secondary market for the Series 2011-1 Senior Notes, and there is no assurance that one will develop. The Initial Purchaser expects, but will not be obligated, to make a market in the Series 2011-1 Senior Notes. There is no assurance that such a market will develop or, if such a market does develop, that such a market will continue. The Series 2011-1 Senior Notes will not be listed on any national securities exchange or quoted on any inter-dealer quotation system.

It is a condition to the issuance and sale of the Series 2011-1 Senior Notes that the Series 2011-1 Senior Notes be rated “Aaa (sf)” by Moody’s Investors Service, Inc. (“*Moody’s*”) and “AAA (sf)” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“*S&P*”), and that Moody’s and S&P confirm their existing ratings on the Previous Notes. The inclusion of an “sf” or “(sf)” in the ratings is an identifier recently implemented for structured finance product ratings by the applicable Rating Agency. Other credit rating agencies that we have not engaged to rate the Series 2011-1 Senior Notes may nevertheless issue unsolicited credit ratings on any series of Series 2011-1 Senior Notes or Previous Notes. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from those ratings assigned by S&P or Moody’s. See “Ratings” herein.

It is also a condition of the issuance of the Series 2011-1 Senior Notes that Goal Triple B Funding 2, LLC, the residual equity holder of the Issuer, obtain consent for the issuance of the Series 2011-1 Senior Notes from certain lenders under an existing loan agreement.

THIS OFFERING MEMORANDUM IS BEING PROVIDED ON A CONFIDENTIAL BASIS ONLY TO INVESTORS THAT ARE REASONABLY BELIEVED TO BE “QUALIFIED INSTITUTIONAL BUYERS” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT AND TO INSTITUTIONAL “ACCREDITED INVESTORS” AS THAT TERM IS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT WHO ARE WILLING AND ABLE TO CONDUCT AN INDEPENDENT INVESTIGATION OF THE RISKS INVOLVED WITH OWNERSHIP OF THE SERIES 2011-1 SENIOR NOTES.

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 Issuer, the Sponsor, the Issuer Administrator, the Sub-Administrator and the Initial Purchaser will be available to answer questions from investors interested in purchasing the Series 2011-1 Senior Notes concerning the Series 2011-1 Senior Notes, the Issuer and the Financed Student Loans.

Prospective investors are not to construe the contents of this Offering Memorandum or any prior or subsequent communications from the Issuer, the Issuer Administrator, the Sub-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 Series 2011-1 Senior 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.

Each initial and subsequent purchaser of the Series 2011-1 Senior 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 Series 2011-1 Senior 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 Series 2011-1 Senior Notes will bear a legend referring to such restrictions and investors must be prepared to bear the risks of their acquisition of the Series 2011-1 Senior Notes for an indefinite period of time. See “Notice to Investors: Transfer Restrictions” herein.

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 Series 2011-1 Senior Notes.

The Series 2011-1 Senior 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 Series 2011-1 Senior Notes may be sold without delivery of this Offering Memorandum.

IN CONNECTION WITH THE OFFERING, THE INITIAL PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2011-1 SENIOR NOTES AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2011-1 Senior Notes will be available to investors that are Qualified Institutional Buyers or institutional Accredited Investors only in book-entry form. The Issuer expects that the Series 2011-1 Senior Notes sold pursuant hereto to Qualified Institutional Buyers or institutional Accredited Investors will be issued in the form of one fully registered note certificate totaling the aggregate principal amount of each series of Series 2011-1 Senior Notes, which will be deposited with, or on behalf of, Depository Trust Corporation (“DTC”) and registered in its name or in the name of its nominee. Beneficial interests in the Series 2011-1 Senior Notes will be shown on, and transfers thereof to Qualified Institutional Buyers and institutional Accredited Investors only will be effected through, records maintained by DTC and its participants.

FOR NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER NEW HAMPSHIRE REVISED STATUTES 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 OF NEW HAMPSHIRE 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 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 sales of the Notes, the Issuer Administrator will be required, for so long as any Series 2011-1 Senior 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 Series 2011-1 Senior 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 Issuer 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 ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE ISSUER 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

This Summary of Terms is a very general overview of the terms of the Series 2011-1 Senior Notes and does not contain all of the information you need to consider in making your investment decisions and is subject in all respects to more complete information contained in this Offering Memorandum and the final Offering Memorandum. The offering of the Series 2011-1 Senior Notes to potential investors (the “*Offering*”) is made only by means of this entire Offering Memorandum and the final Offering Memorandum. No person is authorized to detach this Summary of Terms from this Offering Memorandum or to otherwise use it without this entire Offering Memorandum. Before deciding to purchase the Series 2011-1 Senior Notes, you should consider the more detailed information appearing elsewhere in this Offering Memorandum. We will not issue the Series 2011-1 Senior Notes until an Offering Memorandum is delivered in final form. Capitalized terms used in this Summary of Terms and not otherwise defined herein shall have the meanings ascribed to them in “Glossary of Certain Defined Terms” attached hereto as Appendix A.

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

ISSUER

Student Loan Consolidation Center Student Loan Trust I, a Delaware statutory trust (the “*Issuer*”), will issue the Series 2011-1 Senior Notes and acquire with the net proceeds therefrom, together with Additional Funds, as defined below, up to \$648,200,000 principal amount of its Previous Senior Notes pursuant to the Tender Offer (as defined below).

In addition to the proceeds of the sale of the Series 2011-1 Senior Notes, subject to the requirements of the Indenture, the Issuer may use up to approximately \$32,000,000 (to be determined by the Issuer, solely in its own discretion, which determination will depend upon, among other considerations, the proceeds of such sale) of additional funds available from the Surplus Fund (the “*Additional Funds*”) to fund the purchases of Previous Senior Notes pursuant to the Tender Offer, and to fund the Early Tender Payment.

The Issuer was formed in Delaware pursuant to a Trust Agreement, dated as of March 1, 2002 (as amended from time to time, the “*Trust Agreement*”), between Wilmington Trust Company (as successor to The Bank of New York (Delaware)), as Delaware Trustee, and Consolidation Loan Funding, LLC, as Depositor. Goal Triple B Funding 2, LLC (“*GTB2*”), a Delaware limited liability company, owns all of the equity interests in the Issuer. The operations of the Issuer are limited to acquiring, holding and managing Student Loans originated as FFELP Loans and other assets of the Issuer, issuing and making payments on the Notes and any other incidental or related activities.

The Issuer has previously issued its Series 2002 Notes in March of 2002, and its Series 2002-2 Notes in July, September and November of 2002. The Notes, including the Series 2011-1 Senior Notes, are limited obligations of the Issuer payable solely from the Trust Estate created under the Indenture and described herein. See “Source of Payment and Security for the Notes” herein.

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 Trustee, the payments the Trustee receives on those Student Loans and investments and payments the Issuer receives under any Swap Agreements. Although the Issuer has not entered, and is not entering, into any Swap Agreements on the Closing Date, under the Indenture, the Issuer may enter into Swap Agreements in the future if a Rating Agency Confirmation is obtained. See “Source of Payment and Security for the Notes—Additional Indenture Obligations” herein.

THE TRUSTEE AND THE ELIGIBLE LENDER TRUSTEE

The Bank of New York Mellon (as successor to The Bank of New York) is the Trustee under the Indenture and is the Eligible Lender Trustee solely for purposes of holding legal title to all FFELP Loans.

THE DELAWARE TRUSTEE

Wilmington Trust Company (as successor to The Bank of New York (Delaware)) is the Delaware Trustee under the Trust Agreement.

THE ISSUER ADMINISTRATOR AND SPONSOR

Goal Financial, LLC (f/k/a Route 66 Ventures, LLC) (“*Goal Financial*”), as Issuer Administrator, is responsible for providing certain administrative functions for the Issuer and has entered into the Sub-Administration Agreement described below with Route 66 Ventures, Inc. (d/b/a Goal Structured Solutions) (“*Goal Structured Solutions*”) for the purpose of delegating the performance of substantially all of the duties of the Issuer Administrator to Goal Structured Solutions. Goal Financial is also the Sponsor of the Offering described in this Offering Memorandum.

THE SUB-ADMINISTRATOR

The Issuer Administrator has entered into the Sub-Administration Agreement, dated as of January 1, 2008, (as amended by Amendment No.1 dated as of March 15, 2011) with Goal Structured Solutions, pursuant to which Goal Structured Solutions performs certain administrative services for the Issuer.

THE BACKUP ADMINISTRATOR

In the event that Goal Financial resigns or is removed as Issuer Administrator, Lord Securities Corporation shall assume such duties as Issuer Administrator within approximately 45 days of notice under a new administration agreement with terms substantially similar to those of the Administration Agreement.

THE SERVICERS

Nelnet, Inc. (f/k/a Nelnet Loan Services, Inc.) (“*Nelnet*”) is the servicer, under a life-of-loan servicing agreement, of the Financed Student Loans acquired by the Depositor from Union Bank and Trust Company and resold by the Depositor into the Trust Estate. Great Lakes Educational Loan Services, Inc. (“*GLELSI*”) and ACS Education Services, Inc. (f/k/a AFSA Data Corporation) (“*ACS*”) are the servicers of the Financed Student Loans originated by the Depositor or its affiliates via The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Trust Company of Florida, N.A.), as eligible lender trustee for the Depositor. The Issuer may contract with one or more other servicers, or may add one or more additional servicers, or may replace servicers for Financed Student Loans; provided that certain conditions must be met to replace Nelnet as the servicer of the Financed Student Loans acquired from Union Bank and Trust Company. See “Servicing of Financed Eligible Loans” herein.

TRUST ESTATE ASSETS

The assets of the Trust Estate consist primarily of:

- a portfolio of FFELP Loans previously acquired by the Issuer (the “*Financed Student Loans*”);
- collections and other payments received on account of the Financed Student Loans;
- the moneys and investment securities held in the Reserve Fund, Capitalized Interest Fund and the other funds and accounts under the Indenture; and
- its rights under any Swap Agreement that may be provided for the benefit of the Issuer.

FFELP LOANS

The Issuer will not acquire any additional FFELP Loans with the proceeds of the issuance of the Series 2011-1 Senior Notes, nor will the Issuer issue Additional Notes for the acquisition of additional FFELP Loans as long as the Series 2011-1 Senior Notes are Outstanding. However, the Issuer may occasionally be required by a Guarantee

Agreement, the Higher Education Act or the Department of Education to repurchase FFELP Loans. At such time as the Series 2011-1 Senior Notes are no longer Outstanding, the Issuer will be permitted to acquire additional FFELP Loans, and issue Additional Notes for the acquisition of additional FFELP Loans, each upon receipt of a Rating Agency Confirmation with respect thereto.

Substantially all of the Student Loans previously acquired by the Issuer and the proceeds received from such Student Loans are a type of FFELP Loan known as Consolidation Loans. As of the Statistical Cut-Off Date, \$351,193.18 of aggregate principal balance and accrued interest of the Student Loans are a type of FFELP Loan known as PLUS Loans. Third party guarantee agencies (each a “*Guarantee Agency*”) guarantee the payment of either 97% or 98% of the principal amount of and accrued interest on all of the current Financed Eligible Loans in the Trust Estate, as described more fully below under “Characteristics of the Student Loans.” The Financed Eligible Loans in the Trust Estate are partially reinsured by the federal government. The Indenture permits the Financed Student Loans to be guaranteed by any Guarantee Agency under the Higher Education Act. See “Description of the FFEL Program” and “Guarantee Agencies” herein. The characteristics of the portfolio of FFELP Loans are described more fully below under “Characteristics of the Student Loans.”

ALTERNATIVE LOANS

While the Base Indenture permits the Issuer to acquire Alternative Loans (subject to the satisfaction of certain conditions precedent), the Issuer previously agreed not to acquire any Alternative Loans while the Previous Notes remain outstanding unless the Issuer obtains a Rating Agency Confirmation with respect to the acquisition of such Alternative Loans. The Issuer has further agreed in the Sixth Supplemental Indenture that, while the Series 2011-1 Senior Notes remain Outstanding, it will not acquire any Alternative Loans or issue any Additional Notes for the purpose of acquiring Alternative Loans. At such time as the Series 2011-1 Senior Notes are no longer Outstanding, the Issuer will be permitted to acquire Alternative Loans and issue Additional Notes for the purpose of acquiring Alternative Loans, each upon receipt of a Rating Agency Confirmation with respect thereto.

TENDER OFFER

On January 14, 2011, the Issuer commenced a cash tender offer (the “*Tender Offer*”) to purchase up to \$500,000,000 aggregate principal amount of its outstanding Previous Senior Notes. On February 25, 2011 and March 2, 2011, the Issuer announced increases to the amount of the Tender Offer and on March 8, 2011, the Issuer announced an additional increase to \$648,200,000 (as such amount may be further increased in the Issuer’s sole discretion, the “*Tender Cap*”) and an extension of the Expiration Time (as defined below). The Tender Offer will expire at 10:30 a.m. (New York City time) on March 15, 2011, unless it is extended or earlier terminated (the “*Expiration Time*”). Tenders of the Previous Senior Notes may be made at any time prior to the Expiration Time. The Tender Offer is subject to certain conditions, as more fully described in “The Tender Offer” below.

To the extent that any Issuance Proceeds are not needed to purchase Previous Senior Notes by the Tender Offer Settlement Date, which is expected to occur on March 15, 2011, then any such excess Issuance Proceeds will be remitted to the Retirement Account of the Debt Service Fund for prepayment of principal on the Series 2011-1 Senior Notes.

An amount equal to the Early Tender Payments will be distributed to GTB2 as reimbursement for Early Tender Payments made on the Issuer’s behalf. In addition, to the extent funds exist in the Surplus Fund (other than the Tender Account), and subject to the requirements in the Indenture, such funds may be distributed to GTB2.

CLOSING DATE

Issuance of the Series 2011-1 Senior Notes is expected to occur on March 15, 2011.

SECURITIES OFFERED

The Series 2011-1 Notes are to be issued in one series of Variable Rate Notes designated as the Student Loan Asset-Backed Notes, Senior Series 2011-1 (the “*Series 2011-1 Senior Notes*”). The Issuer is offering the Series 2011-1

Senior Notes in the original Principal Amount of \$602,000,000. The Series 2011-1 Senior Notes are being issued as Additional Notes pursuant to the Indenture and are secured by the Trust Estate in parity with certain previously issued Senior Notes (the “*Previous Senior Notes*”), although while the Series 2011-1 Senior Notes are outstanding, principal payments on the Previous Senior Notes will be restricted, as more fully described herein. The Issuer has previously issued subordinate notes (the “*Subordinate Notes*”), the payment on which is subordinated in certain respects to the Series 2011-1 Senior Notes and the Previous Senior Notes, as more fully described herein.

The Series 2011-1 Senior Notes are debt obligations of the Issuer and will be issued pursuant to the Indenture, as supplemented by the Sixth Supplemental Indenture. The Series 2011-1 Senior Notes and the Previous Notes issued pursuant to the Indenture are payable primarily from collections on a pool of Financed Student Loans held by the Issuer. The Issuer may, under certain conditions, issue additional series of Notes in the future which also will be secured by the funds and assets held under the Indenture. See “Description of the Series 2011-1 Senior Notes” herein.

The issuance of the Series 2011-1 Senior Notes is conditioned upon (i) the Series 2011-1 Senior Notes receiving specified ratings from Moody’s and S&P and Moody’s and S&P confirming their existing ratings of the Previous Notes and (ii) GTB2, the residual equity holder of the Issuer, having obtained consent for the issuance of the Series 2011-1 Senior Notes from certain lenders under an existing loan agreement.

AUTHORIZED DENOMINATIONS

The Series 2011-1 Senior Notes will be offered in denominations of \$100,000 and additional increments of \$1,000 in excess thereof.

INTEREST

The Series 2011-1 Senior Notes will bear interest at an annual rate equal to One-Month LIBOR, plus 1.22% on the Outstanding Principal Amount of the Series 2011-1 Senior Notes as of the beginning of each Interest Period, after giving effect to any principal distribution on the Series 2011-1 Senior Notes on such date.

The Trustee will determine One-Month LIBOR for the Series 2011-1 Senior Notes on each LIBOR Determination Date as specified herein. Interest on each series of the Series 2011-1 Senior Notes will be calculated on the basis of the actual number of days elapsed during the Interest Period on the basis of a year consisting of 360 days.

Interest accrued on the Outstanding Principal Amount of the Series 2011-1 Senior Notes during each Interest Period will be paid to the record owners of the Series 2011-1 Senior Notes on the following Interest Payment Date.

PRINCIPAL

General

The Issuer shall make monthly payments of principal through principal distribution amounts as described in “—Principal Payments on the Series 2011-1 Senior Notes” below.

Principal Payments on the Series 2011-1 Senior Notes

On each Monthly Calculation Date, to the extent that such funds are available, the Issuer will transfer an amount equal to the Principal Distribution Amount from the Collection Fund to the Retirement Account of the Debt Service Fund pursuant to priority “twelfth” as described under “—Priority of Payments” below. The payment of the Principal Distribution Amount is a required payment of Debt Service on each Monthly Distribution Date. The amounts on deposit in the Retirement Account will then be paid to the Holders of the Series 2011-1 Senior Notes on the applicable Monthly Distribution Date.

The Principal Distribution Amount will be entirely allocated to the Series 2011-1 Senior Notes (until they are fully retired) and is equal to (I) on each Monthly Distribution Date prior to the Stated Maturity of the Series 2011-1

Senior Notes, the greater of (A) for the first 12 Monthly Distribution Dates, \$500,000 or (B) the sum of (1) the difference, if any, between (i) the aggregate Principal Amount of all Senior Notes Outstanding and (ii) the quotient of (a) the Pool Balance and (b) the minimum required Senior Asset Percentage of 107.0% plus (2) with respect to the first Monthly Distribution Date, any excess Issuance Proceeds remaining in the Tender Account of the Surplus Fund after settlement of the Tender Offer; or (II) on the Stated Maturity of the Series 2011-1 Senior Notes, the amount necessary to reduce the aggregate Principal Amount of the Series 2011-1 Senior Notes to zero; provided, however, that while the Series 2011-1 Senior Notes are Outstanding the Previous Senior Notes Outstanding, after giving effect to the purchases of the Previous Senior Notes pursuant to the Tender Offer, will be assumed to have the same Principal Amounts as on the settlement of the Tender Offer.

The Principal Distribution Amount will be paid from the Collection Fund, by transfer to the Retirement Account, as described in “—Priority of Payments” below. To the extent that insufficient funds exist in the Collection Fund to pay the Principal Distribution Amount on any Monthly Distribution Date, such failure will not constitute an Event of Default under the Indenture.

In addition, to the extent that any proceeds from the sale of the Series 2011-1 Senior Notes remain in the Tender Account of the Surplus Fund after the purchase of Previous Senior Notes, if any, pursuant to the Tender Offer, such amounts will be transferred to the Retirement Account of the Debt Service Fund and will constitute additional Principal Distribution Amount to be paid to the Holders of the Series 2011-1 Senior Notes on the initial Monthly Distribution Date. If no Previous Senior Notes are purchased pursuant to the Tender Offer, the entire amount of the Series 2011-1 Senior Notes will be repaid on the initial Monthly Distribution Date.

Optional Purchase

Although the Indenture provides the Issuer the option to at any time authorize and direct the Trustee to purchase Notes in the open market out of any funds available for such purchase, such option will not be applicable with respect to the Series 2011-1 Senior Notes.

Stated Maturity Date

The stated maturity date of the Series 2011-1 Senior Notes is October 25, 2027. It is expected that the actual maturity of the Series 2011-1 Senior Notes will occur earlier because the Series 2011-1 Senior Notes will receive principal distributions on a monthly basis (see “—Principal Payments on the Series 2011-1 Senior Notes” below) based on the amortization of the principal of the Issuer’s Financed Student Loans over time. Additionally, the Trustee or the Holders could accelerate the maturity of the Notes, including the Series 2011-1 Senior Notes, upon the occurrence of an Event of Default.

EVENTS OF DEFAULT

Generally, as long as the Senior Notes are Outstanding, an Event of Default will occur, without limitation, if (i) the Issuer defaults in the due and punctual payment of interest on any Senior Notes, including any Series 2011-1 Senior Note, (ii) the Issuer defaults in the due and punctual payment of the principal of, or premium, if any, on, any Senior Notes, including any Series 2011-1 Senior Note, upon maturity thereof, (iii) the Issuer fails to perform any of its other obligations under the Indenture or the Notes, including the Series 2011-1 Senior Notes, and fails to remedy such failure for 30 days after receiving notice of such failure from the Trustee or (iv) upon certain events of bankruptcy or insolvency with respect to the Issuer. To the extent that insufficient funds exist in the Collection Fund to pay the Principal Distribution Amount on any Monthly Distribution Date, such failure shall not constitute an Event of Default under the Indenture.

If an Event of Default occurs and is continuing, the Trustee or the Holders may accelerate the maturity of the Outstanding Senior Notes, including the Series 2011-1 Senior Notes. See “Description of the Indenture—Events of Default” and “—Remedies” herein.

PRIORITY OF PAYMENTS

Generally

On each Monthly Calculation Date, amounts available in the Collection Fund as of the end of the prior month will be applied generally in the following order of priority. For more detail, see “Description of the Indenture—Funds and Accounts” herein.

While the Indenture permits the Issuer to enter into a variety of transactions that are reflected in the following priority of payments, many of these will not be applicable with respect to the issuance of the Series 2011-1 Senior Notes. Specifically, (i) the Issuer has not entered into any Swap Agreements; (ii) the Issuer has not entered and does not anticipate entering into any Credit Enhancement Facilities; (iii) the Issuer has not issued and does not anticipate issuing any Junior Subordinate Notes; (iv) the Issuer will not be acquiring any new Student Loans with the proceeds of the issuance of the Series 2011-1 Senior Notes, provided, however, that the Issuer will occasionally repurchase Student Loans as required by any Guarantee Agreement, the Higher Education Act or the Department of Education; (v) since no new Student Loans are being acquired, no payments will be made into the Acquisition Fund and the Revolving Period is not applicable and (vi) no amounts will be transferred pursuant to priority “tenth” below:

- first, to make any payments due and payable by the Issuer to the U.S. Department of Education related to the Financed Eligible Loans or any other payment due and payable to a Guarantee Agency relating to its Guarantee of Financed Eligible Loans; or any other payment due to another entity or trust estate if amounts due by the Issuer or the Eligible Lender Trustee to the U.S. Department of Education or a Guarantee Agency with respect to Financed Student Loans were paid by or offset against such other entity or trust estate;
- second, to the Administration Fund, to increase the balance thereof to such amounts as an authorized officer of the Issuer Administrator shall direct for certain costs and expenses, subject to the limitations set forth in any Supplemental Indenture;
- third, to the Interest Account, to provide for the payment of interest on Senior Notes or Other Senior Obligations (except termination payments due under Senior Swap Agreements as a result of Swap Counterparty default) payable therefrom as described under “Description of the Indenture—Funds and Accounts—Debt Service Fund—Interest Account” herein;
- fourth, to the Principal Account, to provide for the payment of principal of Senior Notes at their respective stated maturity or on mandatory sinking fund payment dates or the reimbursement of Senior Credit Facility Providers for the payment of principal of the Senior Notes as described under “Description of the Indenture—Funds and Accounts—Debt Service Fund—Principal Account” herein;
- fifth, to the Interest Account, to provide for the payment of interest on Subordinate Notes or Other Subordinate Obligations (except termination payments due under Subordinate Swap Agreements as a result of Swap Counterparty default) payable therefrom as described under “Description of the Indenture—Funds and Accounts—Debt Service Fund—Interest Account” herein;
- sixth, to the Principal Account, to provide for the payment of principal of Subordinate Notes at their respective stated maturity or on mandatory sinking fund payment dates or the reimbursement of Subordinate Credit Facility Providers for the payment of principal of the Subordinate Notes as described under “Description of the Indenture—Funds and Accounts—Debt Service Fund—Principal Account” herein;
- seventh, to the Reserve Fund if necessary to increase the balance thereof to the Reserve Fund Requirement;
- eighth, to the Interest Account to provide for the payment of interest on Junior Subordinate Notes or other Junior Subordinate Obligations (except termination payments due under Junior Subordinate Swap Agreements as a result of Swap Counterparty default) payable therefrom as described under “Description of the Indenture—Funds and Accounts—Debt Service Fund—Interest Account” herein;

- ninth, to the Principal Account, to provide for the payment of principal of Junior Subordinate Notes at their respective stated maturity or on mandatory sinking fund payment dates or the reimbursement of Junior Subordinate Credit Facility Providers for the payment of principal of the Junior Subordinate Notes as described under “Description of the Indenture—Funds and Accounts—Debt Service Fund—Principal Account” herein;
- tenth, to make such other payments as may be set forth in a Supplemental Indenture;
- eleventh, to the Acquisition Fund (but only during the Revolving Period, if applicable) for the acquisition of other Student Loans, if any, in such amount as directed by the Issuer;
- twelfth, to the Retirement Account, first, for the distribution of the Principal Distribution Amount to the Series 2011-1 Senior Notes and second, at the direction of the Issuer for redemption of, or distribution of principal with respect to, Previous Notes (or the reimbursement of Credit Facility Providers for the payment of the prepayment price of the Notes);
- thirteenth, to the Interest Account for the payment of Carry-Over Amounts (and interest thereon) due with respect to the Senior Notes;
- fourteenth (but only if the Senior Asset Percentage would be at least 100% upon the application of such amounts), to the Interest Account for the payment of Carry-Over Amounts (and interest thereon) due with respect to the Subordinate Notes;
- fifteenth, (but only if the Senior Asset Percentage and the Subordinate Asset Percentage would be at least 100% upon the application of such amounts), to the credit of the Interest Account, for the payment of Carry-Over Amounts with respect to the Junior Subordinate Notes;
- sixteenth, to the Interest Account for the payment of termination payments due under Senior Swap Agreements as a result of Swap Counterparty default;
- seventeenth, to the Interest Account for the payment of termination payments due under Subordinate Swap Agreements as a result of Swap Counterparty default;
- eighteenth, to the Interest Account for the payment of termination payments due under Junior Subordinate Swap Agreements as a result of Swap Counterparty default;
- nineteenth, to the Capitalized Interest Fund in the amount necessary to increase the balance of the Capitalized Interest Fund to (i) commencing on the Monthly Distribution Date in March, 2021, \$3,000,000; (ii) commencing on the Monthly Distribution Date in March, 2031, \$2,000,000 and (iii) commencing on the Monthly Distribution Date in March, 2041, \$1,000,000; and
- twentieth, to the Surplus Fund for distribution as permitted therefrom.

Suspension of Payment on Subordinate Obligations

As long as any Senior Notes or any Subordinate Notes remain Outstanding, the above payment order will be modified if, after giving effect to the payments on any payment date:

- the Senior Asset Percentage would be less than 100% (in which event no Carry-Over Amount will be paid with respect to Subordinate Notes or Junior Subordinate Notes);
- the Subordinate Asset Percentage would be less than 100% (in which event no Carry-Over Amount will be paid with respect to Junior Subordinate Notes); or

- a payment default has occurred under the Indenture (in which event amounts will be applied as provided in the Indenture with respect to Events of Default). See “Description of the Indenture—Application of Proceeds” herein.

Any such deferral of payments on any Subordinate Notes or any Junior Subordinate Notes will not constitute an Event of Default under the Indenture.

Priority and Timing of Payments

The subordination of Subordinate Notes and any Other Obligations subordinate to Senior Notes generally relates only to rights to direct remedies and to receive payments in the event that revenues from the Trust Estate are not sufficient to make all payments due on Indenture Obligations or that the circumstances described above under “Suspension of Payments on Subordinate Obligations” have occurred. Principal and interest payments on Subordinate Notes will continue to be made on their payment dates (which may precede payment dates for Senior Notes), as long as the conditions in the Indenture to the payment of those amounts continue to be met. In addition, revenues available to prepay Notes may be applied first to Subordinate Notes, as long as the conditions in the Indenture to the payment of those amounts continue to be met. In particular, the revenues available for the redemption of a series of Notes may be applied first to Subordinate Notes and then to Senior Notes, unless redemption of such Subordinate Notes would be prohibited under the Indenture as described under “Description of the Notes—Senior Asset Requirement” herein. See “Source of Payment and Security for the Notes—Priorities” and “Description of the Indenture—Funds and Accounts” herein.

ACQUISITION FUND

The Indenture establishes an Acquisition Fund for the purpose of acquiring Eligible Loans. No Eligible Loans will be purchased with the proceeds of the issuance of the Series 2011-1 Senior Notes. The latest Acquisition Period and Revolving Period under the Indenture ended on May 1, 2003 and January 1, 2004, respectively. From April 1, 2005 to July 1, 2006, recycling was opened on the Trust Estate, but no Eligible Loans were added at that time. The Issuer has agreed not to open recycling during the period that the Series 2011-1 Senior Notes are Outstanding. In September 2010, the Issuer acquired approximately \$350,000 of FFELP Loans from the Depositor by transfer of funds from the Surplus Fund to the Acquisition Fund. The Issuer has agreed in the Sixth Supplemental Indenture not to acquire any additional Eligible Loans or Alternative Loans with the proceeds of the Series 2011-1 Senior Notes or to issue any Additional Notes for the purpose of acquiring additional Eligible Loans or Alternative Loans during the period the Series 2011-1 Senior Notes are Outstanding; therefore, there are no amounts on deposit, or required to be deposited into, the Acquisition Fund for such purpose. The Issuer may occasionally be required to repurchase FFELP Loans by a Guarantee Agreement, the Higher Education Act or the Department of Education. See “Description of the Indenture—Funds and Accounts—Acquisition Fund” herein.

COLLECTION FUND

The Trustee will credit to the Collection Fund: (1) all amounts received as interest, including federal interest subsidy payments, late fees and principal payments with respect to Financed Eligible Loans, including all guarantee payments, and all Special Allowance Payments with respect to Financed Eligible Loans (excluding, unless otherwise provided in a Supplemental Indenture, any federal interest subsidy payments and Special Allowance Payments that accrued prior to the date on which such Student Loans were financed), (2) unless otherwise provided in a Supplemental Indenture, proceeds of the sale of any Financed Eligible Loans held in the Acquisition Fund, (3) any amounts transferred from the Acquisition Fund, the Administration Fund, the Reserve Fund, the Capitalized Interest Fund and the Alternative Loan Loss Reserve Fund, (4) all amounts received as earnings on income from investment securities in the Acquisition Fund, the Reserve Fund, the Capitalized Interest Fund, the Administration Fund, the Surplus Fund, the Alternative Loan Loss Reserve Fund, the Collection Fund and the Debt Service Fund, (5) all Counterparty Swap Payments, and (6) any amount representing proceeds of the Notes as specified in a Supplemental Indenture.

On each Monthly Calculation Date, the Trustee will transfer the moneys received during the preceding month in the Collection Fund in the order of priority described in “—Priority of Payments” above. See “Description of the Indenture—Funds and Accounts—Collection Fund” herein.

ADMINISTRATION FUND

With respect to each series of Notes, the Trustee will, upon delivery thereof and from the proceeds thereof, credit to the Administration Fund established under the Indenture the amount, if any, specified in the Supplemental Indenture providing for the issuance of such series of Notes. The Trustee will also credit to the Administration Fund, all amounts transferred thereto from the Collection Fund, the Surplus Fund and the Acquisition Fund. Amounts in the Administration Fund will be used to pay costs of issuance (to the extent provided by a Supplemental Indenture), Servicing Fees, Administration Fees, Backup Administration Fees and Note Fees. See “Description of the Indenture—Funds and Accounts—Administration Fund” herein.

DEBT SERVICE FUND

The Indenture establishes a Debt Service Fund which comprises three Accounts: the Interest Account, the Principal Account and the Retirement Account. The Debt Service Fund will be used only for the payment, when due, of principal of and premium, if any, and interest on the Notes, the purchase price of Notes, Other Obligations and Carry-Over Amounts (including any accrued interest thereon). See “Description of the Indenture—Funds and Accounts—Debt Service Fund” herein.

RESERVE FUND

The Indenture establishes a Reserve Fund to hold the required reserve balance equal to the greater of (a) 0.92% of the Outstanding Principal Amount of the Notes or (b) \$500,000. The amount on deposit in the Reserve Fund may be supplemented monthly, if necessary, to increase the amount therein to the required balance. See “Description of the Indenture—Funds and Accounts—Reserve Fund” herein.

ALTERNATIVE LOAN LOSS RESERVE FUND

With respect to each series of Notes under the Indenture, the Trustee shall, upon delivery to the Initial Purchaser thereof and from the proceeds thereof, credit to the Alternative Loan Loss Reserve Fund an amount set forth in the Supplemental Indenture authorizing the issuance of such series of Notes.

The Issuer has agreed in the Sixth Supplemental Indenture not to acquire any Alternative Loans as long as the Series 2011-1 Senior Notes remain Outstanding. As there are currently no Alternative Loans financed under the Indenture and no Alternative Loans will be acquired while the Senior 2011-1 Senior Notes are Outstanding, there are no amounts on deposit in, or required to be deposited into, the Alternative Loan Loss Reserve Fund. See “Description of the Indenture—Funds and Accounts—Alternative Loan Loss Reserve Fund” herein.

SURPLUS FUND

On each Monthly Calculation Date, the Trustee will deposit to the Surplus Fund balances in the Collection Fund not required for deposit to any other Fund or Account and certain amounts transferred from the Acquisition Fund. Amounts in the Surplus Fund are to be transferred to any of the other Funds or Accounts to remedy any deficiency therein. Amounts in the Surplus Fund may be applied to any one or more of the following purposes at any time as determined by the Issuer, so long as the Trustee has first certified that no deficiencies exist in the Administration Fund, the Debt Service Fund and the Reserve Fund: (1) transfer to the Retirement Account for the redemption or purchase of, or distribution of principal with respect to, Notes; (2) the purchase of Notes as permitted under the Indenture or (3) as applicable, the acquisition of Eligible Loans, or transfer to the Acquisition Fund for such purpose. Additionally, the Sixth Supplemental Indenture creates a Tender Account (the “*Tender Account*”) within the Surplus Fund to be used to purchase Previous Senior Notes tendered for purchase pursuant to the Tender Offer. Amounts in the Surplus Fund are released to the Issuer if, after taking into account such release, the Asset Release Requirement will be met. See “Description of the Indenture—Funds and Accounts—Surplus Fund” herein.

It is anticipated that following the issuance of the Series 2011-1 Senior Notes, funds will exist in the Surplus Fund (other than in the Tender Account) which may be released to the Issuer. The Issuer shall be obligated to use all amounts on deposit in the Surplus Fund, within a period of two (2) years from the Closing Date and every two (2) years thereafter (i) to purchase Previous Notes (through future tender offers, open market purchases or otherwise) or for the optional redemption or prepayment of Previous Notes as permitted by the Indenture; (ii) to purchase Alternative Loans and/or additional Eligible Loans after the full retirement of the Series 2011-1 Notes, each at the discretion of the Issuer and if a Rating Agency Confirmation is obtained with respect to such acquisition; or (iii) for release to the Issuer as permitted by the Indenture.

CAPITALIZED INTEREST FUND

Commencing on the Monthly Distribution Date in March, 2021, an amount will be transferred from the Collection Fund and deposited into a Capitalized Interest Fund such that the balance of the Capitalized Interest Fund will be equal to \$3,000,000. Commencing on the Monthly Distribution Date in March, 2031, the required balance in the Capitalized Interest Fund will decrease to \$2,000,000 and commencing on the Monthly Distribution Date in March, 2041, the required balance in the Capitalized Interest Fund will decrease further to \$1,000,000, and any amounts in excess of such required balances will be transferred to the Collection Fund.

If on any Interest Payment Date on or after March 25, 2021, money on deposit in the Collection Fund, the Surplus Fund, the Reserve Fund or the Acquisition Fund is insufficient to pay interest on the Notes, then money on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the deficiency. On the Maturity of the last Outstanding Note, the Trustee will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

FEES AND EXPENSES

The fees and expenses payable by the Issuer, including servicing, administration and backup administration fees, are set forth in “Fees and Expenses” in this Offering Memorandum. The priority of payment of such fees and expenses is described above in “—Priority of Payments” and in “Description of the Indenture—Funds and Accounts—Collection Fund” herein.

PARITY OBLIGATIONS

The Series 2011-1 Senior Notes will be issued as Additional Notes under the Indenture, as supplemented by the Sixth Supplemental Indenture. The Series 2011-1 Senior Notes constitute “Senior Obligations” under the Indenture, secured by the Trust Estate on a basis which is in parity with any other Senior Obligations and which is superior to the Subordinate Notes and any other Subordinate Obligations and Junior Subordinate Obligations. Additional Notes and Other Obligations may be issued, under certain circumstances, under the Indenture which have the same right to payment, or subordinated right to payment, from the Trust Estate as the Series 2011-1 Senior Notes and the other Senior Notes and Senior Obligations issued pursuant to the Indenture. While the Series 2011-1 Senior Notes are Outstanding, Additional Notes may be issued to the extent that (i) the net principal proceeds thereof shall be used to prepay Outstanding Previous Senior Notes; (ii) they are issued on a date that the Senior Asset Requirement is satisfied (both immediately before and after giving effect to such issuance); (iii) they mature later than the Stated Maturity of the Series 2011-1 Senior Notes and (iv) they do not permit any payments of principal thereon prior to or simultaneously with the Maturity of the Series 2011-1 Senior Notes, other than where there has been a declaration of acceleration of the Notes. Other than the Previous Senior Notes, there are no other Senior Obligations Outstanding under the Indenture.

REGISTRATION, CLEARING AND SETTLEMENT

The Series 2011-1 Senior Notes will be delivered in book-entry form and interests in the Series 2011-1 Senior Notes will be held through The Depository Trust Company. Holders of the Series 2011-1 Senior Notes will not be entitled to receive definitive certificates representing your interests in the Series 2011-1 Senior Notes, except in certain limited circumstances. See “Description of the Series 2011-1 Senior Notes—Book-Entry-Only System” herein.

RATINGS

It is a condition to the issuance and sale of the Series 2011-1 Senior Notes that each series of Series 2011-1 Senior Notes be rated “Aaa (sf)” by Moody’s and “AAA (sf)” by S&P, and that Moody’s and S&P confirm their existing ratings on the Previous Notes. The inclusion of an “sf” or “(sf)” in the ratings is an identifier recently implemented for structured finance product ratings by the applicable Rating Agency. Other credit rating agencies that we have not engaged to rate the Series 2011-1 Senior Notes may nevertheless issue unsolicited credit ratings on any series of Series 2011-1 Senior Notes or Previous Notes. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from those ratings assigned by S&P or Moody’s. See “Risk Factors—Ratings of the Series 2011-1 Senior Notes are not a recommendation to purchase and may change and may be issued by credit rating agencies not engaged by the Issuer” and “Ratings” herein.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

Alston & Bird LLP will deliver an opinion that for federal income tax purposes, the Series 2011-1 Senior Notes will be treated as indebtedness. See “Certain U.S. Federal Income Tax Considerations” herein.

CERTAIN 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” herein.

TRANSFER RESTRICTIONS

The Series 2011-1 Senior Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. Subsequent purchasers or transfers must be Qualified Institutional Buyers or institutional Accredited Investors (each as hereinafter defined). Prospective purchasers should be aware that they may be required to bear the financial risks of an investment in the Series 2011-1 Senior Notes for an indefinite period of time. See “Notice to Investors: Transfer Restrictions” herein.

RULE 144A CUSIP NUMBER

86386M AY0

RISK FACTORS

You should consider the following risk factors associated with your investment in the Series 2011-1 Senior 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 Series 2011-1 Senior Notes. Accordingly, you may not be able to sell your Series 2011-1 Senior Notes when you want to do so or you may be unable to obtain the price that you wish to receive for your Series 2011-1 Senior Notes and, as a result, you may suffer a loss on your investment. We do not intend to apply for the inclusion of the Series 2011-1 Senior Notes on any exchange or automated quotation system. A trading market for the Series 2011-1 Senior Notes may not develop. The Initial Purchaser may assist in resales of the Series 2011-1 Senior Notes, but it is 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, the collapse of the auction rate securities market and changes in rating agency criteria in response to such developments 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 Series 2011-1 Senior Notes offered by this Offering Memorandum and the final 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 Series 2011-1 Senior Notes or any secondary market for the Series 2011-1 Senior Notes that may develop. A Goal Financial-sponsored trust was recently put on negative watch due to a change in Moody's criteria with respect to cross-currency interest rate hedging agreements and other hedging agreements.

You may have difficulty selling your Series 2011-1 Senior Notes

There currently is no secondary market for the Series 2011-1 Senior Notes. We do not intend to apply for inclusion of the Series 2011-1 Senior 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 Series 2011-1 Senior Notes does develop, the spread between the bid price and the asked price for the Series 2011-1 Senior Notes may widen, thereby reducing the net proceeds to you from the sale of your Series 2011-1 Senior Notes. Under current market conditions, you may not be able to sell your Series 2011-1 Senior 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 Series 2011-1 Senior Notes may fluctuate and movements in price may be significant.

The rate of payments on the Issuer's Student Loans may affect the maturity and yield of the Series 2011-1 Senior Notes

Student Loans may be prepaid at any time without penalty. If the Issuer receives prepayments on its Student Loans, those amounts will be used to make principal payments which could shorten the average life of the Series 2011-1 Senior 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 Issuer's Student Loans and the average life of the Series 2011-1 Senior Notes.

President Obama's 2012 fiscal year budget proposal permits students with both FFELP Loans and Direct Loans to convert their existing FFELP Loans to the Department of Education's Direct Loan program during the period from January 1, 2012 through September 30, 2012 by moving their FFELP Loans and the servicing thereon to the Department of Education. The terms and conditions of borrowers' existing student loans would continue. Holders of such FFELP Loans, such as the Issuer, would be paid 100 percent of the outstanding principal and interest balance on any student loans converted, and such payment would be treated as a prepayment of the Financed Student Loan under the Indenture. Borrowers would be eligible for an incentive of a reduction of their FFELP Loan balance of up to two (2) percent to convert their FFELP Loans to the Department of Education's Direct Loan program. No assurance can be given as to whether or not such a provision will be included in the final budget approved by Congress and, if enacted, the Issuer can not presently determine how many of its Financed Student Loans could be affected by such a conversion.

The rate of principal payments to you on the Series 2011-1 Senior Notes will be directly related to the rate of payments on the Issuer'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 Series 2011-1 Senior Notes may not be offset by a subsequent like reduction, or increase, in the rate of principal payments on the Series 2011-1 Senior Notes. You will bear entirely any reinvestment risks resulting from a faster or slower incidence of prepayment of the Issuer's Student Loans.

Changes to the Higher Education Act or other laws may affect your Series 2011-1 Senior Notes

On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (the "*Reconciliation Act*") was enacted into law. As of July 1, 2010, the Reconciliation Act eliminated the future origination of FFELP Loans. The terms of existing FFELP Loans are not materially affected by the Reconciliation Act; however, due to the elimination of the future origination of FFELP Loans, no additional FFELP Loans will 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 future origination of FFELP Loans 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 Series 2011-1 Senior Notes or delay those payments past their due dates.

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 Guarantee Agencies, or to the servicing requirements for FFELP Loans. Such changes could have a material adverse effect on the Issuer's Student Loan operations, the Financed Student Loans pledged as collateral for the Notes, including the Series 2011-1 Senior Notes, or on the ability of Goal Financial or its affiliates to act as Issuer 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 Issuer, the Issuer Administrator, the Servicers, the Guarantee Agencies or the Student Loans pledged as collateral for the Notes, including the Series 2011-1 Senior Notes.

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

The recent build-up of the United States military has increased the number of citizens who are in active military service. The Servicemembers Civil Relief Act limits the ability of a lender under the FFEL 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 Financed Student Loans have been or may be affected by the application of the Servicemembers Civil Relief Act. Payments on the Financed Student Loans may be delayed as a result of these requirements, which may reduce the funds available to the Issuer to pay principal and interest on the Series 2011-1 Senior 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 (*“HEROES 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 of Education 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 of Education.

The Secretary of Education 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, Guarantee 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 HEROES 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 HEROES Act of 2003, there could be an adverse effect on the total collections on the Financed Student Loans and our ability to pay principal and interest on the Notes, including the Series 2011-1 Senior Notes.

The Notes, including the Series 2011-1 Senior Notes, may have basis risk which could affect payment of principal and interest on the Notes, including the Series 2011-1 Senior Notes

There is a degree of basis risk associated with the Notes, including the Series 2011-1 Senior Notes. Basis risk is the risk that shortfalls might occur because the interest rates of the Financed Student Loans and those of the Notes, including the Series 2011-1 Senior Notes, adjust on the basis of different indexes. If a shortfall were to occur, payment of principal or interest on the Notes, including the Series 2011-1 Senior Notes, could be adversely affected.

Different rates of change in interest rate indexes may affect the Issuer's cash flow

The interest rate on the Series 2011-1 Senior Notes is set based on LIBOR and the interest rate on the Previous Notes is set in auctions held for the Previous Notes or based on maximum interest rates equal to, among other things, the bond-equivalent yield on most recent auction of 91-day United States Treasury bills, while the Special Allowance Payments on the underlying loans are based on the three month commercial paper rate. See "Description of the FFEL Program" attached hereto as Appendix B. If there is an increase in the LIBOR index or the interest rates on the Previous Notes and no corresponding increase in the commercial paper rate, the net amount of funds deposited to the Collection Fund representing interest will be reduced and there could be less funds available to pay principal and interest on the Notes, including the Series 2011-1 Senior Notes. If there is a decrease in the commercial paper rate and no corresponding decrease in the LIBOR index or the rates on the Previous Notes, the net amount of funds deposited to the Collection Fund representing interest will be reduced. In either of these situations, the Issuer 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 Estate, such as administrative expenses, causing interest payments to be unpaid or deferred to future periods.

The Series 2011-1 Senior Notes are not a suitable investment for all investors

The Series 2011-1 Senior Notes are not a suitable investment if you require a regular or predictable schedule of payments or payment on any specific date. The Series 2011-1 Senior 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 risks, the tax consequences of an investment, and the interaction of these factors.

The Notes, including the Series 2011-1 Senior 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, including the Series 2011-1 Senior Notes, will be paid solely from the funds and assets held in the Trust Estate created under the Indenture. No insurance or guarantee of the Notes, including the Series 2011-1 Senior Notes, will be provided by any government agency or instrumentality, by any affiliate of the Issuer, by any insurance company or by any other person or entity. Therefore, your receipt of payments on the Notes, including the Series 2011-1 Senior 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 amounts on deposit in the Funds and Accounts established pursuant to the Indenture; and
- amounts on deposit in the Collection Fund, Reserve Fund, the Capitalized Interest Fund, Surplus Fund and other Funds and Accounts held in the Trust Estate.

You will have no additional recourse against any other party if those sources of funds for repayment of the Series 2011-1 Senior Notes are insufficient. See "Source of Payment and Security for the Notes" herein.

GTB2, the equity owner of the Issuer, may have interests which conflict with those of the Holders

The Issuer expects that, in addition to any amounts currently available for distribution, an amount approximately equal to the discount to the principal amount at which the Previous Senior Notes are purchased pursuant to the Tender Offer, less accrued interest on such Previous Senior Notes, the costs of the Tender Offer and the issuance of the Series 2011-1 Senior Notes, and less credit enhancement, if any, required by the Rating Agencies in connection with the issuance of the Series 2011-1 Senior Notes, will be available for distribution to GTB2 following consummation of the Tender Offer. GTB2 intends to distribute these proceeds for use in retiring certain corporate debt of GTB2 or its affiliates.

The Initial Purchaser may have interests which conflict with those of the Holders

The Initial Purchaser is also the dealer manager of the Tender Offer and will receive fees in connection with the Tender Offer in addition to the fees it will receive in connection with the issuance of the Series 2011-1 Senior Notes. The size of the issuance of the Series 2011-1 Senior Notes will depend upon the principal amount of the Previous Senior Notes tendered in the Tender Offer. As a result, the Initial Purchaser has a material economic interest in the outcome of the Tender Offer as well as the issuance of the Series 2011-1 Senior Notes. Further, the Initial Purchaser provides and has provided other services to the Issuer and its affiliates including lending and investment banking services.

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 Financed Student Loan held by us, we may (subject to the terms of the loan purchase agreement) require the Depositor to repurchase the related Financed 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 Financed Student Loan. If the Depositor is required to repurchase a Financed Student Loan from us and fails to do so, and such Financed Student Loan is not required to be purchased by a Servicer pursuant to its Servicing Agreement, then we may be able to require Goal Financial to purchase such Financed Student Loan from us pursuant to a Student Loan Repurchase Agreement. If the Depositor or a Servicer or 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 Goal Financial to repurchase, purchase or make a payment with respect to the applicable Financed Student Loans would constitute a breach of the related loan purchase agreement, Servicing Agreement or Student Loan Repurchase Agreement. However, the breach would not constitute an Event of Default under the Indenture or permit the exercise of remedies thereunder. We cannot assure you that the Depositor, any Servicer or Goal Financial will be able to fulfill any repurchase, purchase or payment obligation.

Bankruptcy or insolvency of Consolidation Loan Funding, LLC, Goal Financial or the sellers of Student Loans could result in payment delays to you

Consolidation Loan Funding, LLC is the Depositor and has previously sold to us all of the Student Loans acquired by the Trust Estate. The limited liability company agreement for Consolidation Loan Funding, LLC contains certain limitations, including restrictions on the nature of the Depositor's business and restrictions on the Depositor's ability to commence a voluntary case or proceeding under any insolvency law without the prior unanimous affirmative vote of all of its managers, which includes at least two independent managers. If Consolidation Loan 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 Issuer with the bankruptcy estate of Consolidation Loan Funding, LLC and/or Goal Financial. If that occurs, you can expect delays in receiving payments on your Series 2011-1 Senior Notes and even a reduction in payments on your Series 2011-1 Senior 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 some or all of the Financed Student 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 the Financed Student Loans and you could then expect delays in receiving payments on your Series 2011-1 Senior Notes, or even a reduction in payments on your Series 2011-1 Senior Notes. Even if a request to recharacterize these transfers were to be denied, delays in payments on the Student Loans and resulting delays or losses on the Series 2011-1 Senior Notes could result.

Bankruptcy or insolvency of Nelnet, GLELSI, ACS or any other Servicer could result in payment delays to you

Nelnet, GLELSI and ACS act as the Servicers with respect to the Financed Student Loans acquired by the Issuer. A Servicer may be eligible to become a debtor under the Bankruptcy Code. 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 Issuer or the Trustee a claim for damages and the ability to appoint a successor Servicer. An assumption of the Servicing Agreement 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 a Servicer would not adversely impact the servicing of the Financed Student Loans or the Issuer or the Trustee would be entitled to terminate that Servicer in a timely manner or at all.

If any Servicer becomes the subject of bankruptcy or similar proceedings, the Issuer's or the 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 the Notes, including the Series 2011-1 Senior Notes, may be delayed or reduced.

Recent changes in federal law could have an adverse impact on the Sponsor, the Depositor, any Guarantor any Servicer or the Issuer

The U.S. Congress recently enacted the "Dodd-Frank Wall Street Reform and Consumer Protection Act" (the "*Dodd-Frank Act*") which contains comprehensive revisions to U.S. financial services law. Among other things, it creates a federal Consumer Financial Protection Bureau (the "*CFPB*") and grants to the CFPB extensive rulemaking and enforcement authority. The CFPB would have rulemaking and interpretive authority under a wide range of designated federal consumer financial services laws. It will also have supervisory, examination and enforcement authority over certain institutions that offer or provide consumer financial products or services. Furthermore, the Dodd-Frank Act limits the federal preemption of state consumer financial law with respect to national banks and federal saving institutions and empowers state officials to enforce federal consumer protection laws and regulations. The Dodd-Frank Act requires hundreds of new regulations, addressing a wide range of areas affecting the financial services industry. We are unable to predict the form of any final regulations or guidelines, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future and their possible impact on the Sponsor, the Depositor, any Guarantor, any Servicer or the Issuer.

The Dodd-Frank Act, among other things, gives the FDIC authority to implement an orderly liquidation framework (the "*OLF*") for the resolution of financial companies, including bank holding companies, the failure of which has been determined to present systemic risk and that satisfy other criteria (a "*Covered Entity*"). The proceedings, standards and many substantive provisions of the OLF, including those relating to preferential and fraudulent transfers, differ from those of the Bankruptcy Code. Recently, market participants have expressed concerns that the differences between the provisions of the OLF and the Bankruptcy Code could have an adverse effect on the securitization industry. In response to these concerns, the FDIC's Acting General Counsel has issued two opinion letters addressing the manner in which the FDIC would exercise its receivership authority and generally recommending that the FDIC adopt regulations that harmonize the FDIC's receivership authority with current bankruptcy law. On the basis of these opinion letters, were the Sponsor, the Depositor, a Servicer, a Guarantor or the Issuer or any one of its affiliates to be determined to be a Covered Entity, it is not expected that the OLF would be exercised in a manner such that the outcome would differ from the result under the Bankruptcy Code. However, the opinion letters of the Acting General Counsel are not binding and there can be no assurance as to the manner in which the OLF and the FDIC's receivership authority will ultimately be implemented and exercised.

The Dodd-Frank Act, and the regulations issued thereunder, including by the CFPB, and any further legislation affecting the financial services industry may have an adverse impact on the finances and operations of any Servicer, any Guarantor, the Sponsor, or the Depositor, the performance of the Notes, including the Series 2011-1 Senior Notes, and the ability of the Issuer to issue additional notes in the future. Compliance with new laws and regulations may be costly and may affect the operating results of any Servicer, any Guarantor, the Depositor or the Sponsor. Compliance by each Servicer with new local, state and federal laws and regulations regarding debt collection may

impact such Servicer's ability to collect on the Student Loans, may require such Servicer to modify its collection policies and procedures, and may require such Servicer to obtain licenses in additional jurisdictions. Additionally, compliance with new laws and regulations may create certain limitations on the operations of any Servicer, any Guarantor, the Depositor or the Sponsor.

The failure to comply with such laws and regulations could result in significant statutory civil and criminal penalties, monetary damages, attorneys' fees and costs, possible revocation of licenses and damage to reputation, brand and valued customer relationships. Any of these factors could have a material adverse effect on any Servicer's, any Guarantor's, the Depositor's or the Sponsor's business and operating results, which may affect the collections available to pay the Notes, including the Series 2011-1 Senior Notes. Additionally, certain provisions of the Dodd-Frank Act require new regulations related to asset-backed securities which may have an impact on the Notes, including the Series 2011-1 Senior Notes, and any future issuance of asset-backed securities by the Issuer.

A default by a Servicer could adversely affect the Notes, including the Series 2011-1 Senior Notes

If a Servicer defaults on its obligations under its related Servicing Agreement, the Issuer 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. 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 the Financed Student Loans, we may not be able to pay the Notes, including the Series 2011-1 Senior Notes. You may also incur losses or delays in payment on your Series 2011-1 Senior Notes if borrowers default on their Student Loans

Collections on the Financed Student Loans may vary greatly in both timing and amount from the payments actually due on the Financed 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 the Financed Student Loans. Failures by borrowers to make timely payments of the principal and interest due on the Financed 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, including the Series 2011-1 Senior Notes. 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, including the Series 2011-1 Senior Notes.

Our cash flow, and our ability to make payments due on the Notes, including the Series 2011-1 Senior Notes, will be reduced to the extent interest is not currently payable on the Financed Student Loans. The borrowers on most Financed 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 Financed Student Loans. For most other Financed Student Loans, interest generally will be capitalized and added to the Principal Balance of the Financed Student Loans. The Trust Estate includes 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 Financed Student Loans in our portfolio for which payments are deferred and currently in repayment will vary during the period that the Series 2011-1 Senior Notes are Outstanding.

In general, a Guarantee Agency reinsured by the Department of Education will guarantee 98% of the principal amount of and accrued interest on substantially all of the Financed Student Loans since substantially all of the Financed Student Loans were disbursed on or before June 30, 2006. With respect to Financed Student Loans with an aggregate outstanding principal balance of approximately \$350,000, 97% of the outstanding principal amount of and accrued interest on such Financed Student Loans is guaranteed. As a result, if a borrower of a student loan defaults and credit enhancement is not otherwise available, the Issuer will experience a loss of 2% or 3%, as applicable, of the outstanding principal of and accrued interest on each of the defaulted loans. We do not have any right to pursue the borrower for the remaining unguaranteed portion. If defaults occur on the Financed Student Loans and credit enhancement is not otherwise available, you may suffer a delay in payment or a loss on your investment.

If the Issuer cannot purchase a sufficient amount of Previous Senior Notes pursuant to the Tender Offer, it will pay principal on the Series 2011-1 Senior Notes

We will use the net proceeds from the issuance of the Series 2011-1 Senior Notes to acquire certain Previous Senior Notes pursuant to the Tender Offer. If the Tender Offer is not completed, or if the Principal Amount of Previous Senior Notes tendered is less than the amount of the net proceeds from the issuance of the Series 2011-1 Senior Notes, the Issuer will pay principal on your Series 2011-1 Senior Notes.

If the Trustee is forced to sell Financed Student Loans after an Event of Default, you could realize losses on your Series 2011-1 Senior Notes

Generally, after an Event of Default, the Trustee is authorized to sell the Financed Student Loans. However, the Trustee may not find a purchaser for the Financed Student Loans. Also, the market value of the Financed Student Loans plus other assets in the Trust Estate might not equal the Principal Amount of the Notes, including the Series 2011-1 Senior Notes, plus accrued interest. The competition currently existing in the secondary market for Student Loans made under the FFEL Program also could be reduced, resulting in fewer potential buyers of the Financed Student Loans and lower prices available in the secondary market for the Financed Student Loans. There may be even fewer potential buyers for the Financed Student Loans, and therefore lower prices available in the secondary market. You may suffer a loss if the Trustee is unable to find purchasers willing to pay prices for the Financed Student Loans sufficient to pay the Principal Amount of the Notes, including the Series 2011-1 Senior Notes, plus accrued interest.

Some liens could be given priority over the Notes, including the Series 2011-1 Senior 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 the Issuer, the Depositor or another seller or an originator may arise before the origination or acquisition of Student Loans, or before the Issuer pledged the Financed 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 the Financed Student Loans and as a result, payments to you could be delayed or reduced.

Less than all of the Holders can approve certain amendments to the Indenture or waive defaults under the Indenture without your approval and the Issuer and the Trustee may take various actions based upon Rating Agencies confirming the ratings on the Notes based upon such amendments, waivers or actions

Under the Indenture, Holders of specified percentages of the aggregate Principal Amount of the Notes, including the Series 2011-1 Senior Notes, and Other Obligations (including Swap Counterparties under Swap Agreements) may approve amendments or supplements to the provisions of the Indenture and waive Events of Defaults and compliance provisions without the consent of the other Holders. You have no recourse if such other Holders vote in a manner with which you do not agree. The other Holders may vote in a manner which impairs the ability to pay principal and interest on the Series 2011-1 Senior Notes. The Indenture also provides that the Issuer and the Trustee may undertake various actions based upon receipt by the Trustee of Rating Agency Confirmation that the outstanding ratings assigned by such Rating Agencies to the Notes, including the Series 2011-1 Senior Notes, are not thereby impaired. Such actions include, but are not limited to, amendments to the Indenture, the issuance of Additional Notes and the execution by the Issuer of any Swap Agreement or Credit Enhancement Facility.

Commingling of payments on Student Loans by the Servicers could prevent the Issuer from paying you the full amount of the principal and interest due on your Series 2011-1 Senior Notes

Payments received on the Financed Student Loans generally are deposited into an account in the name of the applicable Servicer each business day. However, payments received on the Issuer's Student Loans will not be segregated from payments each Servicer receives on other Student Loans it services. Such amounts are transferred to the 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 Trustee, Holders, including a Holder of the Series 2011-1 Senior Notes, may suffer a loss.

We expect to issue the Series 2011-1 Senior Notes only in book-entry form

We expect that the Series 2011-1 Senior 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, beneficial owners of the Series 2011-1 Senior Notes will not be recognized by the Trustee as Holders and such beneficial owners of the Series 2011-1 Senior Notes will only be able to exercise the rights of registered holders indirectly through DTC and its participating organizations. See “Description of the Series 2011-1 Senior Notes—Book-Entry-Only System” herein.

Ratings of the Series 2011-1 Senior Notes are not a recommendation to purchase and may change and may be issued by credit rating agencies not engaged by the Issuer

It is a condition to issuance of the Series 2011-1 Senior Notes that they be rated as described in “Summary of Terms—Ratings” and “Ratings” herein. 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 Series 2011-1 Senior Notes inasmuch as the ratings do not comment as to the market price or suitability for you as an investor. 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 the Notes, including the Series 2011-1 Senior Notes, is likely to decrease the price a subsequent purchaser will be willing to pay for your Series 2011-1 Senior Notes. There may be a conflict of interest because the Sponsor has hired Moody’s and S&P and will pay them a fee to assign ratings on the Series 2011-1 Senior Notes.

The Issuer has not hired any other nationally recognized statistical rating organization (an “NRSRO”) to assign ratings to the Series 2011-1 Senior Notes and is not aware that any other NRSRO has assigned ratings on the Series 2011-1 Senior Notes. However, under newly effective rules adopted by the Securities and Exchange Commission, information provided to hired Rating Agencies for the purpose of assigning or monitoring the ratings on the Series 2011-1 Senior Notes is required to be made available to each qualified NRSRO in order to make it possible for such non-hired NRSROs to assign unsolicited rating on the Series 2011-1 Senior Notes. An unsolicited rating could be assigned prior to the Closing Date, and none of the Issuer, the Depositor, the Sponsor, the Initial Purchaser or any of their affiliates will have any obligation to inform you of any unsolicited ratings assigned after the Closing Date. NRSROs, including the hired Rating Agencies, have different methodologies, criteria, models and requirements. If any non-hired NRSRO assigns an unsolicited rating on the Series 2011-1 Senior Notes, there can be no assurance that such ratings will not be lower than the ratings provided by the hired Rating Agencies, which could adversely affect the market value of the Series 2011-1 Senior Notes and/or limit your ability to resell the Series 2011-1 Senior Notes.

Purchasers of the Series 2011-1 Senior Notes should consult with their legal counsel regarding the effect of the issuance of a rating by a non-hired NRSRO that is lower than the ratings disclosed in this Offering Memorandum. In addition, if the Issuer fails to make available to the non-hired NRSROs any information provided to any hired Rating Agency for the purpose of assigning and/or monitoring the ratings of the Series 2011-1 Senior Notes, a hired Rating Agency could withdraw its ratings on the Series 2011-1 Senior Notes, which could adversely affect the market value of the Series 2011-1 Senior Notes.

None of the Issuer, the Sponsor, the Depositor, the Servicers, the Issuer Administrator, the Trustee, the Delaware Trustee, the Initial Purchaser or any of their affiliates will be required to monitor any changes to the ratings on the Series 2011-1 Senior Notes.

The Issuer may enter into Swap Agreements which could result in delays in payment or losses on the Notes, including the Series 2011-1 Senior Notes, if the counterparty fails to make its payments

Although the Issuer has not entered into any Swap Agreements currently in effect, under the Indenture, the Issuer may enter into interest rate Swap Agreements if a Rating Agency Confirmation is obtained. Interest rate Swap Agreements carry risks relating to the credit quality of the counterparty and the enforceability of the Swap Agreement. See “Source of Payment and Security for the Notes—Additional Obligations” herein.

In the event of an early termination of a Swap Agreement due to certain termination events, the Issuer may be required to make a large termination payment to the Swap Counterparty

Although the Issuer has not entered into any Swap Agreements currently in effect, it may enter into Swap Agreements in the future upon receipt of a Rating Agency Confirmation. If a termination event occurs under any of these Swap Agreements and the Issuer owes a Swap Counterparty a termination payment that is required to be paid pro rata with interest due on the Senior Obligations, including the Series 2011-1 Senior Notes, the Issuer may not have sufficient funds on that or future distribution dates to make required payments of interest or principal, and the Holders of the Notes, including the Series 2011-1 Senior Notes, may suffer a loss.

Our ability to pay principal and interest on the Notes, including the Series 2011-1 Senior Notes, may be compromised if a Swap Counterparty defaults under a Swap Agreement or if a Credit Facility Provider defaults under a Credit Enhancement Facility

We may, upon receipt of a Rating Agency Confirmation, in the future enter into Swap Agreements or Credit Enhancement Facilities that are intended to mitigate the interest rate risk and credit risk associated with the Notes, including the Series 2011-1 Senior Notes. If a payment is due to us under a Swap Agreement or Credit Enhancement Facility, a default by the Swap Counterparty or Credit Facility Provider, as applicable, may reduce the amount of funds available to us and thus our ability to pay the principal and interest on the Notes, including the Series 2011-1 Senior Notes. Moreover, our ability to pay principal and interest on the Notes, including the Series 2011-1 Senior Notes, also may be adversely affected if the Swap Agreements or Credit Enhancement Facilities are not fully effective at mitigating the interest rate risk or credit risk associated with the Notes, including the Series 2011-1 Senior Notes.

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

- the Swap Counterparty fails to make a required payment within any specified grace period of the date that payment was due; or
- the Swap Counterparty fails, within a specified number of days of the date on which the credit ratings of the Swap Counterparty or its credit support provider are below the required ratings specified in the Swap Agreement, to establish collateral arrangements satisfactory to the Issuer.

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

Provisions subordinating rights of a Swap Counterparty to rights of Holders upon the bankruptcy of the Swap 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 the Lehman 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 Court ruled that a safe harbor in the Bankruptcy Code allowing swap provisions to operate as written 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, insolvency or receivership of any Swap Counterparty, a court would uphold any similar subordination in similar circumstances. In the event that a Swap Counterparty is owed a swap termination payment with priority over the Holders, the Holders could incur significant losses.

Student Loans are unsecured and the ability of the Guarantee Agencies to honor their guarantees may become impaired

All of the Financed Student Loans pledged to the Trust Estate are unsecured. As a result, the only security for payment of a Financed 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 condition 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 Issuer in a timely manner. See "Changes to the Higher Education Act or other laws may affect your Series 2011-1 Senior 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 Series 2011-1 Senior 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" herein. 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, any of which could adversely affect payments on the Notes, including the Series 2011-1 Senior Notes.

Failure to comply with loan origination and servicing procedures for Financed Student Loans may result in loss of guarantee and other benefits

The Issuer must meet various requirements in order to maintain the federal guarantee on the Financed 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 FFEL Program.

If the Issuer or any of its affiliates were so fined, or their FFEL Program eligibility were limited, suspended or terminated, payment on the Notes, including the Series 2011-1 Senior 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 Financed 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 FFELP Loan for claim payment due to a violation of the FFEL Program due diligence collection and servicing requirements. In addition, a Guarantee Agency may reject claims under other circumstances, including, for example, if a claim is not timely filed or adequate documentation is not maintained. Once a FFELP Loan ceases to be guaranteed, it is ineligible for federal Interest Subsidies Payments and Special Allowance Payments. If a FFELP Loan is rejected for claim payment by a Guarantee Agency, we will 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 FFELP Loans to a servicing system.

The Issuer Loan Purchase Agreement 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.

Offset by Guarantee Agencies or the Department of Education could reduce the amounts available for payment of the Notes, including the Series 2011-1 Senior Notes

The Eligible Lender Trustee may use the Department of Education lender identification number used for Student Loans held by the Eligible Lender Trustee on behalf of the Issuer for other trusts created by the Depositor or the Sponsor. The billings submitted to the Department of Education would be consolidated with the billings for payments for all Student Loans held by the Eligible Lender Trustee on behalf of the Issuer and such other trusts created by the Depositor, and payments on the billings would be made by the Department of Education or the Guarantee Agency to the Eligible Lender Trustee in lump sum form. These payments would be allocated by the Eligible Lender Trustee among the various student loans held under the same lender identification number. If the Department of Education lender identification number is used for any other trusts, the Issuer, the Eligible Lender Trustee and such other trusts will enter into a joint sharing agreement to provide for the proper allocation of such amounts.

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 Issuer's ability to pay interest and principal on the Notes, including the Series 2011-1 Senior Notes. See "Student Loan Guarantees and Federal Reinsurance" herein.

Additional Notes may be issued without your consent, which could affect the composition of the outstanding Notes

The Issuer may, from time to time, under certain circumstances, issue Additional Notes or incur Other Obligations secured by the Trust Estate without the consent or approval of any existing Holders. These Additional Notes or Other Obligations may, with the consent of the Holders of at least two-thirds of the aggregate Principal Amount Outstanding of the Series 2011-1 Senior Notes, be in parity with, or subordinate to, the Series 2011-1 Senior Notes in right of payment, with the same or later maturities than the Series 2011-1 Senior Notes. Principal payments on the Series 2011-1 Senior Notes will be paid prior to or, with the consent of the Holders of at least two-thirds of the aggregate Principal Amount Outstanding of the Series 2011-1 Senior Notes, in parity with principal payments on

any other Additional Notes issued. While the Series 2011-1 Senior Notes are Outstanding, Additional Notes may be issued to the extent that (i) the net principal proceeds thereof shall be used to prepay outstanding Previous Senior Notes; (ii) they are issued on a date that the Senior Asset Requirement is satisfied (both immediately before and after giving effect to the issuance); (iii) they mature later than the Stated Maturity of the Series 2011-1 Senior Notes and (iv) they do not permit any payments of principal thereon prior to or simultaneously with the Maturity of the Series 2011-1 Senior Notes, other than where there has been a declaration of acceleration of the Notes.

INTRODUCTION

This Offering Memorandum sets forth information concerning the issuance by the Issuer of \$602,000,000 aggregate Principal Amount of its Student Loan Asset-Backed Notes, Senior Series 2011-1 (the “*Series 2011-1 Senior Notes*”). Information on the cover page hereof and under the headings “Summary of Terms” and “Risk Factors” is part of this Offering Memorandum. Capitalized terms used in this Offering Memorandum, and not otherwise defined herein, shall have the meanings assigned thereto in “Glossary of Certain Defined Terms” attached hereto as Appendix A.

The Notes, including the Series 2011-1 Senior Notes, are limited obligations of the Issuer specifically secured by and payable solely from the Trust Estate created under the Indenture and described herein. The Notes, including the Series 2011-1 Senior Notes, do not represent general obligations of the Issuer. See “Source of Payment and Security for the Notes” herein.

This Offering Memorandum contains brief descriptions of the Series 2011-1 Senior Notes, the Previous Notes, the Indenture, the Sixth Supplemental Indenture authorizing the Series 2011-1 Senior Notes, the Tender Offer to be financed through the issuance of the Series 2011-1 Senior Notes and other transaction documents and applicable laws. The descriptions and summaries herein do not purport to be comprehensive or definitive and reference is made to such transaction documents and applicable laws for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such transaction document or applicable law. Copies of the Indenture and the Sixth Supplemental Indenture may be obtained during the offering period upon request directed to the Trustee at 10161 Centurion Parkway, Jacksonville, Florida 32256, Attn: Corporate Trust Manager.

PREVIOUS ISSUANCES

Information concerning each Outstanding series of Previous Notes that the Issuer has previously issued under the Indenture is provided below. The Financed Student Loans and other assets pledged to the Trustee serve as collateral for each Outstanding series of Previous Notes, the Series 2011-1 Senior Notes and any Additional Notes that the Issuer may issue under the Indenture in the future.

Series	Original Principal Amount	Outstanding Principal Amount (as of January 31, 2011)	Closing Date	Interest Method	Stated Maturity Date
Series 2002A-1 Senior Notes	\$75,000,000	\$40,300,000	March 1, 2002	Auction Rate	March 1, 2042
Series 2002A-2 Senior Notes	\$75,000,000	\$66,650,000	March 1, 2002	Auction Rate	March 1, 2042
Series 2002A-3 Senior Notes	\$75,000,000	\$48,700,000	March 1, 2002	Auction Rate	March 1, 2042
Series 2002A-4 Senior Notes	\$75,000,000	\$74,200,000	March 1, 2002	Auction Rate	March 1, 2042
Series 2002A-5 Senior Notes	\$75,000,000	\$75,000,000	March 1, 2002	Auction Rate	March 1, 2042
Series 2002A-6 Senior Notes	\$75,000,000	\$53,800,000	March 1, 2002	Auction Rate	March 1, 2042
Series 2002A-7 Senior Notes	\$50,000,000	\$0	March 1, 2002	Auction Rate	March 1, 2042
Series 2002A-8 Senior Notes	\$50,000,000	\$0	March 1, 2002	Auction Rate	March 1, 2042
Series 2002B Subordinate Notes	\$50,000,000	\$0	March 1, 2002	Auction Rate	March 1, 2042
Total for Series 2002	\$600,000,000	\$358,650,000			

Series 2002-2A-9 Senior Notes	\$75,000,000	\$75,000,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-10 Senior Notes	\$75,000,000	\$0	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-11 Senior Notes	\$75,000,000	\$69,000,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-12 Senior Notes	\$75,000,000	\$0	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-13 Senior Notes	\$75,000,000	\$75,000,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-14 Senior Notes	\$75,000,000	\$46,500,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-15 Senior Notes	\$75,000,000	\$74,500,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-16 Senior Notes	\$75,000,000	\$53,300,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-17 Senior Notes	\$75,000,000	\$59,200,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-18 Senior Notes	\$75,000,000	\$47,000,000	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-19 Senior Notes	\$50,000,000	\$0	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2A-20 Senior Notes	\$50,000,000	\$0	July 1, 2002	Auction Rate	July 1, 2042
Series 2002-2B-2 Subordinate Notes	\$50,000,000	\$46,500,000	July 1, 2002	Auction Rate	July 1, 2042
Total for Series 2002-2	\$900,000,000	\$546,000,000			

Since the fall of 2007, substantially all of the auctions for the Previous Notes have failed and each series of the Previous Notes presently bears interest at the maximum rate for such series set forth in the corresponding supplemental indenture. No assurance can be given that any auctions for the Previous Notes will be successful in the future, and the Previous Notes may continue to bear interest at their respective maximum rate.

THE TENDER OFFER

On January 14, 2011, the Issuer commenced a cash tender offer (the “*Tender Offer*”) to purchase up to \$500,000,000 aggregate principal amount of its outstanding Previous Senior Notes. On February 25, 2011 and March 2, 2011, the Issuer announced increases to the amount of the Tender Offer and on March 8, 2011, the Issuer announced an additional increase to \$648,200,000 (as such amount may be further increased in the Issuer’s sole discretion, the “*Tender Cap*”) and an extension of the Expiration Time. The terms and conditions of the Tender Offer are set forth in the Issuer’s Offer to Purchase dated January 14, 2011 (the “*Offer to Purchase*”), and the related Letter of Transmittal.

The Tender Offer will expire at 10:30 a.m., New York City time, on March 15, 2011, unless it is further extended or earlier terminated. Tenders of the Previous Senior Notes may be made at any time prior to the Expiration Time.

The Previous Senior Notes subject to the Tender Offer and other information relating to the Tender Offer are listed in the table below:

Series	Initial Principal Amount	Outstanding Principal Amount (As of January 31, 2011)	CUSIP	“Early Tender Payment” ⁽¹⁾	“Tender Offer Consideration” (Acceptable Bid Price Range) ⁽¹⁾	“Total Consideration” ⁽¹⁾⁽²⁾
Series 2002A-1	\$75,000,000.00	\$40,300,000	86386MAA2	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002A-2	\$75,000,000.00	\$66,650,000	86386MAB0	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002A-3	\$75,000,000.00	\$48,700,000	86386MAC8	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002A-4	\$75,000,000.00	\$74,200,000	86386MAD6	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002A-5	\$75,000,000.00	\$75,000,000	86386MAE4	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002A-6	\$75,000,000.00	\$53,800,000	86386MAF1	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002-2A-9	\$75,000,000.00	\$75,000,000	86386MAK0	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002-2A-11	\$75,000,000.00	\$69,000,000	86386MAM6	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002-2A-13	\$75,000,000.00	\$75,000,000	86386MAP9	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002-2A-14	\$75,000,000.00	\$46,500,000	86386MAQ7	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002-2A-15	\$75,000,000.00	\$74,500,000	86386MAR5	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002-2A-16	\$75,000,000.00	\$53,300,000	86386MAS3	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000

Series 2002-2A-17	\$75,000,000.00	\$59,200,000	86386MAT1	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000
Series 2002-2A-18	\$75,000,000.00	\$47,000,000	86386MAU8	\$2,500	\$42,500 - \$44,500	\$45,000 - \$47,000

(1) Per \$50,000 principal amount of Previous Senior Notes that are accepted for purchase.

(2) Includes the Early Tender Payment.

The “Tender Offer Consideration” payable in the Tender Offer for each \$50,000 principal amount of the Previous Senior Notes validly tendered (and not withdrawn) pursuant to the terms of the Tender Offer will be determined pursuant to a “Dutch Auction” procedure.

Each Holder that tenders Previous Senior Notes in the Tender Offer will specify a “Bid Price,” within a range specified in the table above, which represents the minimum consideration such Holder is willing to receive for those Previous Senior Notes. Holders who tender Previous Senior Notes without specifying a Bid Price will be deemed to have specified \$42,500 per \$50,000 principal amount of Previous Senior Notes. In addition, Goal Financial will pay (or will cause one or more of its affiliates to pay) an “Early Tender Payment” of \$2,500 for each \$50,000 principal amount of Previous Senior Notes. Holders will only be eligible to receive the Early Tender Payment for Previous Senior Notes that such Holders have validly tendered (and not validly withdrawn) at or prior to 5:00 p.m., New York City time, on January 28, 2011, unless extended (the “*Early Tender Deadline*”).

Promptly following the expiration of the Tender Offer, Previous Senior Notes validly tendered at the lowest Bid Price will be accepted first and will continue to be accepted, if necessary, at the related Bid Price in ascending order of such Bid Prices. The Issuer will only purchase a principal amount of Previous Senior Notes in the Tender Offer up to the Tender Cap.

In addition, the Issuer will pay accrued and unpaid interest on all Previous Senior Notes tendered and not validly withdrawn and that are accepted for payment in the Tender Offer from the last applicable Interest Payment Date for such Previous Senior Notes to, but not including, the settlement date (“*Accrued Interest*”). The Issuer currently anticipates that the settlement date will occur on March 15, 2011, unless the Tender Offer is further extended by the Issuer.

Except in limited circumstances set forth in the Offer to Purchase, withdrawal rights for the Tender Offer expired at 5:00 p.m., New York City time, on January 28, 2011, unless extended (the “*Withdrawal Deadline*”). Holders of Previous Senior Notes who tender their Previous Senior Notes after the Withdrawal Deadline, but on or prior to the Expiration Time, may not withdraw their tendered Previous Senior Notes. The Issuer reserves the right, in its sole discretion, to increase the Tender Cap. The Issuer currently expects that the maximum principal amount of Previous Senior Notes to which the Tender Cap may be increased in the Tender Offer is \$750,000,000. If the Tender Cap is increased to an amount equal to or less than \$750,000,000, the Issuer does not plan to amend or extend the Tender Offer, or to extend the Withdrawal Deadline or the Early Tender Deadline or otherwise reinstate withdrawal rights.

The Tender Offer is subject to certain conditions, including (i) the Issuer having closed, on terms that the Issuer concludes, in its discretion, are commercially reasonable to the Issuer, and received net proceeds from the issuance of the Series 2011-1 Senior Notes that, together with Additional Funds, are sufficient to fund the purchase of the Previous Senior Notes in the Tender Offer, for any Early Tender Payments for such Previous Senior Notes to be paid by Goal Financial (or one or more of its affiliates), for the Issuer to pay Accrued Interest on such Previous Senior Notes, and for other costs and expenses related to the Tender Offer and the issuance of the Series 2011-1 Senior Notes and credit enhancement, if any, required by the Rating Agencies in connection with the issuance of the Series 2011-1 Senior Notes, (ii) GTB2, the residual equity holder of the Issuer, having obtained consent from certain lenders under an existing loan agreement in connection with the issuance of the Series 2011-1 Senior Notes, and (iii) the satisfaction of certain other customary conditions.

The Issuer has retained the Initial Purchaser to act as the dealer manager for the Tender Offer. See “Relationships Among Financing Participants” herein.

USE OF ISSUANCE PROCEEDS

The proceeds from the issuance of the Series 2011-1 Senior Notes, in the amount of \$602,000,000 (net of an Initial Purchaser discount of \$1,806,000) will be deposited with the Trustee in the Tender Account and applied as follows (as more particularly described in the Indenture):

- \$3,00,000 will be deposited into the Administration Fund to be used to pay the costs of issuing the Series 2011-1 Senior Notes and of conducting the Tender Offer; and
- \$28,393,000 for release pursuant to Section 4.08 of the Indenture to fund Early Tender Payments.

In addition to the Issuance Proceeds, subject to the requirements of the Indenture, the Issuer may use up to approximately \$32,000,000 (to be determined by the Issuer in its sole discretion, which determination will be dependent upon, among other considerations, the amount of proceeds from the sale of the Series 2011-1 Senior Notes), of additional funds available from the Surplus Fund, to fund the purchase of Previous Senior Notes pursuant to the Tender Offer and to fund the Early Tender Payments.

To the extent that any Issuance Proceeds are not needed to purchase Previous Senior Notes by the Tender Offer Settlement Date, which is expected to be March 15, 2011, then any such excess Issuance Proceeds will be remitted to the Retirement Account of the Debt Service Fund for prepayment of principal on the Series 2011-1 Senior Notes.

An amount equal to the Early Tender Payments will be distributed to GTB2 as reimbursement for Early Tender Payments made on the Issuer's behalf. In addition, to the extent funds exist in the Surplus Fund (other than the Tender Account), and subject to the requirements in the Indenture, such funds may be distributed to GTB2.

SOURCE OF PAYMENT AND SECURITY FOR THE NOTES

General

The Notes, including the Series 2011-1 Senior Notes, are limited obligations of the Issuer payable solely from the Trust Estate created under the Indenture, consisting of the Financed Eligible Loans and certain revenues and Funds and Accounts pledged under the Indenture. The pledged revenues include: (1) payments of interest and principal made by obligors of Financed Eligible Loans, (2) guarantee payments made by the Guarantee Agencies with respect to defaulted Financed Eligible Loans, (3) Interest Subsidy Payments and Special Allowance Payments made by the Department of Education to or for the account of the Eligible Lender Trustee as the holder of Financed Eligible Loans, (4) income from investment of moneys in the pledged Funds and Accounts, (5) payments from a Swap Counterparty under a Swap Agreement, if any, (6) proceeds of any sale or assignment by the Issuer of any Financed Eligible Loans, and (7) available Note proceeds. In addition, the pledged revenues with respect to one or more series of Additional Notes may include payments made by a Credit Facility Provider pursuant to a Credit Enhancement Facility.

The principal of and interest on the Notes, including the Series 2011-1 Senior Notes, will be secured by a pledge of and a security interest in all rights, title, interest and privileges of the Issuer (1) with respect to Financed Eligible Loans, in, to and under any Servicing Agreement, the Eligible Lender Trust Agreement, the Guarantee Agreements and any purchase and sale agreements pursuant to which the Issuer acquires Financed Eligible Loans; (2) in, to and under all Financed Eligible Loans (including the evidences of indebtedness thereof and related documentation); (3) in the proceeds of the sale of the Notes (until expended for the purpose for which the Notes were issued) and the revenues, moneys, evidences of indebtedness and securities (including any earnings thereon) in and payable into the Acquisition Fund, the Debt Service Fund, the Collection Fund, the Alternative Loan Loss Reserve Fund, the Reserve Fund, the Capitalized Interest Fund, the Administration Fund and the Surplus Fund, in the manner and subject to the prior applications provided in the Indenture; (4) in, to and under any Credit Enhancement Facility, any Swap Agreement, any Swap Counterparty guarantee, any tender agent agreement, any remarketing agreement, any auction agent agreement, any market agent agreement and any broker-dealer agreement, if applicable; and (5) in and to the proceeds from the sale of the Notes (until expended for the purpose for which the Notes were issued) and the revenues, moneys, evidences of indebtedness and securities (including any earnings thereon) in and payable to the

pledged Funds and Accounts. Certain pledged revenues are subject to withdrawal from the pledged Funds and Accounts, to prior applications to pay costs of issuance, Servicing Fees, Administration Fees, Backup Administration Fees and Note Fees, and to certain other applications as described under “Description of the Indenture—Funds and Accounts” herein.

Additional Indenture Obligations

The Indenture provides that in the future, upon the satisfaction of certain conditions, the Issuer may issue one or more series of Notes thereunder. Such Additional Notes may be issued as Senior Notes so long as (i) the net principal proceeds of such Senior Notes will be used to prepay outstanding Previous Senior Notes; (ii) they are issued on a date that the Senior Asset Requirement is satisfied (both immediately before and after giving effect to the issuance); (iii) they mature later than the Stated Maturity of the Series 2011-1 Senior Notes and (iv) they do not permit any payments of principal thereon prior to or simultaneously with the Maturity of the Series 2011-1 Senior Notes, other than where there has been a declaration of acceleration of the Notes. Otherwise such Additional Notes may be issued with the consent of the Holders of at least two-thirds of the aggregate Principal Amount Outstanding of the Series 2011-1 Senior Notes, in parity with any other Senior Obligations (including the Series 2011-1 Senior Notes) or as Subordinate Notes in parity with any other Subordinate Obligations, with the same or later maturities than existing classes of Notes. The Indenture also provides that Junior Subordinate Notes, that are subordinate to Senior Obligations and Subordinate Obligations and in parity with other Junior Subordinate Obligations, may be issued in the future. In addition, the Issuer may enter into Swap Agreements and may obtain Credit Enhancement Facilities from one or more Credit Facility Providers. The Issuer’s obligations under the Swap Agreements, and its obligations to pay the premiums or fees of Credit Facility Providers and, if applicable, to reimburse payments made under Credit Enhancement Facilities, may be parity obligations with the Senior Notes (such Other Obligations, together with the Senior Notes, being referred to herein as “*Senior Obligations*”) or parity obligations with the Subordinate Notes (such Other Obligations, together with the Subordinate Notes, being referred to herein as “*Subordinate Obligations*”), or parity obligations with the Junior Subordinate Notes (such Other Obligations, together with the Junior Subordinate Notes, being referred to herein as “*Junior Subordinate Obligations*”). The Senior Obligations, the Subordinate Obligations and the Junior Subordinate Obligations are referred to herein as “*Indenture Obligations*.” See “Description of the Indenture—Notes and Other Obligations” herein.

Under the Indenture, the Issuer may not enter into a Swap Agreement or obtain a Credit Enhancement Facility unless the Trustee shall have received a Rating Agency Confirmation that entering into the Swap Agreement or obtaining the Credit Enhancement Facility, as the case may be, will not cause the reduction or withdrawal of any rating or ratings then applicable to any Outstanding Notes, including the Series 2011-1 Senior Notes. Notwithstanding the foregoing, the Issuer shall not enter into, or cause there to exist, any Credit Enhancement Facility with respect to any Notes except for an insurance policy, letter of credit or surety bond, for which the Trustee is the direct beneficiary, insuring or providing a source of funds for the timely payment when due of principal of and interest on such Notes (the foregoing restriction does not apply to Swap Agreements, the requirements for which are set forth in the Indenture).

Any Credit Enhancement Facility may be obtained for the sole benefit of a particular series of Notes designated therein, in which event payments under such Credit Enhancement Facility would not be available for the payment of principal of, premium, if any, or interest on any other series of Notes. However, any payments required to be made to any Credit Facility Provider would be parity obligations with the Other Obligations of the same class, payable from any revenues available to pay such other Indenture Obligations. No Credit Enhancement Facility is being obtained with respect to the Series 2011-1 Senior Notes, and it is not expected that any revenues obtained under any Credit Enhancement Facility would be available to pay the Series 2011-1 Senior Notes.

Priorities

The Senior Notes, including the Series 2011-1 Senior Notes (and any Other Senior Obligations) are entitled to payment and certain other priorities over the Subordinate Notes (and any Other Subordinate Obligations) and the Junior Subordinate Notes (and Other Junior Subordinate Obligations). Current payments of interest and principal due on Subordinate Notes and Junior Subordinate Notes on any interest or principal payment date will be made (in parity with any Other Subordinate Obligations and Other Junior Subordinate Obligations, respectively) only to the extent that there are sufficient moneys available for such payment, after making all such payments due on such date

with respect to Senior Notes and Other Senior Obligations. So long as any Senior Obligations remain Outstanding under the Indenture, the failure to make interest or principal payments with respect to Subordinate Notes or Junior Subordinate Notes will not constitute an Event of Default under the Indenture. In the event of an acceleration of the Notes, the principal of and accrued interest on the Subordinate Notes and Junior Subordinate Notes will be paid (in parity with any Other Subordinate Obligations and Other Junior Subordinate Obligations, respectively) only to the extent there are moneys available under the Indenture after payment of the principal of, and accrued interest on, all Senior Notes and the satisfaction of all Other Senior Obligations. In addition, Holders of Senior Notes and Beneficiaries of Other Senior Obligations are entitled to direct certain actions to be taken by the Trustee prior to and upon the occurrence of an Event of Default, including election of remedies. See “Description of the Indenture—Remedies” herein.

The Subordinate Notes (and any Other Subordinate Obligations) are entitled to payment and certain other priorities over the Junior Subordinate Notes (and any Other Junior Subordinate Obligations). Current payments of interest and principal due on Junior Subordinate Notes on any interest or principal payment date will be made (in parity with any Other Junior Subordinate Obligations) only to the extent that there are sufficient moneys available for such payment, after making all such payments due on such date with respect to Senior Notes, Subordinate Notes and Other Senior Obligations and Other Subordinate Obligations. So long as any Senior Obligations or Subordinate Obligations remain Outstanding under the Indenture, the failure to make interest or principal payments with respect to Junior Subordinate Notes will not constitute an Event of Default under the Indenture. In the event of an acceleration of the Notes, the principal of and accrued interest on the Junior Subordinate Notes will be paid (in parity with any Other Junior Subordinate Obligations) only to the extent there are moneys available under the Indenture after payment of the principal of, and accrued interest on, all Senior Notes and Subordinate Notes and the satisfaction of all Other Senior Obligations and Other Subordinate Obligations. If there are no Senior Notes or Other Senior Obligations Outstanding under the Indenture, the Holders of Subordinate Notes and Beneficiaries of Other Subordinate Obligations are entitled to direct certain actions to be taken by the Trustee prior to and upon the occurrence of an Event of Default, including election of remedies. See “Description of the Indenture—Remedies” herein.

Reserve Fund

The Notes, including the Series 2011-1 Senior Notes, are additionally secured by the Reserve Fund in an amount equal to the Reserve Fund Requirement. The Reserve Fund Requirement with respect to the Notes shall be at any time an amount equal to the greater of (i) 0.92% of the aggregate Principal Amount of the Notes then Outstanding or (ii) \$500,000.

The Reserve Fund secures all Notes issued under the Indenture. Consequently, the establishment of a Reserve Fund Requirement with respect to Additional Notes at a level less than an amount equal to the greater of (i) 0.92% of the aggregate Principal Amount of such Additional Notes or (b) \$500,000 will dilute the security of the Reserve Fund with respect to the Series 2011-1 Senior Notes. However, Additional Notes may only be issued upon receipt by the Issuer and the Trustee of a Rating Agency Confirmation.

Capitalized Interest Fund

Commencing on the Monthly Distribution Date in March, 2021, an amount will be transferred from the Collection Fund and deposited into a Capitalized Interest Fund such that the balance of the Capitalized Interest Fund will be equal to \$3,000,000. Commencing on the Monthly Distribution Date in March, 2031, the required balance in the Capitalized Interest Fund will decrease to \$2,000,000 and commencing on the Monthly Distribution Date in March, 2041, the required balance in the Capitalized Interest Fund will decrease further to \$1,000,000, and any amounts in excess of such required balances will be transferred to the Collection Fund.

If on any Interest Payment Date on or after March 25, 2021, money on deposit in the Collection Fund, the Surplus Fund, the Reserve Fund or the Acquisition Fund is insufficient to pay interest on the Notes, then money on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the deficiency. On the Maturity of the last Outstanding Note, the Trustee will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

Subordination of the Subordinate Notes

The rights of the Holders of the Subordinate Notes to receive principal and interest payments are subordinated to such rights of the Holders of the Series 2011-1 Senior Notes, any other series of Senior Notes and any Other Senior Obligations to the extent described herein. This subordination is intended to enhance the likelihood of regular receipt of the interest and principal by the Holders of the Series 2011-1 Senior Notes, any other series of Senior Notes and any Other Senior Obligations. See “—Priorities” and “Description of the Indenture—Funds and Accounts” herein.

THE ISSUER

Student Loan Consolidation Center Student Loan Trust I, a Delaware statutory trust (the “*Issuer*”), will issue the Series 2011-1 Senior Notes and acquire with the net proceeds therefrom, together with Additional Funds, up to \$648,200,000 principal amount of certain of its Previous Senior Notes pursuant to the Tender Offer. The Issuer was formed in Delaware pursuant to a Trust Agreement, dated as of March 1, 2002 (as amended from time to time, the “*Trust Agreement*”), between Wilmington Trust Company (as successor to The Bank of New York (Delaware)), as Delaware Trustee, and Consolidation Loan Funding, LLC, as Depositor. Goal Triple B Funding 2, LLC (“*GTB2*”), a Delaware limited liability company, owns all of the equity interests in the Issuer. GTB2 is a wholly-owned subsidiary of Goal Triple B Funding, LLC (“*GTB*”), a Delaware limited liability company. GTB is owned by certain limited liability companies which are, in turn, majority-owned or wholly-owned by Goal Financial.

The operations of the Issuer are, generally, limited to acquiring, holding and managing Student Loans originated as FFELP Loans and other assets of the Issuer, and the proceeds therefrom, issuing and making payments on the Notes, entering into any Swap Agreements and Credit Enhancement Facilities as described under “Source of Payment and Security of the Notes—Additional Indenture Obligations” herein, and any other incidental or related activities.

THE DEPOSITOR

Consolidation Loan Funding, LLC (the “*Depositor*”), a Delaware limited liability company, is the Depositor under the Trust Agreement. The Depositor has two members: one is Goal Financial, which owns a ninety-nine percent (99%) membership interest; the other is CLF Management Corp., which owns a one percent (1%) membership interest. The Depositor has been structured as a bankruptcy-remote, special purpose entity. The Depositor’s Third Amended and Restated Limited Liability Company Agreement, effective as of August 3, 2007, contains certain limitations, including a restriction on the Depositor’s ability to commence a voluntary case or proceeding under any insolvency law without the prior unanimous affirmative vote of all its managers, which includes at least two independent managers.

Management of the Depositor is entrusted to its Manager, Goal Financial. Goal Financial is a limited liability company organized under the laws of the State of Delaware. Goal Financial is described in more detail under “The Sponsor” below.

The Depositor holds a limited liability company membership in Goal Triple B Funding, LLC, a Delaware limited liability company, which holds all the interests in GTB2. GTB2 is the borrower under a loan facility agreement secured by its equity interest in the Issuer and the other assets of GTB2.

THE SPONSOR

Goal Financial 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 originated under the FFEL Program. Goal Financial also originated Alternative Loans but no longer holds such loans.

Goal Financial has two owners, one of which is Goal Structured Solutions, the Sub-Administrator, which holds a 99% ownership interest in Goal Financial.

In 2008, Goal Financial ceased all future loan originations including through the FFEL Program, having stopped accepting applications for new FFELP Loans in 2007. As of January 3, 2011, Goal Financial, through its affiliates, manages over \$7.1 billion of education loan receivables. Although Goal Financial no longer markets or originates education loans, management of its student loan portfolio remain central to the company's mission as it diversifies 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.com™ 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 ISSUER ADMINISTRATOR

Goal Financial also serves as Issuer Administrator pursuant to the Administration Agreement. The Issuer Administrator is to perform certain administrative services referred to in the Indenture, the Trust Agreement and the Eligible Lender Trust Agreement, including, among other things, (i) administering accounting and financial reporting activities of the Issuer, (ii) preparing operating budgets, statistical reports and cash flow projections to the extent required by the Indenture and (iii) providing the notices and performing other administrative obligations required by the Indenture, the Trust Agreement or the Higher Education Act.

The Issuer Administrator has entered into the Sub-Administration Agreement described below with Goal Structured Solutions, pursuant to which the Issuer Administrator delegated to Goal Structured Solutions the performance of substantially all of the duties of the Issuer Administrator under the Administration Agreement for the term of the Administration Agreement.

THE SUB-ADMINISTRATOR

Goal Structured Solutions serves as Sub-Administrator pursuant to the Sub-Administration Agreement, dated as of January 1, 2008, between the Issuer Administrator and Goal Structured Solutions (as amended by Amendment No. 1, dated as of March 15, 2011, the "*Sub-Administration Agreement*").

Goal Structured Solutions 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. The company changed its name from Goal Structured Solutions, Inc. to Route 66 Ventures, Inc. on November 3, 2010. Goal Financial "spun off" its Treasury and Capital Markets operations to initially form Goal Structured Solutions and create a new business focused on consumer loan asset management. On June 1, 2010, Goal Financial and Goal Structured Solutions underwent a restructuring, following which (1) all of the common stock in Goal Structured Solutions is owned by the Goal Structured Solutions, Inc. Employee Stock Ownership Trust, which is an Employee Stock Ownership Plan for the benefit of Goal Structured Solutions and certain of its affiliate employees who live in the United States; (2) Goal Financial is 99% owned by Goal Structured Solutions; (3) the remaining 1% interest in Goal Financial is owned by AHCO, Inc., a Delaware corporation; and (4) AHCO, Inc. is 100% owned by a single individual, Ryan D. Katz (who was formerly the majority owner of Goal Financial).

Goal Structured Solutions and its affiliates currently have a staff of approximately 30 full time employees or equivalents (such as independent contractors) and is headquartered at 401 West A Street, Suite 1300 in San Diego California. Goal Structured Solutions also has employees in Minnesota and Virginia.

The principal business of Goal Structured Solutions 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 pools of private student loans. Goal Structured Solutions has acted as sub-administrator to Goal Financial's student loan securitization trusts since 2008. The primary management and operations team of Goal Structured Solutions has been managing all of Goal Financial's student loan securitization trusts since 2004.

Pursuant to the Sub-Administration Agreement, Goal Structured Solutions performs, to the extent provided therein, all its duties as Sub-Administrator and substantially all of the duties of the Issuer Administrator and the Issuer under the Administration Agreement, the Indenture, the Trust Agreement and the Eligible Lender Trust Agreement (collectively the "*Trust Related Agreements*"). In addition, Goal Structured Solutions consults with the Delaware Trustee regarding the duties of the Issuer and the Delaware Trustee under the Trust Related Agreements. Goal Structured Solutions monitors the performance of the Issuer and will advise the Eligible Lender Trustee and the Delaware Trustee when action is necessary to comply with the Issuer's duties under the Trust Related Agreements. Goal Structured Solutions prepares for execution by the Issuer, or will cause the preparation by other appropriate persons or entities of, all such documents, reports, filings, instruments, certificates and opinions that it is the duty of the Issuer to prepare, file or deliver pursuant to the Trust Related Agreements. In furtherance of the foregoing, Goal Structured Solutions takes all appropriate action that is the duty of the Issuer to take pursuant to the Trust Related Agreements. Goal Structured Solutions also performs, or causes to be performed, its duties and obligations and the duties and obligations of the Delaware Trustee on behalf of the Issuer under the Trust Agreement. With respect to matters that in the reasonable judgment of Goal Structured Solutions are non-ministerial, Goal Structured Solutions will not be under any obligation to take any action, and in any event will not take any action, unless Goal Structured Solutions has received instructions from the Issuer Administrator, the Delaware Trustee or GTB2.

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.

Pursuant to the terms of the Backup Administration Agreement, in the event that Goal Financial resigns or is removed as Issuer Administrator, Lord will step in and continue such duties as Issuer Administrator within approximately 45 days of notice under a new administration agreement with terms substantially similar to those of the Administration Agreement. The Administration Agreement will be amended and restated to permit for the appointment of the Backup Administrator and the Delaware Trustee, the Eligible Lender Trustee and the Trustee will have consented to such appointment.

THE TRUSTEE

The Trustee is The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York. It maintains a corporate trust office at 10161 Centurion Parkway, Jacksonville, Florida 32256. The Bank of New York Mellon has been, and currently is, serving as trustee for numerous securitization transactions and programs involving pools of student loan receivables.

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

The Issuer will issue the Series 2011-1 Senior Notes under the Sixth Supplemental Indenture. Under the Indenture and the Sixth Supplemental Indenture, The Bank of New York Mellon will act as Trustee for the benefit of and to protect the interests of the Holders and will act as paying agent for the Series 2011-1 Senior Notes. The Trustee will act on behalf of the Holders and represent their interests in the exercise of their rights under the Indenture and the Sixth Supplemental Indenture.

THE ELIGIBLE LENDER TRUSTEE

The Bank of New York Mellon (as successor to The Bank of New York) is also the Eligible Lender Trustee solely for purposes of holding legal title to all FFELP Loans. The office of the Eligible Lender Trustee is located at 10161 Centurion Parkway, Jacksonville, Florida 32256.

The Higher Education Act provides that only “eligible lenders” (defined to include banks and certain other entities) may hold title to student loans made under the FFEL Program. Because the Issuer does not qualify as an “eligible lender,” the Eligible Lender Trustee holds title to all Financed FFELP Loans in trust on behalf of the Issuer. The Eligible Lender Trustee has agreed under the Eligible Lender Trust Agreement to maintain its status as an “eligible lender” under the Higher Education Act. In addition, the Eligible Lender Trustee on behalf of Issuer has entered into a Guarantee Agreement with each of the Guarantee Agencies that have guaranteed Financed FFELP Loans. Failure of the Financed FFELP Loans to be owned by an eligible lender would result in the loss of guarantee payments, Interest Subsidy Payments and Special Allowance Payments with respect thereto. See “Description of the FFEL Program” attached hereto as [Appendix B](#) and “Risk Factors—Offset by Guarantee Agencies or the Department of Education could reduce the amounts available for payment of the Series 2011-1 Senior Notes” herein.

The duties of the Eligible Lender Trustee in connection with the issuance and sale of the Series 2011-1 Senior Notes will consist of discharging the obligations set forth in the agreements to which it is a party, including the Eligible Lender Trust Agreement, dated March 1, 2002 (as amended from time to time, the “*Eligible Lender Trust Agreement*”), between the Issuer and the Eligible Lender Trustee. The Eligible Lender Trustee will not be liable in its individual capacity for any action or inaction under the Eligible Lender Trust Agreement that was not the result of its own negligence or bad faith. The Eligible Lender Trustee will be entitled to be indemnified by the Issuer for any loss, liability or expense (including the costs and expenses of defending itself against any claim related to its performance under the Eligible Lender Trust Agreement) incurred by it in connection with the performance of its duties under the Eligible Lender Trust Agreement except for any loss, liability or expense caused by the Eligible Lender Trustee’s negligence or bad faith.

The Eligible Lender Trustee may resign at any time by giving written notice to the Issuer. The Issuer 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 Financed FFELP Loans as an accommodation to the Issuer 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 Issuer’s action or inaction, or any

action or inaction of the Trustee or any other party in connection with the Financed FFELP Loans and the documents, agreements, understandings and arrangements relating to the Financed FFELP Loans.

THE DELAWARE TRUSTEE

The Depositor established the Issuer as a Delaware statutory trust by entering into a Trust Agreement with Wilmington Trust Company (as successor to The Bank of New York (Delaware)), 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 Corporation, the parent of Wilmington Trust Company, announced on November 1, 2010 that it entered into a merger agreement with M&T Bank Corporation, a New York corporation, and MTB One, Inc., a Delaware corporation and wholly-owned subsidiary of M&T Bank Corporation., pursuant to which MTB One, Inc. will be merged with and into Wilmington Trust Corporation, with Wilmington Trust Corporation surviving the merger as a wholly-owned subsidiary of M&T Bank Corporation. The transaction is subject to regulatory and stockholder approvals and other customary closing conditions, and is presently expected to close by mid-year 2011.

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 three paragraphs, Wilmington Trust Company has not participated in the preparation of, and is not responsible for, any other information contained in this Offering Memorandum.

The Delaware Trustee shall at all times be a Person satisfying the provisions of the Delaware statutory trust statute; authorized to exercise corporate trust powers; having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authorities; and having (or having a parent that has) a rating of at least investment grade from S&P and Moody's. If such Person shall publish reports of condition at least annually pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of the Trust Agreement, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Delaware Trustee shall cease to be eligible in accordance with the provisions of the Trust Agreement, the Delaware Trustee shall resign immediately in the manner and with the effect specified in the Trust Agreement.

The Delaware Trustee may at any time resign and be discharged by giving written notice thereof to the Issuer Administrator. Upon receiving such notice of resignation, the Issuer Administrator shall promptly appoint a successor Delaware Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Delaware Trustee and one copy to the successor Delaware Trustee. If no successor Delaware Trustee shall have been so appointed and shall have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Delaware Trustee, at the expense of the Issuer Administrator, may petition any court of competent jurisdiction for the appointment of a successor Delaware Trustee.

If at any time the Delaware Trustee shall cease to be eligible in accordance with the provisions of the Trust Agreement and shall fail to resign after written request therefor by the Issuer Administrator, or if at any time the Delaware Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the Delaware Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Delaware Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer Administrator may remove the Delaware Trustee. If the Issuer Administrator shall remove the Delaware Trustee under the authority of the immediately preceding sentence, the Issuer Administrator shall promptly appoint a successor Delaware Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Delaware Trustee so removed and one copy to the successor Delaware Trustee, and shall pay all fees owned to the outgoing Delaware Trustee in its individual capacity.

Wilmington Trust Corporation and the Delaware Trustee were recently downgraded by S&P to below investment grade. Pursuant to the terms of the Trust Agreement a Delaware Trustee is no longer eligible to serve in such capacity and must resign immediately in the event that it or a parent fails to have a rating of at least investment grade by the Rating Agencies. On March 8, 2011, the Sub-Administrator requested in writing that the Delaware Trustee resign as required by the Trust Agreement. Any resignation or removal of the Delaware Trustee and appointment of a successor Delaware Trustee pursuant to any of the provisions of the Trust Agreement shall not become effective until acceptance of appointment by the successor Delaware Trustee pursuant to the Trust Agreement and, in the case of removal, payment of all fees and expenses owed to the outgoing Delaware Trustee in its individual capacity. The Issuer Administrator is searching for a replacement Delaware Trustee in accordance with the requirements of the Trust Agreement.

Except as specifically delegated to the Issuer Administrator in the Administration Agreement, Wilmington Trust Company will also execute and deliver all agreements required to be entered into on behalf of the Issuer; provided, however, Wilmington Trust Company will not incur any personal responsibility or liability for the duties and obligations of the Issuer thereunder.

THE FINANCED ELIGIBLE LOANS

Description of Financed Eligible Loans Previously Acquired

The Issuer will not acquire any new Financed Eligible Loans with the proceeds of the issuance of the Series 2011-1 Senior Notes or through the issuance of any Additional Notes or recycling while the Series 2011-1 Senior Notes are Outstanding; however, the Issuer will occasionally repurchase Financed Eligible Loans as may be required by any Guarantee Agreements, the Higher Education Act and the Department of Education. At such time as the Series 2011-1 Senior Notes are no longer Outstanding, the Issuer will be permitted to acquire new Financed Eligible Loans, and issue Additional Notes for the purpose of acquiring new Financed Eligible Loans, each upon receipt of a Rating Agency Confirmation with respect thereto.

All of the Financed Eligible Loans previously acquired by the Issuer consist of FFELP Loans and substantially all are a type of FFELP Loan known as Consolidation Loans. As of the Statistical Cut-Off Date, \$351,193.18 of aggregate principal balance and accrued interest of the Student Loans are a type of FFELP Loan known as PLUS Loans. Each FFELP Loan is required to be guaranteed as to principal and interest by a Guarantee Agency and reinsured by the Department of Education to the extent provided under the Higher Education Act. Guarantee Agencies guarantee the payment of 98% of the principal of and interest on the Consolidation Loans and 97% of the principal of and interest on the PLUS Loans. FFELP Loans are required to be eligible for Special Allowance Payments and, in the case of Stafford Loans, Interest Subsidy Payments paid by the Department of Education. See “Description of the FFEL Program” attached hereto as Appendix B.

Servicing and Due Diligence

The Issuer has covenanted in the Indenture to cause one or more Servicers to administer and collect all Financed Eligible Loans in accordance with all applicable requirements of the Higher Education Act, the Secretary of Education, the Indenture, and the Guarantee Agreements.

The Higher Education Act requires that the originating lender, the Eligible Lender Trustee, and any agents (including the Servicer) exercise due diligence in the making, servicing and collection of FFELP Loans and that a Guarantee Agency exercise due diligence in collecting loans which it holds. The Higher Education Act defines “due diligence” as requiring the holder of a Student Loan to utilize servicing and collection practices at least as extensive and forceful as those generally practiced by financial institutions for the collection of consumer loans, and requires that certain specified collection actions be taken within certain specified time periods with respect to a delinquent loan or a defaulted loan. The Guarantee Agencies have established procedures and standards for due diligence to be exercised by each Servicer and by lenders (including the Eligible Lender Trustee) which hold loans that are guaranteed by the respective Guarantee Agencies. The Eligible Lender Trustee, the Lender or a Guarantee Agency may not relieve itself of its responsibility for meeting these standards by delegation to any servicing agent. Accordingly, if the originating lender or the Servicer fails to meet any such standards, the Issuer’s ability to realize

the benefits of guarantee payments (and, with respect to Student Loans eligible for such payments, Interest Subsidy Payments and Special Allowance Payments) may be adversely affected. If a Guarantee Agency fails to meet such standards with respect to FFELP Loans, that Guarantee Agency's ability to realize the benefits of federal reinsurance payments may be adversely affected.

However, the Servicing Agreements provide that a Servicer will indemnify the Issuer for certain amounts if, as a result of the activities of such Servicer a Financed Eligible Loan is denied guarantee payments by a Guarantee Agency or Interest Subsidy Payments or Special Allowance Payments. For loans originated on or after April 1, 2002, via Nelnet as servicer, that liability is limited to seven thousand five hundred (\$7,500) dollars per borrower.

The current Servicer of the Financed Eligible Loans originated by Union Bank and Trust Company is Nelnet. The current Servicers of the Financed Eligible Loans originated by the Depositor or its affiliates (through its eligible lender trustee) are GLELSI and ACS.

Financed Student Loans, other than those acquired from Union Bank and Trust Company under the Call Option Agreement between it and Goal Financial, may be serviced by one or more servicers including Nelnet, GLELSI and ACS.

SERVICING OF FINANCED ELIGIBLE LOANS

The Servicers are required under the Higher Education Act, the rules and regulations of the Guarantee Agencies and the Indenture to use due diligence in the servicing and collection of the Financed Eligible Loans and to use collection practices no less extensive and forceful than those generally in use among financial institutions with respect to other consumer debt. The Issuer has entered into a life-of-loan Servicing Agreement (the "*Nelnet Servicing Agreement*") with Nelnet with respect to the Financed Eligible Loans originated by Union Bank and Trust Company. The Issuer has entered into a Servicing Agreement (the "*GLELSI Servicing Agreement*") with GLELSI, and a Servicing Agreement (the "*ACS Servicing Agreement*") with ACS, each with respect to other Financed Eligible Loans.

The Issuer may enter into servicing agreements with other servicers for the servicing of the Financed Student Loans, other than those acquired from Union Bank and Trust Company as a result of the exercise of the call option under the Call Option Agreement between it and Goal Financial.

The Servicers

The following descriptions have been provided by the entities being referred to. The Issuer has not independently verified this information.

Nelnet

Nelnet (NYSE: NNI) is headquartered in Lincoln, Nebraska, and provides a comprehensive suite of products and services to education-seeking families and operational products and services to the institutions that serve them. Nelnet has 33 years of experience and is one of the largest servicers of lender-held student loans in the United States with a managed portfolio in excess of \$55 billion in government-guaranteed and private student loans as of September 30, 2010.

Nelnet delivers business and technology solutions for portfolio management of student loans, grants and scholarship programs for government, for-profit, and not-for-profit entities. Nelnet's servicing division offers lenders a complete line of education loan services, including loan conversion on boarding, customer service, account maintenance, federal reporting and billing collections, payment processing, default aversion, claim filing, and recovery/collection services. Nelnet's extensive student loan servicing experience is rooted in a long history of service to diverse lender clients throughout the United States. Nelnet offers skilled and secure loan administration with a demonstrated track record of regulatory compliance; its servicing operation provides tailored, flexible, customized solutions to meet each client's unique needs.

A premier organization in education finance and services, Nelnet employs approximately 2,200 professionals with offices located in, among other cities, Aurora, Colorado, and Lincoln, Nebraska to serve a broad customer base in all 50 states. Nelnet's financial statements are available online at www.nelnetinvestors.com. Information contained on the Nelnet website is not intended to be incorporated as part of this Offering Memorandum.

GLELSI

GLELSI is a wholly owned subsidiary of Great Lakes Higher Education Corporation (“*GLHEC*”), a Wisconsin non-stock, non-profit 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 June 2009, Moody's 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, 2010, GLELSI serviced 7,225,432 student and parental accounts with an outstanding principal balance of \$75.2 billion for over 1,200 lenders nationwide, including the U.S. Department of Education. As of December 31, 2010, 45% of the portfolio serviced by GLELSI was in repayment status, 6% was in grace status and the remaining 49% 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.

ACS

ACS acts as a loan servicer for the Issuer. ACS is a for-profit corporation and a wholly-owned subsidiary of Xerox Corporation (“*Xerox*”). Headquartered in Norwalk, Connecticut, Xerox is a Fortune 500 company providing document technology, services, software and supplies for production and office environments, as well as business process and technology outsourcing solutions to world-class commercial and government clients. Xerox's common stock trades on the New York Stock Exchange under the symbol “*XRX*”. ACS has its headquarters at 2277 E. 220th Street, Carson, California 90810, and has regional processing centers in Long Beach and Bakersfield, California; Utica, New York; Lombard, Illinois; Canyon, Texas and Aberdeen, South Dakota.

The Guaranteed Loan Servicing Group is operated by ACS as an independent, third-party education loan servicer with approximately 1,000 employees, providing full service loan origination and servicing for the Federal Stafford, PLUS and Consolidation education loan programs and many alternative/private loan programs. ACS and its predecessors have over 42 years of experience providing outsourcing services to higher education. As of December 2010, the Guaranteed Loan Servicing Group of ACS currently services approximately 3.5 million education loan accounts with loans valued at approximately \$51 billion.

ACS' Guaranteed Loan Servicing Group services include Stafford, PLUS, Consolidation, and private/alternative loan origination, as well as post-origination conversion and loan servicing.

Origination services include receipt and validation of application data, underwriting (if required), school and borrower customer service, guaranty processing and loan disbursement. A wide range of schools and guarantors are supported, as well as a variety of different disbursement methods, including: check, master check, automated clearinghouse (ACH), and disbursement via guarantors and national disbursing agents.

Conversion services include set-up of new accounts to the servicing platform from ACS' in-house origination system or a lender's system. This area also supports transfer of existing education loan portfolios from other servicers' systems, as well as loan sales and securitizations.

Loan servicing includes lender and borrower services, payment and transaction processing, due diligence activities as required by federal regulations or private/alternative loan program requirements, and communications with schools, guarantors, the National Student Loan Clearing House, and others. In the event of borrower default, ACS prepares and submits a claim package on the lender's behalf to the appropriate guaranty agency for review and guarantee payment, if applicable.

Xerox files periodic reports with the Securities and Exchange Commission (the "*Commission*") as required by the Securities Exchange Act of 1934, as amended. Reports filed with the Commission are available for inspection without charge at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Information as to the operation of the public reference facilities is available by calling the Commission at 1-800-SEC-0330. Information filed with the Commission can also be inspected at the Commission's site on the World Wide Web at "<http://www.sec.gov>". Xerox also currently provides information through Xerox's website at "<http://www.xerox.com>". Information filed by Xerox with the Commission or contained on Xerox's website is not intended to be incorporated as part of this Offering Memorandum and information contained on Xerox's website is not a part of the documents that Xerox files with the Commission.

The Servicing Agreements

The Nelnet Servicing Agreement

Pursuant to the Nelnet Servicing Agreement, Nelnet generally agrees to provide all customary post-origination student loan servicing activities with respect to the Financed Eligible Loans serviced thereunder. Such services generally include maintaining custody of copies of promissory notes and related documentation, billing for 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. Nelnet is required to service the Financed Eligible Loans in compliance with the Higher Education Act, the guidelines of the applicable Guarantor, and all applicable federal and state laws and regulations. The Nelnet Servicing Agreement is for the life of the Student Loans serviced thereunder; however, it had an initial term of five years and, as of the present date, automatically continues on a month-to-month basis unless either party gives 60 days written notice. Nelnet also has the right to request an increase in its fees and expenses during the term of the Nelnet Servicing Agreement by giving 60 days prior written notice to the Issuer. If the Issuer objects to any such increase within the time period set forth in the Servicing Agreement, the proposed increase will not be effective and Nelnet may terminate the Nelnet Servicing Agreement. However, no termination of the Nelnet Servicing Agreement will be effective unless and until the Issuer enters into another agreement similar to the Servicing Agreement with a successor servicer and has obtained a Rating Agency Confirmation with respect to such successor servicer.

The GLELSI Servicing Agreement

Pursuant to the GLELSI Servicing Agreement, GLELSI agrees to provide all customary post-origination student loan servicing activities with respect to Loans under the Higher Education Act which are purchased or originated by the Lender, which are guaranteed by Great Lakes Higher Education Guaranty Corporation and which are submitted to GLELSI by the Issuer and accepted by GLELSI for servicing. Such services generally include completing all forms and reports required by the Department of Education and by the Guarantee Agency, accrual and capitalization of interest on those loans not eligible for interest subsidy under the Higher Education Act, verifying the current status of all borrowers, addressing borrower inquiries, collecting principal, interest and fees owed by the borrowers, providing certain reports of its activities and the loan portfolios serviced by the Servicer, complying with all collection procedures required by the Higher Education Act, and preparing and submitting all documentation necessary to comply with the Guarantee Agency's reimbursement procedures. The GLELSI Servicing Agreement may be terminated only at the end of a calendar quarter, and only if written notice is given (i) by the Issuer to GLELSI at least 30 days prior to the end of the calendar quarter, or (ii) by GLELSI to the Issuer at least 180 days prior to the end of the calendar quarter. The GLELSI Servicing Agreement may be amended by GLELSI upon 30 days written notice to the Issuer, provided that the provisions of the GLELSI Servicing Agreement shall at all times be consistent with the Higher Education Act and applicable regulations. In the event of any such modification by GLELSI, the Issuer has 30 days in which to accept or reject the modification by written notice.

The ACS Servicing Agreement

Pursuant to the servicing agreement between the Issuer and ACS, and with respect to student loans originated by ACS for the Depositor, ACS agrees to perform all services and duties customary to the servicing of student loans in accordance with generally established procedures and industry standards and practices until each account is paid in full or deconverted from ACS's servicing system in accordance with the ACS servicing agreement. Generally, these services and duties include; loan conversion and note examination, borrower relations including, disclosure letters, billing notification, responding to borrower inquiries, and skip tracing procedures, reporting to the Issuer, and related loan servicing activities which may include servicing activities required by the Higher Education Act or Guarantee Agency regulations. ACS agrees to perform its services and duties in material compliance with (i) the Higher Education Act, (ii) the applicable manual of policies and procedures to be followed under the guarantee program operated by applicable Guarantee Agency of the loans serviced by ACS as well as all supplements and amendments thereto, (iii) the applicable contract of insurance or guarantee, and (iv) any other laws and regulations governing the servicing of the loans. ACS will (i) establish and maintain records received by ACS with respect to each account and complete records of ACS's servicing of the account from the date such servicing commenced, (ii) maintain possession of original promissory notes, loan applications and other required supplements that it received from the Issuer, (iii) otherwise commence servicing the accounts relating to such loan documents, and (iv) microfilm or otherwise reproduce the promissory notes, loan applications, and other required supplements and cause such reproductions to be stored.

The initial term of the ACS Servicing Agreement was five years; however, unless either party gives the other party 90-days' prior written notice of its intention not to renew, the ACS Servicing Agreement automatically renews for successive 12-month periods thereafter (subject to any renegotiated terms which may be mutually desired). Either party may terminate the ACS Servicing Agreement upon a material breach by the other party, if such breach has not been cured within 90 days after written notice of such material breach has been sent to the other party; provided, however, that the notice and cure shall only be 30 days if the breach is the non-payment of ACS's fees or other charges. In the event of changes in the Higher Education Act or other current or future law, regulation or other requirement applicable to serviced loans, which in ACS's reasonable determination expose ACS to materially increased risk of liability to the Secretary of Education, the Issuer or any other party, impose materially increased duties or obligations on ACS, cause ACS to incur materially additional expense, or materially restrict or derogate from ACS's indemnification rights or liability limitations under the ACS Servicing Agreement, ACS shall have the right to (i) terminate the ACS Servicing Agreement upon 180-days' prior written notice to the Issuer or (ii) propose to the Issuer an amendment to the ACS Servicing Agreement. In the event that ACS announces or actually commences a wind-down of its servicing activities for the purpose of exiting the student loan servicing business, the Issuer has the right to terminate the ACS Servicing Agreement upon 90-days' prior written notice to ACS.

LOAN PURCHASE AGREEMENTS

The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Trust Company of Florida, N.A.), as eligible lender trustee for the Depositor (the "*Depositor Eligible Lender Trustee*"), purchased certain Student Loans originated under the FFEL Program from Union Bank and Trust Company pursuant to the terms of a Loan Purchase Agreement, dated April 17, 2002 (the "*Depositor Loan Purchase Agreement*"). The Depositor Loan Purchase Agreement identified the portfolio of Student Loans purchased thereunder. The Depositor Eligible Lender Trustee acquired the Student Loans on behalf of the Depositor. The Depositor directed that the Student Loans be sold and transferred to the Issuer pursuant to the Loan Purchase Agreement, dated March 1, 2002 (the "*Issuer Loan Purchase Agreement*"). The Issuer also acquired certain other Student Loans originated and funded under the FFEL Program by the Depositor pursuant to the Issuer Loan Purchase Agreement which identified the portfolio of Student Loans purchased thereunder. The Depositor delivered each Student Loan note and related documentation to the applicable Servicer as custodial agent for the Trustee, and delivered the instruments of transfer for the Student Loans for a valid transfer of the Student Loans.

The Depositor, in selling and transferring the Student Loans to the Issuer under the Issuer Loan Purchase Agreement, made representations, warranties and covenants with respect to the Student Loans, including the following:

- each Student Loan has been duly executed and delivered and constitutes the legal, valid and binding obligation of the maker and the endorser, if any, thereof, enforceable in accordance with its terms;
- the Depositor is the sole owner and holder of each Student Loan and has full right and authority to sell and assign the same free and clear of all liens, pledges or encumbrances;
- each Student Loan to be sold under the Issuer 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 Issuer or the Eligible Lender Trustee, the Depositor will be obligated to repurchase any Student Loan purchased from the Depositor if:

- any representation or warranty made or furnished by the Depositor in or pursuant to the Issuer Loan Purchase Agreement proves to have been materially incorrect as to the loan, unless resulting from an act or omission of the Issuer;
- the Secretary of Education or a Guarantee Agency, as the case may be, refuses to honor all or part of a claim filed with respect to a Student Loan, including any claim for interest subsidy, special allowance payments, insurance, reinsurance or guarantee payments on account of any circumstance or event that occurred prior to the sale of the Student Loan to the Issuer, unless resulting from an act or omission of the Issuer; 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 Student Loan, a defense that makes the Student Loan unenforceable is asserted by a maker or endorser, if any, of the Student Loan with respect to his or her obligation to pay all or any part of the Student Loan, if the Issuer or the 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 Issuer or the Eligible Lender Trustee, the Depositor will be required to pay to the Eligible Lender Trustee an amount equal to the then-outstanding principal balance of the Student Loan, plus any premium in excess of par paid with respect to such Student Loan, plus interest and Special Allowance Payments accrued and unpaid with respect to the Student Loan, plus any attorneys' fees, legal expenses, court costs, servicing fees or other expenses incurred by the Issuer, the Eligible Lender Trustee or the appropriate successors or assigns in connection with the Student Loan.

Each transfer of Student Loans to the Issuer has been structured to be consistent with a "true sale" of such Student Loans. In addition, the Depositor, the Trustee, the Eligible Lender Trustee and the Issuer 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 Issuer are set forth in the table below. The priority of payment of such fees and expenses is described in "Summary of Terms—Priority of Payments" and "Description of the Indenture—Funds and Accounts—Collection Fund" herein.

<u>Fee and Expense</u>	<u>Recipient</u>	<u>Amount</u>
Servicing Fee	Nelnet, GLELSI and ACS	Servicing fees are not expected to exceed 0.43% per annum ⁽¹⁾
Administration Fee	Goal Financial	The greater of (i) 0.05% of the Pool Balance or (ii) \$75,000 per annum
Backup Administration Fee	Lord Securities Corporation	\$10,000 per annum
Trustee and Eligible Lender Trustee	The Bank of New York Mellon	0.0075% of the Outstanding Principal Amount of the Previous Notes and 0.0055% of the Outstanding Principal Amount of the Series 2011-1 Senior Notes, with a minimum amount of \$10,000 per annum
Delaware Trustee Fee	Wilmington Trust Company	\$5,000 per annum

⁽¹⁾ The servicing fees payable to Nelnet, 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 Issuer's Student Loans.

The Issuer covenants and agrees in the Indenture that the aggregate amount of Note Fees, Servicing Fees, Administration Fees and the Backup Administration Fees paid from the Administration Fund shall not, in any Fiscal Year, exceed the sum of such fees described above and in the cash flows provided to each Rating Agency on the closing date for the Series 2011-1 Senior Notes, unless a Rating Agency Confirmation is obtained with respect to any such excess amount; provided, however, Servicing Fees may increase pursuant to the terms of the applicable Servicing Agreement without the requirement to obtain a Rating Agency Confirmation.

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 FFEL Program regulations and the Guarantee Agency's policies and procedures.

In general, a Guarantee Agency's reserve fund is funded principally by federal default fees, claim 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 FFEL Program, and under certain circumstances, the Secretary of Education may demand payment of amounts in the reserve fund.

Under the Higher Education Act, if the Department of Education has determined that a Guarantee Agency is unable to meet its insurance obligations, the holders of loans guaranteed by such Guarantee Agency must submit claims directly to the Department of Education, and the Department of Education is required to pay the full guarantee payment due with respect thereto in accordance with guarantee claims processing standards no more stringent than those applied by the Guarantee Agency.

There are no assurances as to the Secretary of Education's actions if a Guarantee Agency encounters administrative or financial difficulties or that the Secretary of Education will not demand that a Guarantee Agency transfer additional portions or all of its reserve fund to the Secretary of Education.

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 FFEL Program benefit from certain federal subsidies. Each Guarantee Agency and the Secretary of Education have entered into an Interest Subsidy Agreement under the Higher Education Act which entitles the holders of eligible loans guaranteed by the Guarantee Agency to receive interest subsidy payments from the Secretary of Education on behalf of certain students while the student is in school, during a six to twelve month grace period after the student ceases to be enrolled on at least a half-time basis, and during certain deferment periods, subject to the holders' compliance with all requirements of the Higher Education Act.

Federal insurance and reimbursement of Guarantee Agencies

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 FFELP 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 16% of such payments for certain administrative costs. The Secretary of Education may, however, require the assignment of defaulted loans to the Secretary of Education, 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 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.

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.

GUARANTEE AGENCIES

Information Relating to the Guarantee Agencies

The payment of principal and interest on all of the FFELP Loans are guaranteed by designated Guarantee Agencies and are reinsured by the Secretary of Education. In general, 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 a Guarantee Agency is unable to meet its insurance obligations, the Secretary of Education shall assume responsibility for all functions of the Guarantee Agency under its loan insurance program. For further information on the Secretary of Education's authority in the event a Guarantee Agency is unable to meet its insurance obligations see "Description of the FFEL Program" attached hereto as Appendix B and "Insurance and Guarantees" herein.

55.90% of the Financed Eligible Loans are guaranteed by Great Lakes Higher Education Guaranty Corporation, a nonprofit corporation organized under the laws of the State of Wisconsin (“GLHEGC”). GLHEGC has been a designated guarantor for FFELP Loans since 1967.

24.07% of the Financed Eligible Loans are guaranteed by Northwest Education Loan Association (“NELA”), a nonprofit corporation organized under the laws of the State of Washington. NELA has been a designated guarantor for FFELP Loans since 1978.

10.75% of the Financed Eligible Loans are guaranteed through the Nebraska Student Loan Program, Inc. d/b/a National Student Loan Program (“NSLP”), a nonprofit corporation organized under the laws of the State of Nebraska. NSLP has been a designated guarantor for FFELP Loans since 1986.

The remaining 9.29% are guaranteed by one of the following Guarantee Agencies:

- American Student Assistance (“ASA”)
- Educational Credit Management Corporation (“ECMC”)
- Office of Student Financial Assistance (“OSFA”)
- Pennsylvania Higher Education Assistance Agency (“PHEAA”)
- Texas Guaranteed Student Loan Corporation (“Texas Guarantee”)
- United Student Aid Funds, Inc. (“USAF”)

Presented below is information with respect to NSLP, NELA and GLHEGC. Except as otherwise indicated, the information regarding NSLP has been obtained from NSLP, the information regarding NELA has been obtained from NELA and the information regarding GLHEGC has been obtained from GLHEGC. The Issuer has not independently verified this information.

Information Relating to GLHEGC

As of January 31, 2011, GLHEGC guaranteed 10% or more of the Financed Eligible 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 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 guarantee 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. The 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 NELA

NELA was organized as a private, non-profit corporation in November 1978 under the General Corporation Law of the State of Washington. In accordance with its Articles of Incorporation, NELA (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 the Higher Education Act loan programs and (iii) serves pursuant to designation as the guaranty agency for the Federal Family Education Loan Programs in Washington and Idaho. Effective December 13, 2004, United Student Aid Funds, Inc. (“*USA Funds*”) became the sole member of NELA.

NELA contracts with Sallie Mae, Inc., a wholly owned subsidiary of SLM Corporation. NELA 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.

For the purpose of providing loan guarantees under the Higher Education Act, NELA has entered into various agreements with the Secretary (collectively, the “*Federal Reinsurance Agreements*”). Pursuant to the Federal Reinsurance Agreements, NELA serves as a “Guaranty Agency” as defined in Section 435(j) of the Higher Education Act. Under the terms of the Federal Reinsurance Agreements, reinsurance is paid to NELA by the Secretary of Education in accordance with a formula based on the annual default rate of loans guaranteed by NELA under the Higher Education Act. Under the Higher Education Act, certain reserve funds of a guarantee agency are considered the property of the United States and recalls of reserves may occur.

On March 30, 2010, President Obama signed into law the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), which ended the origination and guarantee of new loans under the FFEL Program, effective for loans whose first disbursement was after June 30, 2010. As a result of the new statute, NELA will continue to administer a portfolio of outstanding FFELP loans, but no longer may guarantee new federal student loans.

As of September 30, 2010, NELA administered total assets of slightly under \$22 million in the federal reserve fund. The amount of loans guaranteed by NELA for fiscal year 2010 was approximately \$358 million (excluding consolidations).

NELA’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, in a guarantors federal reserve fund, by the total amount of loans outstanding. Following this formula, the reserve ratio for the federal reserve fund administered by NELA for the last five fiscal years was as follows: 2010 – 0.45 percent; 2009 – 0.41 percent; 2008 – 0.35 percent; 2007 – 0.31 percent; 2006 - 0.36 percent.

NELA’s “claims rate” represents the percentage of default claims (based on dollar value) submitted as reinsurance claims to the Department of Education, less amounts remitted to the Secretary of Education for defaulted loans which are rehabilitated relative to its existing portfolio of loans in repayment at the start of the federal fiscal year. Past “claims rates” were as follows: 2010 – 1.82 percent; 2009 – 1.95 percent; 2008 – 1.76 percent; 2007 – 1.58 percent; 2006 - 0.82 percent.

NELA will provide a copy of its most recent annual report upon receipt of a written request directed to its headquarters at P.O. Box 22029, Seattle, Washington 98122, Attention: Executive Director.

Information Relating to NSLP

NSLP, of 1300 “0” Street, Lincoln, NE 68508, does business as “National Student Loan Program” for its federal student loan guarantee program. NSLP was incorporated as a private, non-profit organization on October 23, 1986. NSLP’s primary purpose is to guarantee the repayment of principal and accrued interest on eligible student loans made by participating lenders under the Federal Family Education Loan Program (FFELP). NSLP is a duly

authorized guarantee agency acting under specific authority conferred by FFELP and the Department of Education. NSLP has been conferred tax-exempt status under Sections 501(c)(3) and 509(a)(2) of the Internal Revenue Code. NSLP guarantees the repayment of principal and accrued interest to the lender on each eligible loan. NSLP processes loan applications submitted for guarantee, issues loan guarantees, provides collection assistance to lenders for delinquent loans, pays lender claims for loans in default and collects loans on which default claims have been paid. NSLP also conducts activities on default aversion and supports educational planning centers, which help students and families plan and pay for college. After collection efforts and other due diligence required by the Higher Education Act and corresponding regulations have been exhausted, a guarantee agency may submit a reimbursement claim to the Department of Education.

Reserve Ratio. Following are NSLP's reserve ratios for the last five fiscal years ending September 30:

<u>Fiscal Year</u>	<u>NSLP's Reserve Ratio</u>
2006	0.26%
2007	0.37%
2008	0.41%
2009	0.43%
2010	0.51%

Recovery Rate. Following are NSLP's recovery rates as of the end of each of the last five fiscal years ending September 30:

<u>Fiscal Year</u>	<u>NSLP's Recovery Rate</u>
2006	37.28%
2007	33.17%
2008	34.27%
2009	33.69%
2010	30.30%

Claims Rates. Following are NSLP's claims rates (default rates) for the last five fiscal years ending September 30:

<u>Fiscal Year</u>	<u>NSLP's Claims Rate</u>
2006	1.88%
2007	2.69%
2008	3.57%
2009	3.51%
2010	3.54%

CHARACTERISTICS OF THE STUDENT LOANS

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

As of January 31, 2011 (the “*Statistical Cut-off Date*”), the characteristics of the pool of Student Loans held in the Trust Estate are described below. Since the Closing Date for the Series 2011-1 Senior 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 Principal Balance of the Financed 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 \$864,815,815.38 due to rounding.

Certain borrower incentive programs apply to Financed 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 reduction for borrowers that make a specified number of on-time payments. The borrower benefit incentive programs which are applicable to the Financed Student Loans are summarized in the following table:

<u>Rate Reduction</u>	<u>Qualifier</u>	<u>Disqualifying Event</u>	<u>Duration of Benefit Once Earned</u>
0.25%	Payments made by ACH.	Termination of ACH payments.	Benefit lost upon disqualifying event.
1.00%	36 months of consecutive on-time payments.	Any delinquency greater than 14 days.	Benefit lost upon disqualifying event.
1.25%	36 months of consecutive on-time payments.	Any delinquency greater than 14 days.	Benefit lost upon disqualifying event.

The borrower benefit incentive program applicable for a specific Student Loan is dependent upon the application date for the Student Loan. Only one program is available for a single Student 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.

In addition to rate reduction borrower benefit programs, a payment waiver borrower benefit incentive program is available to a small number of borrowers under Student Loans originated or purchased by us. Under this program and under certain circumstances, the requirement for borrowers to pay their last six (6) monthly payments of their loan is waived. Borrowers must have made all prior scheduled payments and must not be participating in other borrower incentive programs, including those for payments to ACH.

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 Issuer or the Servicers.

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

Aggregate outstanding balance	\$864,815,815.38
Number of loans	66,843
Average outstanding balance per loan	\$12,938.02
Average outstanding balance per borrower	\$31,773.67
Weighted average annual interest rate	4.85% ¹
Weighted average remaining term (months)	214 ¹
Percentage of loans with SAP index based on commercial paper	100.00%
Percentage of loans with graduated repayment characteristics	48.60%

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 1.98% 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>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Consolidation	66,791	\$864,464,622.20	99.96%
Plus	52	351,193.18	0.04
Total	66,843	\$864,815,815.38	100.00%

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

<u>Interest Rate</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Less than 2.9999%	125	\$1,132,675.91	0.13%
3.0000% - 3.4999%	122	2,714,854.40	0.31
3.5000% - 3.9999%	11,910	163,943,273.32	18.96
4.0000% - 4.4999%	20,063	228,963,185.71	26.48
4.5000% - 4.9999%	17,537	190,115,283.03	21.98
5.0000% - 5.4999%	3,547	44,818,362.40	5.18
5.5000% - 5.9999%	2,126	37,552,225.73	4.34
6.0000% - 6.4999%	4,197	67,394,924.66	7.79
6.5000% - 6.9999%	5,552	90,692,886.49	10.49
7.0000% - 7.4999%	661	13,271,351.62	1.53
7.5000% - 7.9999%	446	10,012,052.57	1.16
8.0000% - 8.4999%	507	13,864,238.65	1.60
8.5000% - 8.9999%	50	340,500.90	0.04
Total	66,843	\$864,815,815.38	100.00%

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

¹ Includes loans with positive balances only.

	<u>School Type</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
Other ²		66,791	\$864,464,622.20	99.96%
4-Year		52	351,193.18	0.04
Total		66,843	\$864,815,815.38	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		66,843	\$864,815,815.38	100.00%
Total		66,843	\$864,815,815.38	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>
Deferment		6,129	\$87,063,813.28	10.07%
Repayment		55,889	694,230,788.95	80.27
Forbearance		4,635	80,032,169.98	9.25
Claims		190	3,489,043.17	0.40
Total		66,843	\$864,815,815.38	100.00%

² Consolidated loans do not identify school type.

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>
Deferment	0	0	15.30	0	233.69
Forbearance	0	0	0	3.18	243.75
Repayment	0	0	0	0	203.81
Claims	0	0	0	0	259.67
Total	0	0	15.30	3.18	210.74

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

<u>Days Delinquent</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
0 - 30	62,272	\$788,926,460.95	91.22%
31 - 60	1,688	27,003,575.09	3.12
61 - 90	925	15,091,103.25	1.75
91 - 120	506	8,676,643.72	1.00
121 - 150	321	5,004,125.95	0.58
151 - 180	315	5,871,365.31	0.68
181 - 210	205	3,591,715.18	0.42
211 - 240	198	3,385,807.44	0.39
241 - 270	96	2,299,046.46	0.27
270+	317	4,965,972.03	0.57
Total	66,843	\$864,815,815.38	100.00%

Distribution of the Student Loans by Date of Disbursement (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>
100% Guaranteed (prior to October 1, 1993)	0	\$0.00	0.00%
98% Guaranteed (October 1, 1993 through June 30, 2006)	66,791	864,458,632.69	99.96
97% Guaranteed (July 1, 2006 and thereafter)	52	357,182.69	0.04
Total	66,843	\$864,815,815.38	100.00%

Student Loans disbursed on or after October 1, 1993 and before July 1, 2006, are 98% 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>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
\$9,999 or less	36,201	\$163,057,983.25	18.85%
\$10,000 - \$14,999	10,364	129,253,121.91	14.95
\$15,000 - \$19,999	7,280	127,290,713.01	14.72
\$20,000 - \$24,999	4,640	104,487,459.71	12.08
\$25,000 - \$29,999	2,800	77,021,573.55	8.91
\$30,000 - \$39,999	2,858	99,294,357.71	11.48
\$40,000 - \$49,999	1,203	53,937,029.18	6.24
\$50,000 - \$59,999	624	34,480,939.84	3.99
\$60,000 - \$69,999	313	20,609,066.90	2.38
\$70,000 - \$79,999	192	14,583,174.95	1.69
\$80,000 - \$89,999	124	10,668,016.52	1.23
\$90,000 - \$99,999	75	7,255,529.04	0.84
\$100,000 - \$124,999	88	9,835,820.68	1.14
\$125,000 - \$149,999	41	5,815,415.31	0.67
\$150,000 or greater	40	7,225,613.82	0.84
Total	66,843	\$864,815,815.38	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	740	\$1,523,253.28	0.18%
61 - 120	8,273	42,257,616.89	4.89
121 - 180	29,560	268,529,076.03	31.05
181 - 240	16,020	229,614,101.63	26.55
241 - 300	9,174	217,613,449.68	25.16
301 - 360	2,813	96,614,387.60	11.17
361 or more	263	8,663,930.27	1.00
	66,843	\$864,815,815.38	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	1,063	\$14,344,981.79	1.66%
Alaska	166	1,767,898.05	0.20
Arizona	1,639	22,293,763.87	2.58
Arkansas	248	3,467,581.54	0.40
California	6,729	91,222,418.40	10.55
Colorado	1,644	20,920,019.80	2.42
Connecticut	703	9,104,881.31	1.05
Delaware	165	2,148,567.29	0.25
District of Columbia	228	3,158,752.48	0.37

Florida	2,839	44,129,930.11	5.10
Georgia	2,420	34,093,510.91	3.94
Hawaii	165	2,176,768.37	0.25
Idaho	740	8,627,040.04	1.00
Illinois	2,938	37,729,744.81	4.36
Indiana	1,331	16,023,126.47	1.85
Iowa	957	10,310,636.93	1.19
Kansas	701	8,992,465.23	1.04
Kentucky	800	9,695,398.75	1.12
Louisiana	499	7,289,785.04	0.84
Maine	258	3,325,290.54	0.38
Maryland	1,640	22,613,402.05	2.61
Massachusetts	1,735	20,304,761.48	2.35
Michigan	2,966	34,182,059.71	3.95
Minnesota	1,629	18,076,259.50	2.09
Mississippi	320	4,620,036.44	0.53
Missouri	1,441	17,563,449.81	2.03
Montana	211	2,573,535.45	0.30
Nebraska	418	4,976,005.55	0.58
Nevada	478	6,157,766.11	0.71
New Hampshire	326	3,873,762.36	0.45
New Jersey	2,297	27,756,373.11	3.21
New Mexico	406	5,609,015.59	0.65
New York	5,284	66,732,065.00	7.72
North Carolina	1,676	21,805,276.79	2.52
North Dakota	108	1,674,659.99	0.19
Ohio	3,125	37,600,609.20	4.35
Oklahoma	531	7,075,010.00	0.82
Oregon	1,517	19,160,009.38	2.22
Pennsylvania	2,602	33,944,803.03	3.93
Rhode Island	316	4,186,371.52	0.48
South Carolina	779	10,689,597.98	1.24
South Dakota	189	2,228,667.28	0.26
Tennessee	869	11,137,004.72	1.29
Texas	2,704	38,073,058.64	4.40
Utah	334	5,177,473.85	0.60
Vermont	217	2,519,579.12	0.29
Virginia	2,258	30,502,450.08	3.53
Washington	1,868	23,618,017.20	2.73
West Virginia	577	7,076,535.80	0.82
Wisconsin	1,361	16,319,676.28	1.89
Wyoming	98	1,470,914.71	0.17
Air Pacific	25	256,243.18	0.03
Guam	14	249,519.94	0.03
Puerto Rico	58	845,663.42	0.10
Virgin Islands	23	393,237.90	0.05
Other	210	2,950,381.50	0.34
Total	66,843	\$864,815,815.38	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	28,577	\$217,275,107.54	25.12%

<u>Servicer</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Aggregate Outstanding Balance</u>
GLELSI	28,574	483,402,850.04	55.90
Nelnet	9,692	164,137,857.80	18.98
Total	66,843	\$864,815,815.38	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>
ASA	8	\$58,655.18	0.01%
ECMC	385	8,900,043.88	1.03
GLHEGC	28,574	483,402,850.04	55.90
NELA	28,137	208,129,379.10	24.07
NSLP	5,737	92,983,043.40	10.75
OSFA	3,955	71,014,499.57	8.21
PHEAA	6	24,191.73	0.00 ³
Texas Guarantee	4	19,213.11	0.00 ³
USAF	37	283,939.37	0.03
Total	66,843	\$864,815,815.38	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	66,791	\$864,458,632.69	99.96%
April 1, 2006 and thereafter	52	357,182.69	0.04
Total	66,843	\$864,815,815.38	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 “Description of the FFEL Program—Special Allowance Payments—Recapture of excess interest” attached hereto as [Appendix B](#).

DESCRIPTION OF THE SERIES 2011-1 SENIOR NOTES

General Terms of the Series 2011-1 Senior Notes

The Series 2011-1 Senior Notes will be issued as Additional Notes pursuant to the Indenture and the Sixth Supplemental Indenture. The issuance of the Series 2011-1 Senior Notes is subject to the satisfaction of certain

³ The percentage is less than 0.01% but greater than 0.00%

conditions precedent as set forth in the Sixth Supplemental Indenture. The Series 2011-1 Senior Notes will be dated as of the date of their initial issuance and, subject to principal distributions pursuant to the provisions referred to below, will mature on October 25, 2027. The Series 2011-1 Senior Notes will be issued in fully registered form, without coupons, and when issued will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2011-1 Senior Notes. Individual purchases of the Series 2011-1 Senior Notes will be made in book-entry form only in the principal amount of \$100,000 and additional increments of \$1,000. Purchasers of the Series 2011-1 Senior Notes will not receive certificates representing their interest in the Series 2011-1 Senior Notes purchased. See “—Book-Entry-Only System” below.

It is also a condition of the issuance of the Series 2011-1 Senior Notes that GTB2, the residual equity holder of the Issuer, obtain consent for the issuance of the Series 2011-1 Senior Notes from certain lenders under an existing loan agreement.

While the Series 2011-1 Senior Notes are Outstanding, Additional Notes may be issued as Senior Notes so long as (i) the net principal proceeds of such Senior Notes will be used to prepay outstanding Previous Senior Notes; (ii) they are issued on a date that the Senior Asset Requirement is satisfied (both immediately before and after giving effect to the issuance); (iii) they mature later than the Stated Maturity of the Series 2011-1 Senior Notes and (iv) they do not permit any payments of principal thereon prior to or simultaneously with the Maturity of the Series 2011-1 Senior Notes, other than where there has been a declaration of acceleration of the Notes. Otherwise such Additional Notes may be issued with the consent of the Holders of at least two-thirds of the aggregate Principal Amount Outstanding of the Series 2011-1 Senior Notes, in parity with any other Senior Obligations (including the Series 2011-1 Senior Notes) or as Subordinate Notes in parity with any other Subordinate Obligations, with the same or later maturities than existing classes of Notes.

Interest on the Series 2011-1 Senior Notes

The Series 2011-1 Senior Notes will bear interest at an annual rate equal to One-Month LIBOR, plus 1.22% on the Outstanding Principal Amount of the Series 2011-1 Senior Notes as of the beginning of each Interest Period, after giving effect to any principal distributions on the Series 2011-1 Senior Notes.

The Trustee will determine One-Month LIBOR for the Series 2011-1 Senior Notes on each LIBOR Determination Date in accordance with the definition of One-Month LIBOR described in “Glossary of Certain Defined Terms.” Interest on each series of the Series 2011-1 Senior Notes will be calculated on the basis of the actual number of days elapsed during the Interest Period on the basis of a year consisting of 360 days.

Interest Limited to the Extent Permissible by Law

In no event shall the cumulative amount of interest paid or payable on a series of Series 2011-1 Senior Notes exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Series 2011-1 Senior Notes of a series or related documents or otherwise contracted for, charged, reserved, taken or received in connection with the Series 2011-1 Senior Notes of such series, or if the payment or acceleration of the maturity of the Series 2011-1 Senior Notes of such series results in payment to or receipt by the Holder or any former Holder of the Series 2011-1 Senior Notes of such series of any interest in excess of that permitted by applicable law, then, notwithstanding any provision of the Series 2011-1 Senior Notes of such series or related documents to the contrary, all excess amounts theretofore paid or received with respect to the Series 2011-1 Senior Notes of such series shall be credited on the principal balance of the Series 2011-1 Senior Notes of such series (or, if the Series 2011-1 Senior Notes have been paid or would thereby be paid in full, refunded by the recipient thereof), and the provisions of the Series 2011-1 Senior Notes of such series and related documents shall automatically and immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under the Series 2011-1 Senior Notes of such series and under the related documents.

Principal Payments

On each Monthly Calculation Date, to the extent that such funds are available, the Issuer will transfer an amount equal to the Principal Distribution Amount from the Collection Fund to the Retirement Account of the Debt Service Fund pursuant to priority “twelfth” as described under “Description of the Indenture—Funds and Accounts—Collection Fund” herein. The amounts on deposit in the Retirement Account will then be paid to the Holders of the Series 2011-1 Senior Notes on the applicable Monthly Distribution Date.

The Principal Distribution Amount will be entirely allocated to Series 2011-1 Senior Notes. The Principal Distribution Amount is equal to (I) on each Monthly Distribution Date prior to the Stated Maturity of the Series 2011-1 Senior Notes, the greater of (A) for the first 12 Monthly Distribution Dates, \$500,000 or (B) the sum of (1) the difference, if any, between (i) the aggregate Principal Amount of all Senior Notes Outstanding and (ii) the quotient of (a) the Pool Balance and (b) the minimum required Senior Asset Percentage of 107.0% plus (2) with respect to the first Monthly Distribution Date, any excess Issuance Proceeds remaining in the Tender Account of the Surplus Fund after settlement of the Tender Offer; or (II) on the Stated Maturity of the Series 2011-1 Senior Notes, the amount necessary to reduce the aggregate Principal Amount of the Series 2011-1 Senior Notes to zero; provided, however, that while the Series 2011-1 Senior Notes are Outstanding, the Previous Senior Notes Outstanding, after giving effect to the purchases of the Previous Senior Notes pursuant to the Tender Offer, will be assumed to have the same Principal Amounts as on the settlement of the Tender Offer.

The Principal Distribution Amount shall be paid from the Collection Fund as described in “Description of the Indenture—Funds and Accounts—Collection Fund” herein. To the extent that insufficient funds exist in the Collection Fund to pay the Principal Distribution Amount on any Monthly Distribution Date, such failure will not constitute an Event of Default under the Indenture. The payment of the Principal Distribution Amount is a required payment of Debt Service on each Monthly Distribution Date.

In addition, to the extent that original proceeds of the Series 2011-1 Senior Notes remain in the Tender Account of the Surplus Fund after the purchase of Previous Senior Notes, if any, pursuant to the Tender Offer, such amounts shall be transferred to the Retirement Account of the Debt Service Fund and shall constitute additional Principal Distribution Amounts to be paid to the Holders of the Series 2011-1 Senior Notes on the initial Monthly Distribution Date. If no Previous Senior Notes are purchased pursuant to the Tender Offer, the entire amount of the Series 2011-1 Senior Notes may be repaid on the initial Monthly Distribution Date.

Except for Principal Distribution Amounts, there shall be no mandatory redemptions, optional redemptions, prepayments, open market purchases or tender offers by Issuer or its affiliates or defeasance of the Series 2011-1 Senior Notes.

Stated Maturity Date

The stated maturity date of the Series 2011-1 Senior Notes is October 25, 2027. It is expected that the actual maturity of the Series 2011-1 Senior Notes will occur earlier because the Series 2011-1 Senior Notes will receive principal payments on a monthly basis (see “—Principal Payments” above) based on the amortization of the principal of the Issuer’s Financed Student Loans over time. Additionally, the Trustee or the Holders could accelerate the maturity of the Notes, including the Series 2011-1 Senior Notes, upon the occurrence of an Event of Default.

Senior Asset Requirement

No redemption of any Subordinate Note is to be made unless, after giving effect to the redemption, while Senior Notes are Outstanding, the Senior Asset Requirement will be met. Compliance with the Senior Asset Requirement will be determined as of the date of the selection of Notes to be prepaid or redeemed, and any failure to meet the Senior Asset Requirement as of the redemption date will not affect such determination. Currently, the “Senior Asset Requirement” requires that the Senior Asset Percentage is at least 107.0% and the Subordinate Asset Percentage is at least 101.5%. See “Glossary of Certain Defined Terms” attached hereto as [Appendix A](#).

Optional Purchase

Although the Indenture provides the Issuer the option to at any time authorize and direct the Trustee to purchase Notes in the open market out of any funds available for such purchase, such option will not be applicable with respect to the Series 2011-1 Senior Notes.

Prepayment Yield and Maturity Considerations

Generally, all of the Student Loans held in the Trust Estate 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 Series 2011-1 Senior Notes and the yield on the Series 2011-1 Senior Notes may be affected by prepayments of the Student Loans held in the Trust Estate. Because prepayments generally will be paid through to Series 2011-1 Senior Note holders as distributions of principal, it is likely that the actual final payments on the Series 2011-1 Senior Notes will occur prior to the Series 2011-1 Senior Notes' stated maturity date. Accordingly, in the event that the Student Loans held in the Trust Estate experience significant prepayments, the actual final payments on the Series 2011-1 Senior Notes may occur substantially before their stated maturity dates, causing a shortening of the Series 2011-1 Senior Notes' weighted average lives. 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 Series 2011-1 Senior Notes will be repaid to the investor.

The rate of prepayments on the Student Loans held in the Trust Estate 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 Student Loans held in the Trust Estate. 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 Student Loans held in the Trust Estate, Goal Financial is required under its student loan repurchase agreement to purchase loans that Depositor fails to repurchase and the Servicer is not 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 Estate in that Student Loan and is not cured within the applicable cure period.

However, scheduled payments with respect to, and maturities of, the Student Loans held in the Trust Estate may be extended, including pursuant to grace periods, deferral periods and forbearance periods. The rate of payment of principal on the Series 2011-1 Senior Notes and the yield on the Series 2011-1 Senior Notes may also be affected by the rate of defaults resulting in losses on the Student Loans held in the Trust Estate 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 Student Loans held in the Trust Estate may extend beyond the stated maturity date for the Series 2011-1 Senior Notes.

See "Weighted Average Lives, Expected Maturities and Percentages of Original Principal Remaining at Each Monthly Distribution Date for the Series 2011-1 Senior Notes" attached hereto as Appendix C.

Denomination and Payment

The Series 2011-1 Senior Notes are being issued in denominations of \$100,000 and additional increments of \$1,000.

The unpaid Principal Amount of the Series 2011-1 Senior Notes, together with interest payable on the Series 2011-1 Senior Notes at the Maturity thereof if the date of such Maturity is not a regularly scheduled Monthly Distribution Date, shall be payable in lawful money of the United States of America upon, except as otherwise provided in the Indenture with respect to a Securities Depository, presentation and surrender of such Series 2011-1 Senior Notes at the Principal Office of the Trustee, as paying agent with respect to the Series 2011-1 Senior Notes, or a duly appointed successor paying agent. Interest on the Series 2011-1 Senior Notes shall be payable on each regularly scheduled Monthly Distribution Date with respect to such series, except as otherwise provided in the Indenture with respect to a Securities Depository, by check or draft drawn upon the paying agent and mailed to the person who is

the Holder thereof as of 5:00 p.m. in the city in which the Principal Office of the Note Registrar is located on the Regular Record Date for such Monthly Distribution Date at the address of such Holder as it appears on the Note Register, or, in the case of any Series 2011-1 Senior Note the Holder of which is the Holder of Series 2011-1 Senior Notes in the aggregate Principal Amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of Notes is Outstanding, the Holders of all Outstanding Series 2011-1 Senior Notes), at the direction of such Holder received by the Paying Agent by 5:00 p.m. on the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Holder. The Regular Record Date with respect to any regularly scheduled Monthly Distribution Date for the Series 2011-1 Senior Notes is the last Business Day preceding such Monthly Distribution Date. All payments of principal of and interest on the Series 2011-1 Senior Notes shall be made in lawful money of the United States of America.

Book-Entry-Only System

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2011-1 Senior Notes, payment of principal of and interest on the Series 2011-1 Senior Notes to Direct Participants, or to purchasers of the Series 2011-1 Senior Notes, confirmation and transfer of beneficial ownership interests in the Series 2011-1 Senior Notes, and other securities-related transactions by and between DTC, Direct Participants and Beneficial Owners (as hereinafter defined), is based solely on information furnished by DTC, and has not been independently verified by the Issuer or the Trustee.

DTC will act as securities depository for the Series 2011-1 Senior Notes. The Series 2011-1 Senior Notes will be issued as fully-registered notes in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each series of Series 2011-1 Senior Notes, in the aggregate principal amount of each series of Series 2011-1 Senior Notes, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue. So long as Cede & Co. is the Holder of the Series 2011-1 Senior Notes, as nominee of DTC, references herein to the owners or Holders of the Series 2011-1 Senior Notes shall mean DTC or its nominee, Cede & Co., and shall not mean the Beneficial Owners of the Series 2011-1 Senior Notes. Holders may hold their certificates through DTC if they are Direct Participants, or indirectly through organizations that are Direct Participants.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a "banking organization" the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing corporation" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market investments (from over 100 countries) that DTC participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P's highest rating: AAA. The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2011-1 Senior Notes under the DTC system must be made by or through Direct Participants which will receive a credit for Series 2011-1 Senior Notes on DTC's records. The ownership interest of the actual purchaser of each Series 2011-1 Senior Note (a "Beneficial Owner") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners are, however, expected to receive written

confirmations providing details of the transaction, as well as periodic statements of their holdings from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests of the Series 2011-1 Senior Notes are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2011-1 Senior Notes, except in the event that use of the book-entry system for the Series 2011-1 Senior Notes is discontinued.

To facilitate subsequent transfers, all Series 2011-1 Senior Notes deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2011-1 Senior Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2011-1 Senior Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011-1 Senior Notes are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will 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 will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time. Beneficial Owners may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2011-1 Senior Notes such as redemptions, tenders, defaults, and proposed amendments to the Series 2011-1 Senior Note documents. Beneficial Owners may wish to ascertain that the nominee holding the Series 2011-1 Senior Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2011-1 Senior Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 Series 2011-1 Senior Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest on the Series 2011-1 Senior Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants to Beneficial Owners will be 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 will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, or Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer. 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 Participants and Indirect Participants.

By purchasing the Series 2011-1 Senior Notes, each prospective purchaser of the Series 2011-1 Senior Notes or its broker-dealer must agree and will be deemed to have agreed: (i) to have its beneficial ownership of the Series 2011-1 Senior Notes maintained at all times in Book-Entry Form for the account of its Direct Participant, which in turn will maintain records of such beneficial ownership; and (ii) so long as the beneficial ownership of the Series 2011-1 Senior Notes is maintained in Book-Entry Form, to sell, transfer or otherwise dispose of the Series 2011-1 Senior Notes only through a broker-dealer.

For every transfer of the Series 2011-1 Senior Notes, the Beneficial Owner may be charged a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

So long as Cede & Co. or its registered assign is the registered holder of the Series 2011-1 Senior Notes, the Issuer and the Trustee will be entitled to treat Cede & Co., or its registered assign, as the absolute owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Issuer or the Trustee, and the Issuer and the Trustee will have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Series 2011-1 Senior Notes.

DTC may discontinue providing its services as securities depository with respect to the Series 2011-1 Senior Notes at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2011-1 Senior Notes certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2011-1 Senior Notes certificates will be printed and delivered to DTC.

If (i) the Series 2011-1 Senior Notes are not eligible for the services of DTC, (ii) DTC determines to discontinue providing its services with respect to the Series 2011-1 Senior Notes of any series or (iii) the Issuer determines that a system of book-entry transfers for Series 2011-1 Senior Notes of any series, or the continuation thereof, through DTC is not in the best interest of the Beneficial Owners or the Issuer, the Issuer may either identify another qualified securities depository or direct or cause Series 2011-1 Senior Note certificates for such series to be delivered to Beneficial Owners thereof or their nominees and, if certificates are delivered to the Beneficial Owners, the Beneficial Owners or their nominees, upon authentication of the Series 2011-1 Senior Notes of such series in Authorized Denominations and registration thereof in the Beneficial Owners' or nominees' names, shall become the Holders of such Series 2011-1 Senior Notes for all purposes. In any such event, the Trustee is to mail an appropriate notice to the securities depository for notification to Direct Participants and Beneficial Owners of the substitute securities depository or the issuance of Series 2011-1 Senior Note certificates to Beneficial Owners or their nominees, as applicable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

DESCRIPTION OF THE INDENTURE

General

The Issuer, the Eligible Lender Trustee and the Trustee entered into an Indenture of Trust, dated as of March 1, 2002 (as amended or supplemented from time to time, the "*Indenture*"), which authorizes the issuance of series of Notes from time to time, as further provided in Supplemental Indentures. The Issuer and the Trustee will enter into a Sixth Supplemental Indenture of Trust, dated as of March 15, 2011 (the "*Sixth Supplemental Indenture*") which will authorize the particular terms of the Series 2011-1 Senior Notes. See "Description of the Series 2011-1 Senior Notes" herein. The following is a summary of the material terms of the Indenture and certain terms of the Sixth Supplemental Indenture. The summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture and the Sixth Supplemental Indenture.

The Indenture establishes the general provisions of Notes issued thereunder and sets forth various covenants and agreements relating thereto, default and remedy provisions, and responsibilities and duties of the Trustee and establishes the various Funds into which revenues related to the Financed Student Loans and the Notes are deposited and transferred for various purposes.

Funds and Accounts

Acquisition Fund

The Indenture establishes an Acquisition Fund for the purpose of acquiring Eligible Loans. No Eligible Loans will be purchased with the proceeds of the issuance of the Series 2011-1 Senior Notes. The latest Acquisition Period and Revolving Period under the Indenture ended on May 1, 2003 and January 1, 2004, respectively. From April 1, 2005 to July 1, 2006, recycling was opened on the Trust Estate, but no Eligible Loans were added at that time. The Issuer has agreed not to open recycling during the period that the Series 2011-1 Senior Notes are Outstanding. The Issuer has agreed in the Sixth Supplemental Indenture not to acquire any additional Eligible Loans with the proceeds of the Series 2011-1 Senior Notes or to issue any Additional Notes for the purpose of acquiring additional Eligible Loans during the period the Series 2011-1 Senior Notes are Outstanding; therefore, there are no amounts on deposit, or required to be deposited into, the Acquisition Fund for such purpose.

Collection Fund

The Indenture establishes a Collection Fund. The Trustee will credit to the Collection Fund: (1) all amounts received as interest, including federal Interest Subsidy Payments, late fees and principal payments with respect to Financed Eligible Loans, including all guarantee payments, and all Special Allowance Payments with respect to Financed Eligible Loans (excluding, unless otherwise provided in a Supplemental Indenture, any federal interest subsidy payments and Special Allowance Payments that accrued prior to the date on which such Student Loans were financed), (2) unless otherwise provided in a Supplemental Indenture, proceeds of the sale of any Financed Eligible Loans held in the Acquisition Fund, (3) any amounts transferred from the Acquisition Fund, the Administration Fund, the Reserve Fund, the Capitalized Interest Fund and the Alternative Loan Loss Reserve Fund, (4) all amounts received as earnings on income from investment securities in the Acquisition Fund, the Reserve Fund, the Capitalized Interest Fund, the Administration Fund, the Surplus Fund, the Alternative Loan Loss Reserve Fund, the Collection Fund and the Debt Service Fund, (5) all Counterparty Swap Payments, and (6) any amount representing proceeds of the Notes as specified in a Supplemental Indenture.

On each Monthly Calculation Date, amounts available in the Collection Fund as of the end of the prior month will be applied generally in the following order of priority.

While the Indenture permits the Issuer to enter into a variety of transactions that are reflected in the following priority of payments, many of these will not be applicable with respect to the issuance of the Series 2011-1 Senior Notes. Specifically, (i) the Issuer has not entered into any Swap Agreements; (ii) the Issuer has not entered into and does not anticipate entering any Credit Enhancement Facilities; (iii) the Issuer has not issued and does not anticipate issuing any Junior Subordinate Notes; (iv) the Issuer will not be acquiring any new Student Loans with the proceeds of the issuance of the Series 2011-1 Senior Notes, provided, however, that the Issuer will occasionally repurchase Student Loans as required by the Higher Education Act and the Department of Education; (v) since no new Student Loans are being acquired, no payments will be made into the Acquisition Fund and the Revolving Period is not applicable and (vi) no payments will be made pursuant to priority “tenth” below:

- first, to make any payments due and payable by the Issuer to the U.S. Department of Education related to the Financed Eligible Loans or any other payment due and payable to a Guarantee Agency relating to its Guarantee of Financed Eligible Loans or any other payment due to another entity or trust estate if amounts due by the Issuer or the Eligible Lender Trustee to the U.S. Department of Education or a Guarantee Agency with respect to Financed Student Loans were paid by or offset against such other entity or trust estate;
- second, to the Administration Fund, to increase the balance thereof to such amounts as an authorized officer of the Issuer Administrator shall direct for certain costs and expenses, subject to the limitations set forth in any Supplemental Indenture;
- third, to the Interest Account, to provide for the payment of interest on Senior Notes or Other Senior Obligations (except termination payments due under Senior Swap Agreements as a result of Swap Counterparty default) payable therefrom as described under “—Interest Account” below;

- fourth, to the Principal Account, to provide for the payment of principal of Senior Notes at their respective stated maturity or on mandatory sinking fund payment dates or the reimbursement of Senior Credit Facility Providers for the payment of principal of the Notes as described under “—Principal Account” below;
- fifth, to the Interest Account, to provide for the payment of interest on Subordinate Notes or Other Subordinate Obligations (except termination payments due under Subordinate Swap Agreements as a result of Swap Counterparty default) payable therefrom as described under “—Interest Account” below;
- sixth, to the Principal Account, to provide for the payment of principal of Subordinate Notes at their respective stated maturity or on mandatory sinking fund payment dates or the reimbursement of Subordinate Credit Facility Providers for the payment of principal of the Notes as described under “—Principal Account” below;
- seventh, to the Reserve Fund if necessary to increase the balance thereof to the Reserve Fund Requirement;
- eighth, to the Interest Account to provide for the payment of interest on Junior Subordinate Notes or Other Junior Subordinate Obligations (except termination payments due under Junior Subordinate Swap Agreements as a result of Swap Counterparty default) payable therefrom as described under “—Interest Account” below;
- ninth, to the Principal Account, to provide for the payment of principal of Junior Subordinate Notes at their respective stated maturity or on mandatory sinking fund payment dates or the reimbursement of Junior Subordinate Credit Facility Providers for the payment of principal of the Notes as described under “—Principal Account” below;
- tenth, to make such other payments as may be set forth in a Supplemental Indenture;
- eleventh, to the Acquisition Fund (but only during the Revolving Period, if applicable) for the acquisition of other Student Loans, if any, in such amount as directed by the Issuer;
- twelfth, to the Retirement Account, first, for the distribution of the Principal Distribution Amount to the Series 2011-1 Senior Notes and second, at the direction of the Issuer, for redemption of, or distribution of principal with respect to, Previous Notes (or the reimbursement of Credit Facility Providers for the payment of the prepayment price of the Notes);
- thirteenth, to the Interest Account for the payment of Carry-Over Amounts (and interest thereon) due with respect to the Senior Notes;
- fourteenth (but only if the Senior Asset Percentage would be at least 100% upon the application of such amounts), to the Interest Account for the payment of Carry-Over Amounts (and interest thereon) due with respect to the Subordinate Notes;
- fifteenth, (but only if the Senior Asset Percentage and the Subordinate Asset Percentage would be at least 100% upon the application of such amounts), to the credit of the Interest Account, for the payment of Carry-Over Amounts (and interest thereon) with respect to the Junior Subordinate Notes;
- sixteenth, to the Interest Account for the payment of termination payments due under Senior Swap Agreements as a result of a Swap Counterparty default;
- seventeenth, to the Interest Account for the payment of termination payments due under Subordinate Swap Agreements as a result of a Swap Counterparty default;
- eighteenth, to the Interest Account for the payment of termination payments due under Junior Subordinate Swap Agreements as a result of a Swap Counterparty default;

- nineteenth, to the Capitalized Interest Fund in the amount necessary to increase the balance of the Capitalized Interest Fund to (i) commencing on the Monthly Distribution Date in March, 2021, \$3,000,000; (ii) commencing on the Monthly Distribution Date in March, 2031, \$2,000,000 and (iii) commencing on the Monthly Distribution Date in March, 2041, \$1,000,000; and
- twentieth, to the Surplus Fund for distribution as permitted therefrom.

Pending transfers from the Collection Fund, the moneys therein will be invested in investment securities as described under “—Investments” below, and any income from said investments will be retained therein.

Administration Fund

With respect to each series of Notes, the Trustee will, upon delivery thereof and from the proceeds thereof, credit to the Administration Fund established under the Indenture the amount, if any, specified in the Supplemental Indenture providing for the issuance of such series of Notes. The Trustee will also credit to the Administration Fund, all amounts transferred thereto from the Collection Fund, the Surplus Fund and the Acquisition Fund. Amounts in the Administration Fund will be used to pay costs of issuance (to the extent provided by a Supplemental Indenture), Servicing Fees, Administration Fees, Backup Administration Fees and Note Fees. For so long as any Series 2011-1 Senior Notes are Outstanding, the Issuer covenants and agrees that the Note Fees with respect to the Series 2011-1 Senior Notes to be paid, or reimbursed to the Issuer, from the Administration Fund will not, in any year, exceed the sum of (x) (1) the annual fees of the Trustee, the Eligible Lender Trustee, the Delaware Trustee and the Market Agents, (2) the applicable Broker-Dealer Fees payable at the applicable broker-dealer fee rate; (3) the applicable Auction Agent Fees payable at the Auction Agent Fee Rate and, (4) the costs of any opinions required by the Indenture or by any Rating Agency, unless the Issuer delivers to the Trustee a Rating Agency Confirmation with respect to the payment or reimbursement of such additional Note Fees, plus (y) expenses and indemnification expenses up to \$50,000 annually not to exceed \$400,000 in total, for the Trustee and Eligible Lender Trustee, combined.

On each Monthly Calculation Date, the Trustee will transfer to the Administration Fund moneys available under the Indenture for transfer thereto from the sources set forth in the following sentence and in such amounts and at such times as an authorized officer of the Issuer Administrator shall direct, for the payment of Servicing Fees, Administration Fees, Backup Administration Fees or Note Fees. Deposits to the Administration Fund will be made from the following sources in the following order of priority: the Collection Fund, and the Surplus Fund.

Pending transfers from the Administration Fund, the moneys therein will be invested in investment securities, as described under “—Investments” below, and any income from such investments will be deposited in the Collection Fund.

Debt Service Fund

The Indenture establishes a Debt Service Fund which comprises three Accounts: the Interest Account, the Principal Account and the Retirement Account. The Debt Service Fund will be used only for the payment, when due, of principal of and premium, if any, and interest on the Notes, the purchase price of Notes, Other Obligations and Carry-Over Amounts (including any accrued interest thereon). Any Supplemental Indenture providing for the issuance of any series of Notes, the payment of which is to be provided pursuant to or secured by a Credit Enhancement Facility, shall also provide for the creation of separate sub-accounts within the Interest Account, the Principal Account and the Retirement Account. Any payment received pursuant to such Credit Enhancement Facility shall be deposited into such sub-accounts, and moneys deposited therein shall be used only for the payment of principal of and premium, if any, and interest on Notes of such series, or for such other purposes as may be permitted by such Supplemental Indenture, upon the conditions set forth in such Supplemental Indenture.

Interest Account. The Trustee will deposit in the Interest Account: (1) proceeds of the issuance of Notes if directed by the Supplemental Indenture authorizing the Notes, (2) that portion of the proceeds from the sale of the Issuer’s refunding bonds, notes or other evidences of indebtedness, if any to be used to pay interest on the Notes, (3) all

payments under any Credit Enhancement Facilities to be used to pay interest on the Notes, and (4) all amounts required to be transferred thereto from the Funds described below.

With respect to each series of Notes on which interest is paid no less frequently than every 30 days, the Trustee shall deposit to the Interest Account on each Monthly Calculation Date an amount equal to the interest that will become payable on such Notes during the following calendar month. With respect to each series of Notes on which interest is paid less frequently than every 30 days, the Trustee shall make equal monthly deposits to the Interest Account on each Monthly Calculation Date preceding each interest payment date for such series of Notes, to aggregate the full amount of such interest. With respect to Variable Rate Notes for which any such amount cannot be determined on the Monthly Calculation Date, the Trustee will make such deposit based upon assumptions set forth in the Supplemental Indenture authorizing such Notes.

With respect to each Swap Agreement or Credit Enhancement Facility under which Issuer Swap Payments or Credit Enhancement Facility fees, as the case may be, are paid no less frequently than every 30 days, the Trustee shall deposit to the credit of the Interest Account on each Monthly Calculation Date an amount equal to the Issuer Swap Payments or fees that will become payable during the following calendar month. With respect to each Swap Agreement or Credit Enhancement Facility under which Issuer Swap Payments or Credit Enhancement Facility fees, as the case may be, are paid less frequently than every 30 days, the Trustee shall make equal monthly deposits to the Interest Account on each Monthly Calculation Date preceding each payment date, to aggregate the full amount of such Issuer Swap Payments or Credit Enhancement Facility, as the case may be. With respect to any Swap Agreement for which any such amount cannot be determined on the Monthly Calculation Date, the Trustee will make such deposit based upon assumptions set forth in the Supplemental Indenture authorizing such Swap Agreement.

Each deposit required by the preceding paragraphs will be made by transfer from the following Funds and Accounts, in the following order of priority: the Collection Fund, the Surplus Fund, the Reserve Fund, the Acquisition Fund (other than that portion of the balance thereof consisting of Financed Student Loans) and the Capitalized Interest Fund.

On each Monthly Calculation Date, if any Carry-Over Amount (including any accrued interest thereon) will be due and payable with respect to a series of Notes during the next month, as provided in the related Supplemental Indenture, the Trustee will transfer to the Interest Account (to the extent amounts are available therefor in the Collection Fund or the Surplus Fund, after taking into account all prior application of moneys in such Funds on such Monthly Calculation Date) an amount equal to such Carry-Over Amount (including any accrued interest thereon) so due and payable.

The moneys in the Interest Account will be invested in investment securities as described under “—Investments” below, and any income from such investments will be deposited in the Collection Fund.

Principal Account. The Trustee will deposit to the Principal Account (1) that portion of the proceeds from the sale of the Issuer’s bonds, notes or other evidences of indebtedness, if any, to be used to pay principal of the Notes, (2) all payments under any Credit Enhancement Facilities to be used to pay principal of Notes, and (3) all amounts required to be transferred thereto from the Funds described below.

Such deposits shall be made by transfer from the following Funds in the following order of priority (after transfers therefrom to the Interest Account required on the date of any such transfer as described under “—Interest Account” above): the Collection Fund, the Surplus Fund, the Reserve Fund and the Acquisition Fund.

Balances in the Principal Account may also be applied to the purchase of Notes at a purchase price not to exceed the Principal Amount thereof plus accrued interest, or to the redemption of or distribution of principal with respect to Notes at a prepayment price not to exceed the Principal Amount thereof plus accrued interest upon transfer to the Retirement Account, as determined by the Issuer at such time. Any such purchase, redemption or distribution of principal will be limited to those Notes whose stated maturity or mandatory sinking fund payment date is the next succeeding principal payment date.

The moneys in the Principal Account will be invested in investment securities as described under “—Investments” below, and any income from such investments will be deposited in the Collection Fund.

Retirement Account. The Trustee will deposit to the Retirement Account (1) any amounts transferred thereto from the Acquisition Fund, the Collection Fund, the Reserve Fund, the Surplus Fund, or the Principal Account to provide for the redemption of the distribution of principal with respect to the Notes, (2) that portion of the proceeds from the sale of the Issuer’s bonds, notes or other evidences of indebtedness, if any, to be used to pay the principal or redemption price of Notes on a date other than the stated maturity thereof or a mandatory sinking fund payment date therefor, (3) that portion of the proceeds of the sale or securitization of an Eligible Loan, if any, to be used to pay the principal or prepayment price of Notes on a date other than the stated maturity date thereof or a mandatory sinking fund payment date thereof, and (4) all payments under any Credit Enhancement Facilities to be used to pay the principal or redemption price of Notes payable from the Retirement Account. All Notes which are to be redeemed, or with respect to which principal distributions are to be made, other than at stated maturity or on a mandatory sinking fund payment date, will be redeemed or paid with moneys deposited to the Retirement Account. Moneys in the Retirement Account shall also be used for the reimbursement to any Credit Facility Provider for the payment of such amounts pursuant to a Credit Enhancement Facility. Pursuant to the Sixth Supplemental Indenture, the Issuer will be required, to the extent of the funds available in the Collection Fund pursuant to priority “twelfth” as described under “—Collection Fund” above, to deposit an amount equal to the Principal Distribution Amount on the Series 2011-1 Senior Notes into the Retirement Account on each Monthly Calculation Date.

Subject to the provisions of the Indenture described under “—Notes and Other Obligations—Call for Redemption or Purchase of Notes; Senior Asset Requirement” below, amounts deposited to the credit of the Retirement Account to provide for the payment of the redemption price of Notes subject to mandatory redemption, or for mandatory principal distributions with respect to Notes, shall be applied to such payments with respect to Notes of all series subject to prepayment in such order of priority as may be established by the Supplemental Indentures pursuant to which such Notes have been issued (or in the absence of direction from such Supplemental Indentures, in the order in which Notes mature, and among Notes with the same stated maturity, in the order in which such Notes were issued).

Balances in the Retirement Account may also be applied to the purchase of Notes at a purchase price not to exceed the Principal Amount thereof plus accrued interest plus any then applicable redemption premium, as determined by the Issuer at such time.

The moneys in the Retirement Account will be invested in investment securities as described under “—Investments” below, and any income from such investment will be deposited in the Collection Fund.

Reserve Fund

Upon the delivery of any series of Notes, and from the proceeds thereof or, at the option of the Issuer, from any amounts to be transferred thereto from the Surplus Fund and from any other available moneys of the Issuer not otherwise credited to or payable into any Fund or Account under or otherwise subject to the pledge and security interest created by the Indenture, the Trustee will credit to the Reserve Fund the amount, if any, specified in the Supplemental Indenture providing for the issuance of that series of Notes, such that, upon issuance of such Notes, the balance in the Reserve Fund shall not be less than the Reserve Fund Requirement.

If on any Monthly Calculation Date the balance in the Reserve Fund is less than the Reserve Fund Requirement, the Trustee will transfer thereto an amount equal to the deficiency from moneys available therefor in the following Funds and Accounts in the following order of priority (to the extent not required for credit to the Administration Fund, the Debt Service Fund or the Acquisition Fund): the Collection Fund and the Surplus Fund.

The balance in the Reserve Fund will be used and applied solely for the payment when due of principal of and interest on the Notes and any Other Obligations payable from the Debt Service Fund (see “-Debt Service Fund” above), and will be so used and applied by transfer by the Trustee to the Debt Service Fund at any time and to the extent that the balance in such Fund and the balances available for deposit to the credit thereof from the Collection Fund and the Surplus Fund are insufficient to meet the requirements specified in the Indenture for deposit to such Fund at such time (provided, however, that such amounts shall be applied in the following order of priority: (a) to

the payment of interest on the Senior Notes and the payment of Other Senior Obligations payable from the Interest Account, (b) to the payment of principal and the purchase price of the Senior Notes and the payment of Other Senior Obligations payable from the Principal Account, (c) to the payment of interest on the Subordinate Notes and the payment of Other Subordinate Obligations payable from the Interest Account, (d) to the payment of principal and the purchase price of the Subordinate Notes and the payment of Other Subordinate Obligations payable from the Principal Account, (e) to the payment of interest on the Junior Subordinate Notes and the payment of Other Junior Subordinate Obligations payable from the Interest Account, and (f) to the payment of principal and the purchase price of the Junior Subordinate Notes and the payment of Other Junior Subordinate Obligations payable from the Principal Account.). If on any Monthly Calculation Date the balance in the Reserve Fund exceeds the Reserve Fund Requirement, such excess will, upon order of an authorized officer of the Issuer, be transferred to the Collection Fund.

Pending transfers from the Reserve Fund, the moneys therein will be invested in investment securities as described under “—Investments” below and any income from such investments will be deposited in the Collection Fund.

Alternative Loan Loss Reserve Fund

With respect to each series of Notes, the Trustee shall, upon delivery to the Initial Purchaser thereof and from the proceeds thereof, credit to the Alternative Loan Loss Reserve Fund an amount set forth in the Supplemental Indenture authorizing the issuance of such series of Notes.

The Issuer has agreed in the Sixth Supplemental Indenture not to acquire any Alternative Loans as long as the Series 2011-1 Senior Notes remain Outstanding. Because no Alternative Loans have previously been acquired there are no amounts on deposit in the Alternative Loan Loss Reserve Fund.

Capitalized Interest Fund

Commencing on the Monthly Distribution Date in March, 2021, an amount will be transferred from the Collection Fund and deposited into a Capitalized Interest Fund such that the balance of the Capitalized Interest Fund will be equal to \$3,000,000. Commencing on the Monthly Distribution Date in March, 2031, the required balance in the Capitalized Interest Fund will decrease to \$2,000,000 and commencing on the Monthly Distribution Date in March, 2041, the required balance in the Capitalized Interest Fund will decrease further to \$1,000,000, and any amounts in excess of such required balances will be transferred to the Collection Fund.

If on any Interest Payment Date on or after March 25, 2021, money on deposit in the Collection Fund, the Surplus Fund, the Reserve Fund or the Acquisition Fund is insufficient to pay interest on the Notes, then money on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the deficiency. On the Maturity of the last Outstanding Note, the Trustee will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

Surplus Fund

On each Monthly Calculation Date, the Trustee will deposit to the Surplus Fund balances in the Collection Fund not required for deposit to any other Fund or Account and certain amounts transferred from the Acquisition Fund.

At any time there is a deficiency in any of the other Funds or Accounts, Balances in the Surplus Fund shall be transferred to such Funds or Accounts to remedy such deficiency in the same order of priority as for the application of moneys in the Collection Fund. See “—Collection Fund” above.

Amounts in the Surplus Fund may be applied to any one or more of the following purposes at any time as determined by the Issuer: (1) transfer to the Retirement Account for the redemption or purchase of, or distribution of principal with respect to, Notes; (2) the purchase of Notes as permitted under the Indenture; or (3) as applicable, the acquisition of Eligible Loans, or transfer to the Acquisition Fund for such purpose.

Additionally, the Sixth Supplemental Indenture creates a Tender Account within the Surplus Fund to be used to purchase Previous Senior Notes tendered for purchase pursuant to the Tender Offer. The Trustee will credit to the Tender Account that portion of the proceeds from the sale of the Senior 2011-1 Senior Notes to be used to purchase Notes on the open market pursuant to the Tender Offer.

Subject to the provisions of the Indenture described under “—Notes and Other Obligations—Call for Redemption or Purchase of Notes; Senior Asset Requirement” below, balances in the Tender Account may be applied to the purchase of Notes at a purchase price (including any brokerage or other charges) not to exceed the Principal Amount thereof plus accrued interest, in accordance with the provisions of the Indenture, provided the Trustee shall have first certified that no deficiency exists at such time in the Administration Fund, the Debt Service Fund or the Reserve Fund.

All Notes retired by purchase in the Tender Offer will be canceled and will not be reissued. The accrued interest to be paid on the purchase of such Notes in the Tender Offer shall be paid from the Interest Account.

Amounts in the Tender Account required for the payment of the purchase price of Notes shall be applied by the Trustee to such payment when due without further authorization or direction.

Amounts remaining on deposit in the Tender Account following the Tender Offer will be transferred to the Retirement Account of the Debt Service Fund to prepay principal on the Series 2011-1 Senior Notes. See “Description of the Series 2011-1 Senior Notes—Principal Payments Generally” herein.

Any amounts in the Surplus Fund shall also be released upon Issuer Order free and clear of the lien of the Indenture if, after taking into account any such release and excluding, for these purposes only, from the calculation of the value of the Aggregate Value, any Financed Student Loans which are not Eligible Loans, (i) the Senior Asset Percentage will not be less than 107.0%, and the Subordinate Asset Percentage will not be less than 101.5% and (ii) the Aggregate Value of assets held under the Indenture, less the Principal Amount of all Notes outstanding will exceed \$1,000,000 after release or payment.

It is anticipated that following the issuance of the Series 2011-1 Senior Notes, funds will exist in the Surplus Fund (other than in the Tender Account). The Issuer has agreed in the Sixth Supplemental Indenture that the Issuer shall be obligated to use all amounts on deposit in the Surplus Fund, within a period of two (2) years from the Closing Date and every two (2) years thereafter (i) to purchase Previous Notes (through future tender offers, open market purchases or otherwise) or for the optional redemption or prepayment of Previous Notes as permitted by the Indenture; (ii) to purchase Alternative Loans and/or additional Eligible Loans after the full retirement of the Series 2011-1 Notes, each at the discretion of the Issuer and if a Rating Agency Confirmation is obtained with respect to such acquisition; or (iii) for release to the Issuer as permitted by the Indenture.

Pending transfers from the Surplus Fund, the moneys therein will be invested in investment securities as described under “—Investments” below, and any income from such investments will be deposited in the Collection Fund.

Notes and Other Obligations

The Notes of each series will be issued pursuant to the terms of the Indenture, as supplemented by a Supplemental Indenture relating to that series. The following summary describes the material terms of the Notes. The summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Notes, the Indenture and the applicable Supplemental Indenture, which provisions are incorporated by reference herein. See “Description of the Series 2011-1 Senior Notes” for a more complete description of the terms of the Series 2011-1 Senior Notes.

General Terms of Notes

Each series of Notes will be created by and issued pursuant to a Supplemental Indenture, which will designate the Notes of that series as Senior Notes, Subordinate Notes or Junior Subordinate Notes.

The stated maturity dates, mandatory sinking fund payment dates (if any), redemption or principal distribution provisions, interest rates and other terms of each series of Notes will be established in the related Supplemental Indenture.

The Notes, including the principal thereof, premium, if any, and interest thereon and any Carry-Over Amounts (and accrued interest thereon) with respect thereto, and Other Obligations are limited obligations of the Issuer, payable solely from the revenues and assets of the Issuer pledged therefor under the Indenture.

Issuance of Additional Notes

While the Series 2011-1 Senior Notes are Outstanding, Additional Notes may be issued as Senior Notes so long as (i) the net principal proceeds of such Senior Notes will be used to prepay outstanding Previous Senior Notes; (ii) they are issued on a date that the Senior Asset Requirement is satisfied (both immediately before and after giving effect to the issuance); (iii) they mature later than the Stated Maturity of the Series 2011-1 Senior Notes and (iv) they do not permit any payments of principal thereon prior to or simultaneously with the Maturity of the Series 2011-1 Senior Notes, other than where there has been a declaration of acceleration of the Notes. Otherwise such Additional Notes may be issued with the consent of the Holders of at least two-thirds of the aggregate Principal Amount Outstanding of the Series 2011-1 Senior Notes, in parity with any other Senior Obligations (including the Series 2011-1 Senior Notes) or as Subordinate Notes in parity with any other Subordinate Obligations, with the same or later maturities than existing classes of Notes. Additional Notes may be issued under the Indenture for the purposes of (a) after the Series 2011-1 Senior Notes are no longer Outstanding, providing funds for the acquisition of Eligible Loans, (b) refunding at or before their stated maturity any or all Outstanding Notes, (c) paying Servicing Fees, Administration Fees, Backup Administration Fees, Note Fees, costs of issuance and capitalized interest on the Notes, (d) making deposits to the Reserve Fund and the Alternative Loan Loss Reserve Fund, and (e) such other purposes relating to the Issuer's loan programs as may be provided in a Supplemental Indenture.

At any time, one or more series of Additional Notes may be issued upon compliance with certain conditions specified in the Indenture (including the requirement that a Rating Agency Confirmation will have been obtained) and any additional conditions specified in a Supplemental Indenture.

Comparative Security of Holders and Other Beneficiaries

The Senior Notes, including the Series 2011-1 Senior Notes, will be equally and ratably secured under the Indenture with any Other Senior Obligations. The Senior Obligations will have payment and certain other priorities over the Subordinate Notes, the Other Subordinate Obligations, the Junior Subordinate Notes and the other Junior Subordinate Obligations. The Subordinate Notes will be equally and ratably secured under the Indenture with any Other Subordinate Obligations and will have payment and certain other priorities over the Junior Subordinate Notes and the Other Junior Subordinate Obligations. See "Source of Payment and Security for the Notes—Priorities" herein.

The Issuer may at any time issue a series of Notes, as either Senior Notes, Subordinate Notes or Junior Subordinate Notes. In connection with any such Senior Notes, Subordinate Notes or Junior Subordinate Notes, the Issuer may enter into a Swap Agreement or Credit Enhancement Facility as it deems in its best interest, and the Swap Counterparty or the Credit Enhancement Provider may become a Senior Beneficiary, a Subordinate Beneficiary or a Junior Subordinate Beneficiary, as herein described. See "Source of Payment and Security for the Notes—Additional Indenture Obligations" herein.

Call for Redemption or Purchase of Notes; Senior Asset Requirement

No redemption (other than mandatory sinking fund redemption) of, or principal distribution with respect to, Subordinate Notes will be permitted under the Indenture unless, prior to the Trustee giving notice of such redemption or allocating revenues to such distribution, the Issuer furnishes the Trustee a certificate to the effect that, after giving effect to such redemption or distribution, the Senior Asset Requirement will be met.

In general, compliance with the foregoing condition is determined as of the date of selection of Notes which are to be redeemed or with respect to which principal is to be distributed, and any failure to satisfy such conditions as of the payment date will not affect such determination; provided that, if Notes have been defeased and are to be prepaid, compliance with such conditions will be determined on the date of defeasance instead of as of the date of selection. See “—Discharge of Notes and Indenture” below.

Any election to redeem or distribute principal with respect to Notes may also be conditioned upon such additional requirements as may be set forth in the Supplemental Indenture authorizing the issuance of such Notes.

Except for Principal Distribution Amounts, there shall be no mandatory redemptions, optional redemptions, prepayments, open market purchases or tender offers by Issuer or its affiliates or defeasance of the Series 2011-1 Senior Notes.

While the Series 2011-1 Senior Notes are outstanding, the Issuer shall not issue additional Notes or grant any rights to existing Holders which, in each instance, permits any Holder a right to demand or require the Issuer to purchase the Notes. The foregoing does not restrict the optional rights to purchase Notes conferred upon the Issuer pursuant to the Indenture.

Credit Enhancement Facilities and Swap Agreements.

The Issuer may from time to time, pursuant to a Supplemental Indenture, enter into any Credit Enhancement Facilities or Swap Agreements with respect to any Notes of any series. No Supplemental Indenture will authorize the Issuer to enter into a Swap Agreement or obtain a Credit Enhancement Facility unless the Trustee will have received a Rating Agency Confirmation. The Issuer will not enter into, or cause there to exist, any Credit Enhancement Facility with respect to any Notes except for an insurance policy, letter of credit or surety bond, for which the Trustee is the direct beneficiary, insuring or providing a source of funds for the timely payment when due of principal of and interest on such Notes (the foregoing restriction does not apply to Swap Agreements, the requirements for which are set forth in the Indenture).

Any Supplemental Indenture authorizing the execution by the Issuer of a Swap Agreement or Credit Enhancement Facility may include provisions with respect to the application and use of all amounts to be paid thereunder. No amounts paid under any such Credit Enhancement Facility will be part of the Trust Estate except to the extent, if any, specifically provided in such Supplemental Indenture and no Beneficiary will have any rights with respect to any such amounts so paid except as may be specifically provided in such Supplemental Indenture.

Pledge; Encumbrances

The Notes and all Other Obligations are limited obligations of the Issuer specifically secured by the pledge of the proceeds of the sale of Notes (until expended for the purpose for which the Notes were issued), the Financed Student Loans and the revenues, moneys and securities in the various Funds, in the manner and subject to the prior applications provided in the Indenture. Financed Student Loans purchased with the proceeds of the Issuer’s bonds, notes or other evidences of indebtedness or sold to or exchanged with another party in accordance with the provisions of the Indenture, will, contemporaneously with receipt by the Trustee of the purchase price thereof, no longer be pledged to nor serve as security for the payment of the principal of, premium, if any, or interest on, or any Carry-Over Amounts (or accrued interest thereon) with respect to the Notes or any Other Obligations.

The Issuer agrees that it will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Financed Student Loans or the revenues and other assets pledged under the Indenture, except only as to a lien subordinate to the lien of the Indenture created by any other indenture authorizing the issuance of bonds, notes or other evidences of indebtedness of the Issuer, the proceeds of which have been or will be used to refund or otherwise retire all or a portion of the Outstanding Notes or as otherwise provided in or permitted by the Indenture. The Issuer agrees that it will not issue any bonds or other evidences of indebtedness, other than the Notes as permitted by the Indenture and other than Swap Agreements and Credit Enhancement Facilities relating to Notes as permitted by the Indenture, secured by a pledge of the revenues and other assets pledged under the Indenture, creating a lien or charge equal or superior to the lien of the Indenture. Nothing in the Indenture is intended to prevent the Issuer from

issuing obligations secured by revenues and assets of the Issuer other than the revenues and other assets pledged in the Indenture.

Covenants

Certain covenants with the Holders of the Notes and Other Beneficiaries contained in the Indenture are summarized as follows:

Enforcement and Amendment of Guarantee Agreements. So long as any Notes or Other Obligations are Outstanding and Financed Eligible Loans are Guaranteed by a Guarantor, the Issuer agrees that it will (1) from and after the date on which the Eligible Lender Trustee on its behalf will have entered into, or succeeded to the rights and interests of the Lender under, any FFELP Guarantee Agreement covering Financed Eligible Loans cause the Eligible Lender Trustee to maintain the same and diligently enforce the Eligible Lender Trustee's rights thereunder, (2) cause the Eligible Lender Trustee to enter into such other similar or supplemental agreements as will be required to maintain benefits for all Financed Eligible Loans covered thereby, (3) from and after the date on which the Issuer will have entered into, or succeeded to the rights of the Lender under, any Alternative Loan Guarantee Agreement covering Financed Eligible Loans, maintain such Alternative Loan Guarantee Agreement and diligently enforce its rights thereunder, and (4) not voluntarily consent to or permit any rescission of or consent to any amendment to or otherwise take any action under or in connection with the same which in any manner will materially adversely affect the rights of the Holders or Other Beneficiaries under the Indenture. Notwithstanding the foregoing, the Issuer may amend any Guarantee Agreement or may cause the Eligible Lender Trustee to amend any Guarantee Agreement in any respect if it receives a Rating Agency Confirmation with respect to such amendment.

Enforcement of Financed Student Loans. The Issuer agrees that it will cause to be diligently enforced, all terms, covenants and conditions of all Financed Student Loans and agreements in connection therewith, including the prompt payment of all principal and interest payments (as such payments may be adjusted to take into account (1) any discount the Issuer may cause to be made available to borrowers who make payments on Financed Student Loans through automatic withdrawals, and (2) any reduction in the interest payable on Financed Student Loans provided for in any borrower incentive or other special program under which such loans were originated) and all other amounts due the Issuer thereunder. The Issuer further agrees that it will not permit the release of the obligations of any borrower under any Financed Student Loan and will at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Issuer, the Eligible Lender Trustee, the Trustee and the Beneficiaries under or with respect to each Financed Student Loan and agreement in connection therewith. The Issuer will not consent or agree to or permit any amendment or modification of any Financed Student Loan or agreement in connection therewith which will in any manner materially adversely affect the rights or security of the Beneficiaries. Nothing in the provisions of the Indenture described in this paragraph, however, will be construed to prevent the Issuer from (a) settling a default or curing a delinquency on any Financed Student Loan on such terms as shall be permitted by law, (b) amending the terms of a Financed Student Loan to provide for a different rate of interest thereon to the extent permitted by law, or (c) if the Trustee will have received a Rating Agency Confirmation with respect to such action, otherwise amending the terms of any Financed Student Loan or agreement in connection therewith.

Administration and Collection of Financed Student Loans. The Issuer agrees to service and collect, or enter into one or more Servicing Agreements pursuant to which Servicers agree to service or collect (i) all FFELP Loans in accordance with all requirements of the Higher Education Act, the Secretary of Education, the Indenture and each Guarantee Agreement, and (ii) all Alternative Loans with a standard of servicing as high as that for the servicing and collection of FFELP Loans, provided that each such Servicer shall (a) be in compliance with the laws of each state necessary to enable it to perform its obligations under the related Servicing Agreement and (b) either have a net worth of at least \$5,000,000 or be an affiliate of the Issuer. The Issuer may enter into the Administration Agreement with the Issuer Administrator and into other administration agreements with other administrators, provided that the Issuer Administrator and each such other administrator shall (a) be in compliance with the laws of each state necessary to enable it to perform its obligations under the Administration Agreement or related administration agreement (as applicable), and (b) either have a net worth of at least \$5,000,000 or be an affiliate of the Issuer. The Issuer agrees to cause to be diligently enforced all terms, covenants and conditions of all Servicing Agreements, the Administration Agreement and all other administration agreements, including the prompt payment of all principal and interest payments and all other amounts due the Issuer or the Trustee thereunder, including, in the case of the

Servicing Agreements, all Special Allowance Payments and all defaulted payments guaranteed by any Guarantor which relate to any Financed Student Loans. The Issuer will not permit the release of the obligations of any Servicer under any Servicing Agreement or the Issuer Administrator or any other administrator under the Administration Agreement or the related administration agreement, as applicable, except in accordance with the terms thereof, and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Issuer, the Trustee and the Beneficiaries under or with respect to each Servicing Agreement, the Administration Agreement and each other administration agreement. The Issuer agrees not to consent or agree to or permit any amendment or modification of any Servicing Agreement, Administration Agreement or any other administration agreement which will in any manner materially adversely affect the rights or security of the Beneficiaries unless, in the case of the Administration Agreement or any other administration agreement, the requisite amount of Beneficiaries vote in favor of such amendment or modification in accordance with the terms thereof. Notwithstanding the foregoing, the Issuer or the Eligible Lender Trustee may amend any Servicing Agreement, the Administration Agreement or any other administration agreement in any respect if it shall receive a Rating Agency Confirmation with respect to such amendment.

Limitation on Note Fees. The Issuer covenants and agrees in the Sixth Supplemental Indenture that the Note Fees will not exceed certain levels unless it obtains a Rating Agency Confirmation.

Tax Treatment. The Issuer agrees, and each Holder of Series 2011-1 Senior Notes, by its acceptance of its Series 2011-1 Senior Notes, agrees, to treat the Series 2011-1 Senior Notes for federal, state and local income, business and franchise tax purposes as indebtedness of the Issuer.

Continuing Existence; Merger and Consolidation. The Issuer agrees to maintain its existence as a Delaware statutory trust and not to dispose of all or substantially all of its assets (by sale, lease or otherwise), except as otherwise specifically authorized in the Indenture, or consolidate with or merge into another entity or permit any other entity to consolidate with or merge into it unless either the Issuer is the surviving entity or each of the following conditions is satisfied:

- (i) the surviving, resulting or transferee entity, as the case may be, will be a corporation, limited liability company or other legal entity organized under the laws of the United States or one of the states thereof;
- (ii) at least 30 days before any merger, consolidation or transfer of assets becomes effective, the Issuer will give the Trustee written notice of the proposed transaction;
- (iii) immediately after giving effect to any merger, consolidation or transfer of assets, no Event of Default will have occurred and be continuing;
- (iv) a Rating Agency Confirmation will have been obtained with respect to such merger, consolidation or transfer of assets; and
- (v) prior to or concurrently with any merger, consolidation or transfer of assets, (a) any action as is necessary to maintain the lien and security interest created in favor of the Trustee by the Indenture will have been taken, (b) the surviving, resulting or transferee entity, as the case may be, will deliver to the Trustee an instrument assuming all of the obligations of the Issuer under the Indenture and related agreements, together with any necessary consents, and (c) the Issuer will have delivered to the Trustee and each Rating Agency a certificate and an opinion of counsel (which will describe the actions taken as required by clause (a) of this paragraph or that no such action need be taken) each stating that all conditions precedent to such merger, consolidation or transfer of assets have been complied with.

Investments

Moneys from time to time on deposit in the Funds and Accounts may be invested in one or more of the following investment securities:

(a) direct general obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States, FHA debentures, Freddie Mac senior debt obligations, Federal Home Loan Bank consolidated senior debt obligations, and Fannie Mae senior debt obligations, but excluding any of such securities whose terms do not provide for payment of a fixed dollar amount upon maturity or call for redemption;

(b) federal funds, certificates of deposit, time deposits and banker's acceptances (having original maturities of not more than 365 days) of any bank or trust company incorporated under the laws of the United States or any state thereof, provided that the short-term debt obligations of such bank or trust company at the date of acquisition thereof have been rated "A-1+" or better by S&P and if such short term debt obligation has a maturity of less than one month, between one and three months, between three and six months, or greater than six months shall be rated "A2" and "P-1"; "A1" and "P-1", "Aa3" and "P-1", or "Aaa" and "P-1" or better, respectively, by Moody's;

(c) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of at least \$3,000,000 which deposits are held only up to the limits insured by the Bank Insurance Fund or Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation, provided that the unsecured long-term debt obligations of such bank or savings and loan association have been rated "BBB" or better by S&P and "Aaa" and "P-1" or better by Moody's;

(d) commercial paper (having original maturities of not more than 365 days) rated "A-1+" or better by S&P and "P-1" or better by Moody's;

(e) debt obligations rated "AAA" by S&P and "Aaa" and "P-1" by Moody's (other than any such obligations that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(f) investments in money market funds (including those funds managed or advised by the Trustee or an affiliate thereof) rated "AAAm" by S&P or "Aaa" by Moody's the assets of which are invested solely in instruments described in clauses (a)-(e) above;

(g) guaranteed investment contracts or surety bonds for which a Rating Agency Confirmation has been obtained and providing for the investment of funds in an account or insuring a minimum rate of return on investments of such funds, which contract or surety bond shall:

(i) be an obligation of an insurance company or other corporation whose debt obligations or insurance financial strength or claims paying ability are rated "AAA" by S&P and "Aaa" by Moody's;

(ii) provide that the Trustee may exercise all of the rights of the Issuer under such contract or surety bond without the necessity of the taking of any action by the Issuer;

(h) a repurchase agreement that satisfies the following criteria:

(i) Must be between the Trustee and a dealer bank or securities firm described in (A) or (B) below:

(A) Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and if such repurchase agreement has a maturity of less than one month, between one and three months, between three and six months, or greater than six months shall be rated "A2" and "P-1"; "A1" and "P-1", "Aa3" and "P-1", or "Aaa" and "P-1" or better, respectively, by Moody's, or

(B) Banks rated "A" or above by S&P and if such repurchase agreement has a maturity of less than one month, between one and three months, between three

and six months, or greater than six months shall be rated “A2” and “P-1”, “A1” and “P-1”, “Aa3” and “P-1”, or “Aaa” and “P-1” or better, respectively, by Moody’s;

- (ii) The written repurchase agreement must include the following:

Securities which are acceptable for the transfer are:

- (A) Direct U.S. government securities, or
- (B) Federal Agencies backed by the full faith and credit of the U.S. government (and Fannie Mae and Freddie Mac); and

- (iii) The collateral must be delivered to the Trustee or third party custodian acting as agent for the Trustee by appropriate book entries and confirmation statements must have been delivered before or simultaneous with payment (perfection by possession of certificated securities); and

(i) Investments through the Certificate of Deposit Account Registry Service ® (CDARS®) network or similarly pooled FDIC-insured deposits, if a Rating Agency Confirmation has been obtained.

Events of Default

If any of the following events occur, it is an “Event of Default” under the Indenture:

- (i) default in the due and punctual payment of any interest on any Senior Note; or
- (ii) default in the due and punctual payment of the principal of, or premium, if any, on any Senior Note, whether at the stated maturity thereof, at the date fixed for redemption thereof (including, but not limited to, mandatory sinking fund payment dates) or otherwise upon the maturity thereof; or
- (iii) default by the Issuer in its obligation to purchase any Senior Note on a Tender Date therefor; or
- (iv) default in the due and punctual payment of any amount owed by the Issuer to any Other Senior Beneficiary under a Senior Swap Agreement or Senior Credit Enhancement Facility; or
- (v) if no Senior Obligations are Outstanding, default in the due and punctual payment of any interest on any Subordinate Note; or
- (vi) if no Senior Obligations are Outstanding, default in the due and punctual payment of the principal of, or premium, if any, on, any Subordinate Note, whether at the stated maturity thereof, at the date fixed for redemption thereof (including, but not limited to, mandatory sinking fund payment dates) or otherwise upon the maturity thereof; or
- (vii) if no Senior Obligations are Outstanding, default by the Issuer in its obligation to purchase any Subordinate Note on a Tender Date therefor; or
- (viii) if no Senior Obligations are Outstanding, default in the due and punctual payment of any amount owed by the Issuer to any Other Subordinate Beneficiary under a Subordinate Swap Agreement or a Subordinate Credit Enhancement Facility; or
- (ix) if no Senior Obligations and no Subordinate Obligations are Outstanding, default in the due and punctual payment of any interest on any Junior Subordinate Note; or

- (x) if no Senior Obligations and no Subordinate Obligations are Outstanding, default in the due and punctual payment of the principal of, or premium, if any, on, any Junior Subordinate Note, whether at the stated maturity thereof, at the date fixed for prepayment thereof (including, but not limited to, mandatory sinking fund payment dates) or otherwise upon the maturity thereof; or
- (xi) if no Senior Obligations and no Subordinate Obligations are Outstanding, default by the Issuer in its obligation to purchase any Junior Subordinate Note on a Tender Date therefor; or
- (xii) if no Senior Obligations and no Subordinate Obligations are Outstanding, default in the due and punctual payment of any amount owed by the Issuer to any Other Junior Subordinate Beneficiary under a Junior Subordinate Swap Agreement or Junior Subordinate Credit Enhancement Facility; or
- (xiii) default in the performance of any of the Issuer's obligations with respect to the transmittal of moneys to be credited to the Collection Fund, the Acquisition Fund or the Debt Service Fund under the provisions of the Indenture and such default shall have continued for a period of 30 days; or
- (xiv) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in the Indenture or in the Notes, and such default shall have continued for a period of 30 days after written notice thereof, specifying such default, shall have been given to the Issuer by the Trustee (which may give such notice in its discretion and will give such notice at the written request of the Acting Beneficiaries Upon Default); provided that, if the default is such that it can be corrected, but not within such 30 days, it will not constitute an Event of Default if corrective action is instituted by the Issuer within such 30 days and is diligently pursued until the default is corrected; or
- (xv) certain events of bankruptcy or insolvency of the Issuer.

Remedies

Whenever any Event of Default has occurred and is continuing, the Trustee may (and, upon the written request of the Acting Beneficiaries Upon Default, the Trustee will), by notice in writing delivered to the Issuer, declare the principal of and interest accrued on all Notes then Outstanding due and payable and such principal and interest will become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee, the Acting Beneficiaries Upon Default, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

- (1) There has been paid to or deposited with the Trustee by or for the account of the Issuer, or provision satisfactory to the Trustee has been made for the payment of, a sum sufficient to pay:
 - (A) if Senior Obligations are Outstanding: (i) all overdue installments of interest on all Senior Notes; (ii) the principal of (and premium, if any, on) any Senior Notes which have become due other than by such declaration of acceleration, together with interest thereon at the rate or rates borne by such Senior Notes; (iii) to the extent that payment of such interest is lawful, interest upon overdue installments of interest on the Senior Notes at the rate or rates borne by such Senior Notes; (iv) all Other Senior Obligations which have become due other than as a direct result of such declaration of acceleration; (v) all other sums required to be paid to satisfy the Issuer's obligations with respect to the transmittal of moneys to be credited to the Collection Fund, the Acquisition Fund and the Interest Account under the provisions of the Indenture; and (vi) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any paying agents, remarketing agents, tender agents, auction agents, market agents and broker-dealers; or
 - (B) if no Senior Obligations are Outstanding, but Subordinate Obligations are Outstanding: (i) all overdue installments of interest on all Subordinate Notes; (ii) the principal of (and premium, if

any, on) any Subordinate Notes which have become due other than by such declaration of acceleration, together with interest thereon at the rate or rates borne by such Subordinate Notes; (iii) to the extent that payment of such interest is lawful, interest upon overdue installments of interest on the Subordinate Notes at the rate or rates borne by such Subordinate Notes; (iv) all Other Subordinate Obligations which have become due other than as a direct result of such declaration of acceleration; (v) all other sums required to be paid to satisfy the Issuer's obligations with respect to the transmittal of moneys to be credited to the Collection Fund, the Acquisition Fund and the Interest Account under the provisions of the Indenture; and (vi) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any paying agents, remarketing agents, tender agents, auction agents and broker-dealers; or

- (C) if no Senior Obligations and no Subordinate Obligations are Outstanding but Junior Subordinate Notes are Outstanding: (i) all overdue installments of interest on all Junior Subordinate Notes; (ii) the principal of (and premium, if any, on) any Junior Subordinate Notes which have become due other than by such declaration of acceleration, together with interest thereon at the rate or rates borne by such Junior Subordinate Notes; (iii) to the extent that payment of such interest is lawful, interest upon overdue installments of interest on the Junior Subordinate Notes at the rate or rates borne by such Junior Subordinate Notes; (iv) all Other Junior Subordinate Obligations which have become due other than as a direct result of such declaration or acceleration; (v) all other sums required to be paid to satisfy the Issuer's obligations with respect to the transmittal of moneys to be credited to the Collection Fund, the Acquisition Fund and the Interest Account under the provisions of the Indenture; and (vi) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any paying agents, remarketing agents, tender agents, auction agents, market agents and broker-dealers; and

- (2) All Events of Default, other than the nonpayment of the principal of and interest on Notes or Other Obligations which have become due solely by, or as a direct result of, such declaration of acceleration, have been cured or waived as provided in the Indenture.

If an Event of Default has occurred and is continuing, the Trustee may, subject to applicable law, pursue any available remedy by suit at law or in equity to enforce the covenants of the Issuer in the Indenture and may pursue such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce, or aid in the protection and enforcement of, the covenants and agreements in the Indenture. The Trustee is also authorized to file proofs of claims in any equity, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings.

If an Event of Default has occurred and is continuing, and if it shall have been requested so to do by the Acting Beneficiaries Upon Default and shall have been indemnified as provided in the Indenture, the Trustee is obliged to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee shall deem most expedient in the interests of the Beneficiaries; provided, however, that the Trustee has the right to decline to comply with any such request if the Trustee shall be advised by counsel that the action so requested may not lawfully be taken or if the Trustee receives, before exercising such right or power, contrary instructions from the Acting Beneficiaries Upon Default.

The Acting Beneficiaries Upon Default have the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture; provided that (a) such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture; (b) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of Notes or Other Beneficiaries not taking part in such direction, other than by effect of the subordination of any of their interests thereunder; and (c) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Except as may be permitted in a Supplemental Indenture with respect to an Other Beneficiary, no Holder of any Note or Other Beneficiary will have any right to institute any suit, action or proceeding in equity or at law for the

enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture unless (1) an Event of Default shall have occurred and be continuing, (2) the Acting Beneficiaries Upon Default shall have made written request to the Trustee, (3) such Beneficiary or Beneficiaries shall have offered to the Trustee the indemnity required by the Indenture, (4) the Trustee shall have thereafter failed for a period of 60 days after the receipt of the request and indemnification or refused to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and (5) no direction inconsistent with such written request shall have been given to the Trustee during such sixty-day period by the Holders of not less than a majority in aggregate Principal Amount of the Notes then Outstanding or by any Other Beneficiary. No one or more Holders of the Notes or any Other Beneficiary shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by his, her, its or their action or to enforce any right hereunder except in the manner described herein, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of the Holders of all Outstanding Notes and Other Beneficiaries as their interests may appear. Notwithstanding the foregoing provisions of the Indenture, the Acting Beneficiaries Upon Default may institute any such suit, action or proceeding in their own names for the benefit of the Holders of all Outstanding Notes and Other Beneficiaries under the Indenture.

Unless the Trustee has declared the principal of and interest on all Outstanding Notes immediately due and payable and has obtained a judgment or decree for payment of the money due, the Trustee, will waive any Event of Default and its consequences upon written request of the Acting Beneficiaries Upon Default; except that the Trustee is not permitted to waive (a) any Event of Default arising from the acceleration of the maturity of the Notes, except upon the rescission and annulment of such declaration as described in the second paragraph under this caption "Remedies;" (b) any Event of Default in the payment when due of any amount owed to any Beneficiary (including payment of principal of or interest on any Note) except with the consent of such Beneficiary or unless, prior to such waiver, the Issuer has paid or deposited with the Trustee a sum sufficient to pay all amounts owed to such Beneficiary (including, to the extent permitted by law, interest upon overdue installments of interest); (c) any Event of Default arising from the failure of the Issuer to pay unpaid expenses of the Trustee, its agents and counsel, and any authenticating agent, paying agents, note registrars, tender agents, remarketing agents, auction agents, market agents and broker-dealers as required by the Indenture, unless, prior to such waiver, the Issuer has caused to be paid or deposited with the Trustee sums required to satisfy such obligations of the Issuer under the provisions of the Indenture; or (d) any default in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the Holder of each Note affected thereby.

Notwithstanding any other provisions of the Indenture, if an "Event of Default" (as defined therein) occurs under a Swap Agreement or a Credit Enhancement Facility and, as a result, any Other Beneficiary that is a party thereto is entitled to exercise one or more remedies thereunder, such Other Beneficiary may exercise such remedies, including, without limitation, the termination of such agreement, as provided therein, in its own discretion; provided that the exercise of any such remedy does not adversely affect the legal ability of the Trustee or Acting Beneficiaries Upon Default to exercise any remedy available under the Indenture.

Application of Proceeds

All moneys received by the Trustee pursuant to any remedy will, after payment of servicing fees and the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee with respect thereto, be applied as follows:

(A) Unless the principal of all the Outstanding Notes shall have become or shall have been declared due and payable, all such moneys will be applied as follows:

- FIRST, to the payment to the Senior Beneficiaries of all installments of principal and interest then due on the Senior Notes and all Other Senior Obligations (except termination payments due under Senior Swap Agreements as a result of Swap Counterparty default), and if the amount available will not be sufficient to pay all such amounts in full, then to the payment ratably, in proportion to the amounts due without regard to due date, to the Holders of Senior Notes and to each Other Senior Beneficiary, without any discrimination or preference, and the Trustee will apply the amount so apportioned to the Holders of Senior Notes first to the payment of interest and thereafter to the payment of principal;

- SECOND (only if the Senior Asset Percentage would be at least 100% upon the application of such amounts or if there are no Senior Notes Outstanding) to the payment to the Subordinate Beneficiaries of all installments of principal and interest then due on the Subordinate Notes and all Other Subordinate Obligations (except termination payments due under Subordinate Swap Agreements as a result of Swap Counterparty default), and if the amount available will not be sufficient to pay all such amounts in full, then to the payment ratably, in proportion to the amounts due, without regard to due date, to the Holders of Subordinate Notes and to each Other Subordinate Beneficiary, without any discrimination or preference, and the Trustee will apply the amount so apportioned to the Holders of Subordinate Notes first to the payment of interest and thereafter to the payment of principal;
- THIRD (only if both the Senior Asset Percentage and Subordinate Asset Percentage would be at least 100% upon the application of such amounts or there are no Senior Notes or Subordinate Notes Outstanding), to the payment to the Junior Subordinate Beneficiaries of all installments of principal and interest then due on the Junior Subordinate Notes and all Other Junior Subordinate Obligations (except termination payments due under Junior Subordinate Swap Agreements as a result of Swap Counterparty default), and if the amount available shall not be sufficient to pay all such amounts in full, then to the payment ratably, in proportion to the amounts due, without regard to due date, to the Holders of Junior Subordinate Notes and to each Other Junior Subordinate Beneficiary, without any discrimination or preference, and the Trustee will apply the amount so apportioned to the Holders of Junior Subordinate Notes first to payment of interest and thereafter to the payment of principal;
- FOURTH, to the payment of the Holders of the Senior Notes of all Carry-Over Amounts (together with interest thereon) then due and payable in the order in which such amounts became due and payable, and if the amount available shall not be sufficient to pay in full all such Carry-Over Amounts (and interest thereon) which became due and payable on any particular date, then to the payment, ratably, according to the amounts due on such date, to the Holders of Senior Notes entitled thereto, without any discrimination or preference;
- FIFTH (only if the Senior Asset Percentage would be at least 100% upon the application of such amounts or if there are no Senior Notes Outstanding), to the payment to the Holders of the Subordinate Notes of all Carry-Over Amounts (together with interest thereon) then due and payable in the order in which such amounts became due and payable, and if the amount available shall not be sufficient to pay in full all such Carry-Over Amounts (and interest thereon) which became due and payable on any particular date, then to the payment, ratably, according to the amounts due on such date, to the Holders of Subordinate Notes entitled thereto, without any discrimination or preference;
- SIXTH (only if both the Senior Asset Percentage and the Subordinate Asset Percentage would be at least 100% upon the application of such amounts or there are no Senior Notes or Subordinate Notes Outstanding), to the payment to the Holders of the Junior Subordinate Notes of all Carry-Over Amounts (together with interest thereon) then due and payable in the order in which such amounts became due and payable, and if the amount available shall not be sufficient to pay in full all such Carry-Over Amounts (and interest thereon) which became due and payable on any particular date, then to the payment, ratably, according to the amounts due on such date, to the Holders of Junior Subordinate Notes entitled thereto, without any discrimination or preference;
- SEVENTH, to the payment of termination payments then due and payable to Swap Counterparties under Senior Swap Agreements as a result of Swap Counterparty default, in the order in which such termination payments became due and payable, and if the amount available shall not be sufficient to pay in full all such termination payments which became due and payable on any particular date, then to the payment, ratably, according to the amounts due on such date, to the Senior Swap Counterparties entitled thereto, without any discrimination or preference;
- EIGHTH (only if the Senior Asset Percentage would be at least 100% upon the application of such amounts or if there are no Senior Notes Outstanding), to the payment of termination payments then due and payable to Swap Counterparties under Subordinate Swap Agreements as a result of Swap Counterparty default, in the order in which such termination payments became due and payable, and if the amount available shall not be sufficient to pay in full all such termination payments which became due and payable on any particular date, then to the

payment, ratably, according to the amounts due on such date, to the Subordinate Swap Counterparties entitled thereto, without any discrimination or preference, and

- NINTH (only if the Subordinate Asset Percentage would be at least 100% upon the application of such amounts or if there are no Senior Notes or Subordinate Notes Outstanding), to the payment of termination payments then due and payable to Swap Counterparties under Junior Subordinate Swap Agreements as a result of Swap Counterparty default, in the order in which such termination payments became due and payable, and if the amount available shall not be sufficient to pay in full all such termination payments which became due and payable on any particular date, then to the payment, ratably, according to the amounts due on such date, to the Junior Subordinate Swap Counterparties entitled thereto, without any discrimination or preference.

(B) If the principal of all Outstanding Notes shall have become due or shall have been declared due and payable and such declaration has not been annulled and rescinded under the provisions of the Indenture, all such moneys will be applied as follows:

- FIRST, to the payment to the Senior Beneficiaries of all principal and interest then due on the Senior Notes and all Other Senior Obligations (except termination payments due under Swap Agreements, as a result of a Swap Counterparty default), without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Beneficiary over any other Senior Beneficiary, ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference;
- SECOND, to the payment to the Subordinate Beneficiaries of the principal and interest then due on the Subordinate Notes and all Other Subordinate Obligations (except termination payments due under Swap Agreements, as a result of a Swap Counterparty default), without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Subordinate Beneficiary over any other Subordinate Beneficiary, ratably, according to the amounts due, to the person entitled thereto without any discrimination or preference;
- THIRD, to the payment to the Junior Subordinate Beneficiaries of the principal and interest then due and unpaid upon the Junior Subordinate Notes and all Other Junior Subordinate Obligations (except termination payments due under Swap Agreements as a result of Swap Counterparty Default), without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Junior Subordinate Beneficiary over any other Junior Subordinate Beneficiary, ratably, according to the amounts due, to the Persons entitled thereto without any discrimination or preference;
- FOURTH, to the payment of the Holders of the Senior Notes of all Carry-Over Amounts (together with interest thereon) then due and unpaid, without any preference or priority of Carry-Over Amounts over interest thereon or of interest thereon over Carry-Over Amounts, ratably, according to the amounts due, to the Holders of Senior Notes entitled thereto, without any discrimination or preference;
- FIFTH, to the payment to the Holders of the Subordinate Notes of all Carry-Over Amounts (together with interest thereon) then due and unpaid, without any preference or priority of Carry-Over Amounts over interest thereon or of interest thereon over Carry-Over Amounts, ratably, according to the amounts due, to the Holders of Subordinate Notes entitled thereto, without any discrimination or preference;
- SIXTH, to the payment to the Holders of the Junior Subordinate Notes of all Carry-Over Amounts (together with interest thereon) then due and unpaid, without any preference or priority of Carry-Over Amounts over interest thereon or of interest thereon over Carry-Over Amounts, ratably, according to the amounts due, to the Holders of Junior Subordinate Notes entitled thereto, without any discrimination or preference;
- SEVENTH, to the payment of termination payments then due and unpaid to Swap Counterparties under Senior Swap Agreements as a result of Swap Counterparty default, ratably, according to the amounts due on such date, to the Senior Swap Counterparties entitled thereto, without any discrimination or preference;

- EIGHTH, to the payment of termination payments then due and unpaid to Swap Counterparties under Subordinate Swap Agreements as a result of Swap Counterparty default, ratably, according to the amounts due on such date, to the Subordinate Swap Counterparties entitled thereto, without any discrimination or preference; and
- NINTH, to the payment of termination payments then due and unpaid to Swap Counterparties under Junior Subordinate Swap Agreements as a result of Swap Counterparty default, ratably, according to the amounts due on such date, to the Junior Subordinate Swap Counterparties entitled thereto, without any discrimination or preference.

(C) If the principal of all Outstanding Notes shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then (subject to the provisions described in paragraph (B) above, if the principal of all the Outstanding Notes shall later become or be declared due and payable) the money held by the Trustee under the Indenture will be applied in accordance with the provisions described in paragraph (A) above.

Trustee

Prior to the occurrence of an Event of Default which has not been cured, the Trustee is required to perform such duties and only such duties as are specifically set forth in the Indenture. Upon the occurrence and continuation of an Event of Default, the Trustee is required to exercise the rights and powers vested in it by Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in his own affairs.

Before taking any action under the Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct.

The Trustee may at any time resign upon 60 days' notice to the Issuer and to the Beneficiaries, such resignation to take effect upon the appointment of a successor Trustee. The Trustee may be removed at any time by the Issuer, and the Issuer agrees to remove the Trustee at the request of the Holders of a majority in Principal Amount of Notes Outstanding except during the existence of an Event of Default. No such removal will be effective until the appointment of a successor Trustee.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Beneficiaries

The Issuer and the Trustee may, from time to time and at any time, without the consent of, or notice to, any of the Holders or any Other Beneficiary, enter into an indenture or indentures supplemental to the Indenture to, among other things:

- (a) cure any ambiguity or formal defect or omission in the Indenture or in any Supplemental Indenture,
- (b) grant to the Trustee for the benefit of the Beneficiaries any additional rights, remedies, powers, authority or security,
- (c) describe or identify more precisely any part of the Trust Estate or subject additional revenues, properties or collateral to the lien and pledge of the Indenture,
- (d) evidence the appointment of a separate trustee or a co-trustee or the succession of a new Trustee under the Indenture,
- (e) authorize the issuance of a series of Notes, subject to the requirements of the Indenture (see “—Notes and Other Obligations—Issuance of Additional Notes” above),

(f) modify, eliminate from or add to the Indenture as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939 or any similar federal statute, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act of 1939,

(g) modify, eliminate from and/or add to the Indenture as shall be necessary to acquire Eligible Loans described in clause (b) of the definition thereof,

(h) modify the Indenture as required by any Credit Facility Provider or Swap Counterparty, or otherwise necessary to give effect to any Credit Enhancement Facility, Swap Agreement or Swap Counterparty Guaranty at the time of issuance of a series of Notes to which such agreement relates; provided that a Rating Agency Confirmation is obtained with respect to such modifications; and provided, further, that no such modifications will be effective if the consent of any Holders would be required therefor under the proviso described under “—Supplemental Indentures Requiring Consent of Holders” below and such consent has not been obtained or if the Trustee determines that such modifications are to the prejudice of any Other Beneficiary,

(i) create additional funds, accounts or sub-accounts under the Indenture,

(j) to provide for an additional class of Indenture Obligations which is subordinate to each class of Indenture Obligations any of which are then Outstanding, except to the extent specifically authorized or permitted by the Supplemental Indenture authorizing the issuance of such Outstanding Indenture Obligations or to the extent consented to by each Beneficiary who would be adversely affected thereby; provided that a Rating Agency Confirmation is obtained with respect to such additional class of Indenture Obligations, or

(k) make any other change in the Indenture, if the Trustee shall have received a Rating Agency Confirmation that such change will not cause the reduction or withdrawal of any rating or ratings then applicable to any Outstanding Notes.

Supplemental Indentures Requiring Consent of Holders

In addition to Supplemental Indentures described under “Supplemental Indentures Not Requiring Consent of Beneficiaries” above, upon receipt of an instrument evidencing the consent to the below-mentioned Supplemental Indenture by: (1) if they are affected thereby, the Holders of not less than two-thirds of the aggregate Principal Amount of the Outstanding Senior Notes, (2) if they are affected thereby, the Holders of not less than two-thirds of the aggregate Principal Amount of the Outstanding Subordinate Notes, (3) if they are affected thereby, the Holders of not less than two-thirds of the aggregate Principal Amount of the Outstanding Junior Subordinate Notes, and (4) each other person which must consent to such Supplemental Indenture as provided in any Supplemental Indenture, the Trustee will join with the Issuer in the execution of any Supplemental Indentures for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that no such Supplemental Indenture will permit without the consent of each Beneficiary which would be affected thereby: (a) an extension of the maturity of the principal of or the interest on any Note, whether at stated maturity, on a mandatory sinking fund payment date or otherwise, (b) a reduction in the Principal Amount, redemption price or purchase price of any Note or the rate of interest thereon, (c) a privilege or priority of any Senior Obligation over any other Senior Obligation, (d) a privilege or priority of any Subordinate Obligation over any other Subordinate Obligation, (e) a privilege of any Senior Notes over any Subordinate Notes or Junior Subordinate Notes, other than as theretofore provided in the Indenture, (f) a privilege of any Subordinate Notes over any Junior Subordinate Notes other than as provided herein, (g) the surrendering of a privilege or a priority granted by the Indenture if, in the judgment of the Trustee, to the detriment of another Beneficiary under the Indenture, (h) a reduction or an increase in the aggregate Principal Amount of the Notes required for consent to such Supplemental Indenture, (i) the creation of any lien ranking prior to or in parity with the lien of the Indenture on the Trust Estate or any part thereof, except as expressly permitted in the Indenture, (j) any Beneficiary to be deprived of the lien created on the rights, title, interest, privileges, revenues, moneys and securities pledged under the Indenture, (k) the modification of any of the provisions of the Indenture described in this paragraph, or (l) the modification of any provision of a Supplemental Indenture which states that it may not be modified without the consent of the Holders of Notes issued pursuant thereto or any Notes of the same class or any Beneficiary that has provided a Credit Enhancement Facility or Swap Agreement of such class.

In addition, the Issuer shall not without the consent of holders of at least two-thirds of the aggregate principal amount of all Senior Notes at any time outstanding, enter into any amendment, supplement or other modification to the Indenture (i) affecting the calculation of the Senior Asset Percentage; (ii) lowering or diluting the Reserve Fund Requirement; (iii) affecting the Senior Asset Requirement (notwithstanding receipt of a Rating Agency Confirmation), except to increase the percentages set forth therein; (iv) affecting the Asset Release Requirement (notwithstanding receipt of a Rating Agency Confirmation), except to increase the percentages set forth therein; (v) that increasing the rate of interest on any Note; (vi) that amends, supplements or otherwise modifies or expands the scope of supplements or other modifications that can be made to the Indenture without noteholder consent; (vii) that permits distributions under paragraph “tenth” under the caption “Funds and Accounts—Collection Fund” above or otherwise permits distributions prior to paragraph “twelfth” under the caption “Funds and Accounts –Collection Fund” above; (viii) that amends, supplements or otherwise modifies or waives certain covenants set forth in the Indenture; or (ix) that amends, supplements or otherwise modifies any Event of Default.

Rights of Trustee

If, in the opinion of the Trustee, any Supplemental Indenture adversely affects the rights, duties or immunities of the Trustee under the Indenture or otherwise, the Trustee may, in its discretion, decline to execute such Supplemental Indenture, except to the extent that the execution of such Supplemental Indenture may be required by the Indenture.

Consent of Tender Agent

So long as any tender agent agreement is in effect, no Supplemental Indenture which materially adversely affects the rights, duties or immunities of the tender agent will become effective unless and until delivery to the Trustee of a written consent of the tender agent to such Supplemental Indenture.

Discharge of Notes and Indenture

The obligations of the Issuer under the Indenture, and the liens, pledges, charges, trusts, covenants and agreements of the Issuer therein made or provided for, will be fully discharged and satisfied as to any Note and such Note will no longer be deemed to be Outstanding thereunder:

- (1) when such Note shall have been canceled, or shall have been purchased by the Trustee from moneys held by it under the Indenture; or
- (2) as to any Note not canceled or so purchased, when payment of the principal of and the applicable redemption premium, if any, on such Note, plus interest on such principal to the due date thereof (whether by reason of stated maturity, upon prepayment or otherwise), either (a) shall have been made in accordance with the terms of the Indenture, or (b) shall have been provided for by irrevocably depositing with the Trustee in an escrow account exclusively for such payment, (i) moneys sufficient to make such payment or (ii) Government Obligations maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and, if payment of all then Outstanding Notes is to be so provided for, the payment of all fees and expenses of the Trustee and any other fiduciaries under the Indenture.

While the Senior Series 2011-1 Notes are Outstanding, the Issuer shall not sell Student Loans to defease the Obligations under the Indenture. All Previous Senior Notes purchased pursuant to the Tender Offer and all other Notes that are purchased, redeemed, tendered or otherwise acquired by the Issuer or its affiliates pursuant to any subsequent tender offer, open-market purchases, redemption or refinancing shall be canceled and shall not be reissued.

Rights of Other Beneficiaries

All rights of any Other Beneficiary under the Indenture to consent to or direct certain remedies, waivers, actions and amendments thereunder will cease for so long as such Other Beneficiary is in default of any of its obligations or agreements under the Swap Agreement or the Credit Enhancement Facility by reason of which such person is an Other Beneficiary.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The discussion of tax issues set forth in this Offering Memorandum 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. This discussion was written to support the promotion and marketing of the transactions described in this Offering Memorandum. 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 of the purchase, ownership and disposition of the Series 2011-1 Senior Notes to a Holder who purchases a Series 2011-1 Senior Note for cash in this offering.

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 Series 2011-1 Senior Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in Series 2011-1 Senior Notes or currencies and traders that elect to mark-to-market their Series 2011-1 Senior 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 Series 2011-1 Senior Notes as “capital assets” (generally, property held for investment) within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”).

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 Issuer does not intend to request rulings with respect to the U.S. federal income tax treatment of the Series 2011-1 Senior Notes. Thus, there can be no assurance that the U.S. federal income tax consequences of the Series 2011-1 Senior Notes described below will be sustained if the relevant transactions are examined by the Internal Revenue Service (the “IRS”) or if the IRS proposes to disallow such treatment, by a court. The Issuer 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.

For purposes of this discussion of certain U.S. federal income tax considerations a “U.S. Holder” means a beneficial owner of Series 2011-1 Senior Notes that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, including another type of entity treated as such for U.S. federal income tax purposes, 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 or that is otherwise treated as a U.S. person by virtue of validly electing to be so treated.

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 Series 2011-1 Senior Note will depend, among other things, upon whether or not the partner is a U.S. person. Partners and partnerships should consult their tax advisors as to the particular tax consequences applicable to them. A “Non-U.S. Holder” means a beneficial owner of Series 2011-1 Senior Notes that is an individual, corporation, estate, or trust that is not, in each case, a “U.S. Holder.”

Treatment of the Series 2011-1 Senior Notes as Indebtedness

Alston & Bird LLP, federal tax counsel to the Issuer and the depositor, will deliver an opinion that the Series 2011-1 Senior Notes will qualify as debt for U.S. federal income tax purposes. The Depositor will agree, and the Holders of the Series 2011-1 Senior Notes will agree by their purchase of the Series 2011-1 Senior Notes, to treat the Series 2011-1 Senior Notes as debt for U.S. federal income tax purposes. The consequences of the Series 2011-1 Senior Notes being treated as debt for U.S. federal income tax purposes are described below. Treatment of the Series 2011-1 Senior 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 Non-U.S. Holders might be subject to U.S. federal income tax and U.S. federal income tax return filing and withholding requirements, and individual U.S. Holders might be subject to limitations on their ability to deduct their shares of Issuer expenses, including losses. Holders of the Series 2011-1 Senior Notes are strongly encouraged to consult with their own tax advisors regarding the possibility that the Series 2011-1 Senior Notes could be treated as equity interests.

Tax Consequences to Holders of Series 2011-1 Senior Notes in General

Stated Interest. Stated interest on the Series 2011-1 Senior Notes will be taxable as ordinary income for federal income tax purposes when received or accrued (depending on the method of tax accounting of the U.S. Holder of the Series 2011-1 Senior Notes).

Original Issue Discount. A debt instrument generally has original issue discount (“OID”) if the excess of the “stated redemption price at maturity” over its issue price exceeds a *de minimis* amount equal to one-fourth of 1 percent of the stated redemption price at maturity of such class of Series 2011-1 Senior Notes multiplied by the number of years to its maturity, based on the anticipated weighted average life of such class of Series 2011-1 Senior Notes, calculated using the “prepayment assumption” used in pricing such class of Series 2011-1 Senior 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 class of Series 2011-1 Senior Notes should be the first price at which a substantial amount of such class is sold to persons other than placement agents, underwriters, brokers or wholesalers. The stated redemption price at maturity of the Series 2011-1 Senior Note is generally equal to all payments on such Series 2011-1 Senior Note other than payments of “qualified stated interest.” Because stated interest on the Series 2011-1 Senior Notes is qualified stated interest, the stated redemption price of the Series 2011-1 Senior Notes is generally expected to equal the Principal Amount of the Series 2011-1 Senior Notes. Any *de minimis* OID on a Series 2011-1 Senior Note must be included in income as capital gain as principal payments are received on the Series 2011-1 Senior Note in the proportion that each such payment bears to the original Principal Amount of the Series 2011-1 Senior Note. The treatment of the resulting gain is subject to the general rules discussed under “Sale or Other Disposition” below.

If a Series 2011-1 Senior Note is treated as issued with OID, a U.S. 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 the Series 2011-1 Senior Note for each day during the taxable year or portion of the taxable year in which the U.S. Holder holds the Series 2011-1 Senior Note. Special rules apply to debt instruments on which payments may be accelerated due to prepayments of other obligations securing those debt instruments. Under these rules, 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 a Series 2011-1 Senior Note that will accrue in any given accrual period may either increase or decrease depending upon the actual prepayment rate. U.S. Holders of the Series 2011-1 Senior Notes are strongly encouraged to consult with their own tax advisors regarding the impact of the OID rules in the event that any Series 2011-1 Senior Notes are issued with OID.

Market Discount. The Series 2011-1 Senior 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 U.S. Holder purchases a Series 2011-1 Senior Note at a market discount—that is, a discount from its stated redemption price at maturity or, if the Series 2011-1 Senior Note was issued with OID, from its adjusted issue price—that exceeds a *de minimis* amount specified in the Code. If the U.S. Holder acquires a Series 2011-1 Senior 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 Series 2011-1 Senior 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 U.S. 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 to purchase or carry a Series 2011-1 Senior Note with accrued market discount. A U.S. Holder may elect to include market discount in gross income as it accrues. If it makes this election, the U.S. Holder will not be required to defer such deductions. Any such election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies. The adjusted basis of a Series 2011-1 Senior 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 other taxable disposition.

Acquisition Premium. A U.S. Holder who purchases a Series 2011-1 Senior 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 Series 2011-1 Senior 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 U.S. Holder purchases a Series 2011-1 Senior 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 Series 2011-1 Senior Note with “amortizable bond premium” equal to the amount of such excess. A U.S. 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 Series 2011-1 Senior Note, using the prepayment assumption, if any. A U.S. Holder’s tax basis in the Series 2011-1 Senior 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 U.S. 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 Series 2011-1 Senior Note held by a U.S. Holder who does not elect to amortize the premium will decrease the gain or increase the loss otherwise recognized on the disposition of the Series 2011-1 Senior Note.

Election to Treat all Interest as OID. A U.S. Holder may elect to include in gross income all interest with respect to the Series 2011-1 Senior 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 Series 2011-1 Senior Note with market discount held by a U.S. 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 U.S. Holder during the current taxable year and all subsequent years. Similarly, if a U.S. Holder has not made an election under Section 171(c)(2) of the Code to amortize bond premium, and the Series 2011-1 Senior Note held by the U.S. Holder was 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 U.S. 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. U.S. Holders are strongly encouraged to consult with their own tax advisors before making this election.

Sale or Other Disposition. If a U.S. Holder of a Series 2011-1 Senior Note sells the Series 2011-1 Senior Note, the U.S. Holder will recognize gain or loss in an amount equal to the difference between the amount realized on the sale and the U.S. Holder's adjusted tax basis in the Series 2011-1 Senior Note. The adjusted tax basis generally will equal the U.S. Holder's cost for the Series 2011-1 Senior Note, increased by any market discount, OID and gain previously included by the U.S. Holder in income with respect to the Series 2011-1 Senior Note, and decreased by the amount of any bond premium previously amortized and by the amount of principal payments previously received by the U.S. Holder of the Series 2011-1 Senior Note with respect to the Series 2011-1 Senior Note. Any such gain or loss will be capital gain or loss if the Series 2011-1 Senior 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 Series 2011-1 Senior 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 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 Series 2011-1 Senior Notes.

Interest (including OID) paid or accrued to a Non-U.S. Holder that is not effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Holder 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 Non-U.S. Holder:

- is not actually or constructively a "10 percent shareholder" of GTB2 or a "controlled foreign corporation" with respect to which GTB2 is a "related person" within the meaning of the Code, and
- provides an appropriate statement, signed under penalties of perjury, certifying that the Non-U.S. 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 Non-U.S. Holder 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.

Any capital gain realized on the sale or other taxable disposition of a Series 2011-1 Senior Note by a Non-U.S. Holder 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 Non-U.S. Holder, and
- in the case of an individual foreign person, the Non-U.S. Holder 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 Series 2011-1 Senior Note held by a Non-U.S. Holder is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Holder, the Non-U.S. 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 Non-U.S. Holder 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

Under certain circumstances, the Code requires “information reporting” annually to the IRS and to each Holder, and “backup withholding” with respect to certain payments made on or with respect to the Series 2011-1 Senior Notes. Backup withholding generally does not apply with respect to certain U.S. Holders, including tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. Backup withholding will apply to a U.S. Holder that if such U.S. Holder (i) fails to furnish its Taxpayer Identification Number (“*TIN*”) which, for an individual, would be his or her Social Security Number, (ii) furnishes an incorrect *TIN*, (iii) is notified by the IRS that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalty of perjury, that it has furnished a correct *TIN* and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. The application for exemption is available by providing a properly completed IRS Form W-9.

A Non-U.S. Holder that provides the applicable IRS Form W-8BEN, Form W-8ECI or Form W-8IMY, together with all appropriate attachments, signed under penalties of perjury, identifying such Non-U.S. Holder and stating that the Non-U.S. Holder is not a United States person will not be subject to IRS reporting requirements and U.S. backup withholding.

The payment of the proceeds on the disposition of a Series 2011-1 Senior Note by a Non-U.S. Holder to or through the U.S. office of a broker generally will be subject to information reporting and backup withholding unless the Non-U.S. Holder either certifies its status as a foreign person under penalties of perjury on the applicable IRS Form W-8BEN or Form W-8IMY (as described above) or otherwise establishes an exemption. The payment of the proceeds on the disposition of a Series 2011-1 Senior Note by a Non-U.S. Holder through a non-U.S. office of a non-U.S. broker will not be subject to backup withholding or information reporting unless the non-U.S. broker is a “U.S. Related Person” (as defined below). The payment of proceeds on the disposition of a Series 2011-1 Senior Note by a Non-U.S. Holder to or through a Non-U.S. office of a U.S. broker or a U.S. Related Person generally will not be subject to backup withholding but will be subject to information reporting unless the Non-U.S. Holder certifies its status as a foreign person under penalties of perjury or the broker has certain documentary evidence in its files as to the Non-U.S. Holder’s foreign status and the broker has no actual knowledge to the contrary.

For this purpose, a “*U.S. Related Person*” is (i) a “controlled foreign corporation” for U.S. federal income tax purposes, (ii) a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment (or for such part of the period that the broker has been in existence) is derived from activities that are effectively connected with the conduct of a U.S. trade or business, or (iii) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a U.S. trade or business.

Backup withholding is not an additional tax and may be refunded (or credited against the Holder’s U.S. federal income tax liability, if any), *provided* that certain required information is timely furnished to the IRS. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns reporting such interest and withholding also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

STATE AND LOCAL TAX CONSEQUENCES

This Offering Memorandum does not address the tax treatment of the Issuer, the Series 2011-1 Senior Notes, or the Holders of the Series 2011-1 Senior 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 Issuer as well as any state and local tax consequences to them of purchasing, owning and disposing of the Series 2011-1 Senior 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.

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” and, 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 Issuer. Certain transactions involving the purchase, holding or transfer of the Series 2011-1 Senior Notes may be deemed to constitute prohibited transactions if assets of the Issuer are deemed to be assets of a Plan. These concepts are discussed in greater detail below.

Plan Asset Regulation

The DOL has promulgated a regulation set forth at 29 CFR § 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 Issuer) 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 Issuer) 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 Issuer would be treated as Plan Assets if a Plan acquires an equity interest in the Issuer 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 Series 2011-1 Senior Notes are treated as having substantial equity features, a Plan or a Plan Asset Entity that purchases Series 2011-1 Senior Notes could be treated as having acquired a direct interest in the Issuer. In that event, the purchase, holding, transfer or resale of the Series 2011-1 Senior 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 Series 2011-1 Senior Notes as described herein, it appears that the Series 2011-1 Senior Notes should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation.

In the event that the Series 2011-1 Senior 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 Holders at any time, there can be no assurance that the Series 2011-1 Senior Notes will qualify for this exception and that the Issuer’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 Series 2011-1 Senior Notes in reliance upon the availability of this exception under the Plan Assets Regulation.

Prohibited Transactions

The acquisition or holding of Series 2011-1 Senior 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 Issuer or any of its affiliates is or becomes a Party in Interest or Disqualified Person with respect to such Plan, or in the event that a Series 2011-1 Senior 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 Issuer or any of its affiliates will not be or become a Party in Interest or a Disqualified Person with respect to a Plan that acquires Series 2011-1 Senior Notes. Any such prohibited transaction could be treated as exempt under ERISA and the Code if the Series 2011-1 Senior 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 Trustee, the Eligible Lender Trustee, the Servicers, the Issuer 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 of the Series 2011-1 Senior Notes, the purchase of the Series 2011-1 Senior 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, the Series 2011-1 Senior Notes may not be purchased using the assets of any Plan if any of the Initial Purchaser, the Trustee, the Eligible Lender Trustee, the Servicers, the Issuer 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 Series 2011-1 Senior Note (including a Plan's fiduciary, as applicable) shall be deemed to represent and warrant that (1)(a) it is not a Plan and is not acquiring the Series 2011-1 Senior Note directly or indirectly for, or on behalf of, or with Plan Assets of, a Plan, 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 Series 2011-1 Senior 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 Issuer 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 Series 2011-1 Senior 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 Series 2011-1 Senior 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 that proposes to acquire or hold Series 2011-1 Senior Notes should consult with counsel with respect to the applicable Similar Law.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. 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 FFEL Program;
- changes in the demand for educational financing or in financing preferences of educational institutions, students and their families, which could affect an Issuer'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" herein.

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.

INVESTOR SUITABILITY

The Series 2011-1 Senior Notes may be purchased only by investors who are institutional “accredited investors” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (“*Accredited Investors*”) or by “qualified institutional buyers” (“*Qualified Institutional Buyer*” or “*QIB*”), as defined in Rule 144A promulgated under the Securities Act (“*Rule 144A*”), hereto. In addition, the Series 2011-1 Senior Notes are subject to certain restrictions on transfer. See “Notice to Investors: Transfer Restrictions” herein. The Issuer will have the right, in its sole and absolute discretion, to reject a subscription for Series 2011-1 Senior Notes in whole or in part, or to allot less than the principal amount of Series 2011-1 Senior Notes for which subscriptions are received for any reason. See “Plan of Distribution” herein.

THE FOREGOING SUITABILITY STANDARDS ARE MINIMUM REQUIREMENTS FOR PROSPECTIVE PURCHASERS OF THE SERIES 2011-1 SENIOR NOTES. THE SATISFACTION OF SUCH STANDARDS DOES NOT NECESSARILY MEAN THAT THE SERIES 2011-1 SENIOR NOTES ARE A SUITABLE INVESTMENT FOR A PROSPECTIVE INVESTOR OR THAT ITS SUBSCRIPTION WILL BE ACCEPTED IN WHOLE OR IN PART BY THE ISSUER. ACCORDINGLY, EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT WITH ITS OWN TAX AND FINANCIAL ADVISORS TO DETERMINE WHETHER AN INVESTMENT IN THE SERIES 2011-1 SENIOR NOTES IS APPROPRIATE IN LIGHT OF ITS INDIVIDUAL TAX AND FINANCIAL SITUATION. SEE “RISK FACTORS” AND “CERTAIN FEDERAL INCOME TAX CONSIDERATIONS” HEREIN.

NOTICE TO INVESTORS: TRANSFER RESTRICTIONS

Each purchaser of Series 2011-1 Senior Notes from the Initial Purchaser, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchaser as follows:

- It understands and acknowledges that the Series 2011-1 Senior Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, that the Series 2011-1 Senior Notes have not been registered under the Securities Act or any other applicable securities laws and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, pursuant to an exemption therefrom or in a transaction not subject thereto and in each case in compliance with the conditions for transfer set forth below.
- It is a Qualified Institutional Buyer or an institutional Accredited Investor and is aware that any sale of the Series 2011-1 Senior Notes to it will be made in reliance on Rule 144A with respect to a Qualified Institutional Buyer, and Rule 501(a) with respect to an institutional Accredited Investor. Such acquisition will be for its own account or for the account of another QIB.
- It acknowledges that none of the Issuer or the Initial Purchaser or any person representing the Issuer or the Initial Purchaser has made any representation to it with respect to the Issuer or the offering or sale of any Series 2011-1 Senior Notes, other than the information contained herein, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Series 2011-1 Senior Notes.
- It is purchasing the Series 2011-1 Senior Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law

that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell the Series 2011-1 Senior Notes pursuant to Rule 144A or any other exemption from registration available under the Securities Act. It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Series 2011-1 Senior Notes and each subsequent Holder of the Series 2011-1 Senior Notes by its acceptance thereof will agree to offer, sell or otherwise transfer such Series 2011-1 Senior Notes only (a) to the Issuer; or (b) to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB or (c) to a person it reasonably believes is an institutional Accredited Investor that purchases for its own account, and, with respect to (b) to whom notice is given that the transfer is being made in reliance on Rule 144A, and with respect to (c), to whom notice is given that the transfer is being made in reliance on Rule 501(a). Each purchaser acknowledges that each Series 2011-1 Senior Note will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR 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 (1)(A) PURSUANT TO RULE 144A 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, OR (B) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" (WITHIN THE MEANING OF RULE 501(a)(1)-(3) OR (7) UNDER THE SECURITIES ACT) PURCHASING FOR INVESTMENT AND NOT FOR DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, SUBJECT TO THE RECEIPT BY THE TRUSTEE OF SUCH EVIDENCE ACCEPTABLE TO THE TRUSTEE THAT SUCH REOFFER, RESALE, PLEDGE OR TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS, (2) PURSUANT TO ANOTHER EXEMPTION AVAILABLE UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (3) PURSUANT TO A VALID REGISTRATION STATEMENT.

- The purchaser (A) is not itself, and is not acquiring the Series 2011-1 Senior Notes with "plan assets" of an employee benefit or other plan subject to Title I of ERISA, or Section 4975 of the Code (each, a "Plan"), or an entity whose underlying assets include "plan assets" by reason of any Plan's investment in the entity (a "Plan Asset Entity") or (B)(1) is itself, or is acquiring the Series 2011-1 Senior Notes with the assets of, an "investment fund" (within the meaning of Part V(b) of PTCE 84-14) managed by a "qualified professional asset manager" (within the meaning of Part V(a) of PTCE 84-14) which has made or properly authorized the decision for such fund to purchase the Series 2011-1 Senior Notes, under circumstances such that PTCE 84-14 is applicable to the purchase and holding of such 2001 Notes, (2) is itself, or is acquiring Series 2011-1 Senior Notes with the assets of, a Plan managed by an "in-house asset manager" (within the meaning of Part IV(a) of PTCE 96-23) which has made or properly authorized the decision for such Plan to purchase the Series 2011-1 Senior Notes, under circumstances such that PTCE 96-23 is applicable to the purchase and holding of such Series 2011-1 Senior Notes, (3) is an insurance company pooled separate account purchasing Series 2011-1 Senior Notes pursuant to Part I of PTCE 90-1 or a bank collective investment fund purchasing Series 2011-1 Senior Notes pursuant to Part I of PTCE 91-38, and in either case, no Plan owns more than 10% of the assets of such account or collective fund (when aggregated with other Plans of the same employer (or its affiliates) or employee organization), or (4) is an insurance company using the assets of its general account to purchase the Series 2011-1 Senior Notes pursuant to Part I of PTCE 95-60, in which case the reserves and liabilities for the general account contracts held by or on behalf of any Plan, together with any other Plans maintained by the same employer (or its affiliates) or employee organization, do not exceed 10% of the total reserves and liabilities of the insurance company general account (exclusive of separate account liabilities), plus surplus as set forth in the National Association of Insurance Commissioners Annual Statement filed with the state of domicile of the insurer.
- It acknowledges that the Issuer, Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of the acknowledgments,

representations or warranties deemed to have been made by it by its purchase of Series 2011-1 Senior Notes are no longer accurate, it will promptly notify the Initial Purchaser and the Issuer. If it is acquiring any Series 2011-1 Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

The foregoing includes a summary of the restrictions contained in the Investment Letter to be signed by the purchaser and does not limit any representations made by the purchaser in such Investment Letter. The purchaser should review the Investment Letter for the complete terms thereof.

RELATIONSHIPS AMONG FINANCING PARTICIPANTS

The Depositor, Goal Financial, Goal Structured Solutions and GTB2, the owner of all of the equity interests in the Issuer, are under common control.

The Initial Purchaser also serves as the dealer manager for the Tender Offer, for which it expects to receive customary fees and be reimbursed for customary expenses. See “The Tender Offer” herein. Additionally, in the ordinary course of their respective businesses the Initial Purchaser and its affiliates are engaged in various business activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Initial Purchaser and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve auction rate notes and other securities and instruments of the Issuer. The Initial Purchaser and its affiliates have performed and in the future may continue to perform various investment banking, commercial banking and advisory services for the Issuer and its affiliates from time to time for which they have received or may receive customary fees and expenses.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a Note Purchase Agreement (the “*Note Purchase Agreement*”), between Goal Financial and the Initial Purchaser, Goal Financial, as Sponsor, will cause the Issuer to sell to the Initial Purchaser, and the Initial Purchaser has agreed to purchase from the Issuer, the Series 2011-1 Senior Notes. The Initial Purchaser also serves as dealer manager for the Tender Offer. See “Relationships Among Financing Participants” herein.

In the Note Purchase Agreement, the Initial Purchaser has agreed, subject to the terms and conditions set forth therein, to purchase all of the Series 2011-1 Senior Notes offered hereby, if any Series 2011-1 Senior Notes are purchased, for an aggregate price equal to \$602,000,000 less an Initial Purchaser's discount of \$1,806,000. The Issuer has been advised by the Initial Purchaser that the Initial Purchaser proposes initially to offer the Series 2011-1 Senior Notes at an offering price equal to 100% of the aggregate principal amount of the Series 2011-1 Senior Notes being purchased. After the Offering, the offering price may be changed.

The Series 2011-1 Senior 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 Series 2011-1 Senior Notes. However, the Initial Purchaser is not obligated to do so and may discontinue any market-making activities with respect to the Series 2011-1 Senior Notes at any time without notice. We cannot assure you that the prices at which the Series 2011-1 Senior 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 Series 2011-1 Senior Notes will develop and continue after this offering.

The Note Purchase Agreement provides that the Goal Financial will indemnify the Initial Purchaser against certain liabilities, including liabilities under applicable securities laws, or contribute to payments the Initial Purchaser may be required to make in respect thereof.

LEGAL MATTERS

Certain legal matters relating to the Issuer and federal income tax matters will be passed upon by Alston & Bird LLP. Certain legal matters relating to the Issuer will be passed upon by Richards, Layton & Finger, P.A. Certain legal matters will be passed upon for the Initial Purchaser by Kutak Rock LLP.

RATINGS

It is a condition to the issuance and sale of the Series 2011-1 Senior Notes that the Series 2011-1 Senior Notes be rated “Aaa (sf)” by Moody’s and “AAA (sf)” by S&P, and that Moody’s and S&P confirm their existing ratings on the Previous Notes. The inclusion of an “sf” or “(sf)” in the ratings is an identifier recently implemented for structured finance product ratings by the applicable Rating Agency. Other credit rating agencies that we have not engaged to rate the Series 2011-1 Senior Notes may nevertheless issue unsolicited credit ratings on any series of Series 2011-1 Senior Notes or Previous Notes. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from those ratings assigned by S&P or Moody’s.

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 agency. The ratings of the Series 2011-1 Senior Notes address the likelihood of the ultimate payment of principal of and interest on the Series 2011-1 Senior Notes pursuant to their terms. The Rating Agencies do not evaluate, and the ratings on the Series 2011-1 Senior Notes do not address, the likelihood of principal distributions on the Series 2011-1 Senior Notes.

GLOSSARY OF CERTAIN DEFINED TERMS

Set forth below is a glossary of the principal defined terms used in the Offering Memorandum and not otherwise defined herein.

“*Account*” means any of the accounts created within the Funds established by the Indenture.

“*Acquisition Fund*” means the Acquisition Fund created and established pursuant to the Indenture and further described in the Offering Memorandum under the caption “Description of the Indenture—Funds and Accounts—Acquisition Fund.”

“*Acting Beneficiaries Upon Default*” means:

- (1) at any time that any Senior Obligations are Outstanding: (a) with respect to directing the Trustee to accelerate the Outstanding Notes (x) upon an Event of Default described in clauses (i) through (iv) of the definition thereof, inclusive, the Holders of a majority in aggregate Principal Amount of Senior Notes Outstanding and (y) upon any other Event of Default, the Holders of a majority in aggregate Principal Amount of all Notes Outstanding; (b) with respect to requesting the Trustee to exercise rights and powers under the Indenture, directing the conduct of proceedings in connection with the enforcement of the Indenture and requiring the Trustee to waive Events of Default: (i) the Holders of a majority in aggregate Principal Amount of the Senior Notes Outstanding, unless the Trustee shall receive conflicting requests or directions from an Other Senior Beneficiary; or (ii) any Other Senior Beneficiary, unless the Trustee determines that the requested action is not in the overall interest of the Senior Beneficiaries or receives conflicting requests or directions from another Other Senior Beneficiary or the Holders of a majority in aggregate Principal Amount of the Senior Notes Outstanding; and (c) with respect to all other matters under the Indenture, the Holders of a majority in aggregate Principal Amount of Senior Notes Outstanding or any Other Senior Beneficiary; and
- (2) at any time that no Senior Obligations are Outstanding but Subordinate Obligations are Outstanding: (a) with respect to directing the Trustee to accelerate the Outstanding Notes (x) upon an Event of Default described in clauses (v) through (viii) of the definition thereof, inclusive, the Holders of a majority in aggregate Principal Amount of Subordinate Notes Outstanding and (y) upon any other Event of Default, the Holders of a majority in aggregate Principal Amount of all Notes Outstanding; (b) with respect to requesting the Trustee to exercise rights and powers under the Indenture, directing the conduct of proceedings in connection with the enforcement of the Indenture and requiring the Trustee to waive Events of Default: (i) the Holders of a majority in aggregate Principal Amount of the Subordinate Notes Outstanding, unless the Trustee receives conflicting requests or directions from an Other Subordinate Beneficiary; or (ii) any Other Subordinate Beneficiary, unless the Trustee determines that the requested action is not in the overall interest of the Subordinate Beneficiaries or receives conflicting requests or directions from another Other Subordinate Beneficiary or the Holders of a majority in aggregate Principal Amount of the Subordinate Notes Outstanding; and (c) with respect to all other matters under the Indenture, the Holders of a majority in aggregate Principal Amount of Subordinate Notes Outstanding or any Other Subordinate Beneficiary; and
- (3) at any time that no Senior Obligations and no Subordinate Obligations are Outstanding but any Junior Subordinate Notes are Outstanding: (a) with respect to directing the Trustee to accelerate the Outstanding Junior Subordinate Notes, the Holders of a majority in aggregate Principal Amount of Junior Subordinate Notes Outstanding; (b) with respect to requesting the Trustee to exercise rights and powers under the Indenture, directing the conduct of proceedings in connection with the enforcement of the Indenture and requiring the Trustee to waive Events of Default: (i) the Holders of a majority in aggregate Principal Amount of the Junior Subordinate Notes Outstanding, unless the Trustee receives conflicting requests or directions from an Other Junior Subordinate Beneficiary; or (ii) any Other Junior Subordinate Beneficiary,

unless the Trustee determines that the requested action is not in the overall interest of the Junior Subordinate Beneficiaries or receives conflicting requests or directions from another Other Junior Subordinate Beneficiary or the Holders of a majority in aggregate Principal Amount of the Junior Subordinate Notes Outstanding; and (c) with respect to all other matters under the Indenture, the Holders of a majority in aggregate Principal Amount of Junior Subordinate Notes Outstanding or any Other Junior Subordinate Beneficiary.

“*Administration Agreement*” means the Second Amended and Restated Administration Agreement, dated March 15, 2011, among the Issuer, the Delaware Trustee, the Trustee, the Eligible Lender Trustee and the Issuer Administrator, as amended, supplemented or otherwise modified from time to time.

“*Administration Fee*” means a monthly fee equal to the greater of (i) 1/12 of 0.05% of the ending principal balance of the Financed Student Loans, plus accrued interest thereon, during the preceding month or (ii) \$75,000 per annum (or such greater or lesser amount as may be directed by the Issuer); provided that a Rating Agency Confirmation has been obtained with respect to any increase in such amount, which shall be released to the Issuer Administrator each month to cover its expenses (other than Servicing Fees and Note Fees) incurred in connection with carrying out and administering its powers, duties and functions under the Indenture and any related agreements.

“*Administration Fund*” means the Administration Fund created and established pursuant to the Indenture and further described in the Offering Memorandum under the caption “Description of the Indenture—Funds and Accounts—Administration Fund.”

“*Aggregate Value*” means on any calculation date the sum of the Values of all assets of the Trust Estate.

“*Alternative Loan*” means a Student Loan which is not made pursuant to the Higher Education Act, but which may be (but is not required to be) guaranteed by a third party.

“*Alternative Loan Guarantee Agreement*” means any agreement or agreements pursuant to which a Guarantor of an Alternative Loan guarantees the payment of one or more Alternative Loans and secures the payment of such guarantee, as supplemented or amended from time to time.

“*Alternative Loan Loss Reserve Fund*” means the Alternative Loan Loss Reserve Fund created and established pursuant to the Indenture and further described in the Offering Memorandum under the caption “Description of the Indenture—Funds and Accounts—Alternative Loan Loss Reserve Fund.”

“*Asset Release Requirement*” means that, as of the date of determination, (A)(i) the Senior Asset Percentage is at least equal to 107.0% and (ii) the Subordinate Asset Percentage is at least equal to 101.5% and (B) the Aggregate Value of assets held under the Indenture, less the principal amount of all Notes Outstanding will exceed \$1,000,000 after release or payment.

“*Auction Rate Notes*” means the Previous Notes.

“*Authorized Denominations*” means, with respect to the Series 2011-1 Senior Notes, \$100,000 and additional increments of \$1,000 in excess thereof.

“*Authorized Officer*” means, when used with reference to the Issuer, the individuals authorized to act for the Issuer Administrator as set forth in the list of Authorized Officers delivered by the Issuer Administrator to the Trustee and the Delaware Trustee, as such list may be amended from time to time by the Issuer Administrator.

“*Backup Administration Agreement*” means the Backup Administration Agreement dated as of March 15, 2011, among the Backup Administrator, the Administrator, the Issuer and the Trustee.

“*Backup Administration Fee*” means any fees payable to the Backup Administrator pursuant to the Backup Administration Agreement.

“*Backup Administrator*” means Lord Securities Corporation, in its capacity as the backup administrator under the Backup Administration Agreement.

“*Bankruptcy Code*” means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as amended.

“*Beneficial Owner*” means the person in whose name a Note is recorded as beneficial owner of such Note by a securities depository under a book-entry system or by a participant or indirect participant in such securities depository, as the case may be.

“*Beneficiaries*” means, collectively, all Senior Beneficiaries, all Subordinate Beneficiaries and all Junior Subordinate Beneficiaries.

“*Broker-Dealer*” means any broker or dealer (each as defined in the Securities Exchange Act of 1934, as amended), commercial bank or other entity permitted by law to perform the functions required of a broker-dealer set forth in the auction procedures for the Auction Rate Notes that (a) is a Participant (or an affiliate of a Participant), (b) has been appointed as such with respect to the Series 2011-1 Senior Notes by the Issuer pursuant to the Sixth Supplemental Indenture and (c) has entered into a broker-dealer agreement that is in effect on the date of reference.

“*Business Day*” means any day other than a Saturday, a Sunday, a holiday or any other day on which banks located in New York, New York or the city in which the principal office of the Trustee is located, are authorized or permitted by law, regulation or executive order to close.

“*Capitalized Interest Fund*” means the Capitalized Interest Fund created and established pursuant to the Sixth Supplemental Indenture and further described in the Offering Memorandum under the caption “Description of the Indenture—Funds and Accounts—Capitalized Interest Fund.”

“*Carry-Over Amount*” means the excess, if any, of (a) the amount of interest on an Auction Rate Note that would have accrued with respect to the related Interest Period at the applicable rate for such note over (b) the amount of interest on such Auction Rate Note actually accrued with respect to such Auction Rate Note, with respect to such Interest Period based on the Maximum Rate under the Indenture, together with the unpaid portion of any such excess from prior Interest Periods; provided that any reference to “principal” or “interest” shall not include within the meanings of such words any Carry-Over Amount or any interest accrued on any Carry-Over Amount.

“*Closing Date*” means March 15, 2011, the date of initial issuance and delivery of the Series 2011-1 Senior Notes.

“*Collection Fund*” means the Collection Fund created and established pursuant to the Indenture and further described in the Offering Memorandum under the caption “Description of the Indenture—Funds and Accounts—Collection Fund.”

“*Consolidation Loan*” means a Student Loan made pursuant to Section 428C of the Higher Education Act.

“*Counterparty Swap Payment*” means a payment due to or received by the Issuer from a Swap Counterparty pursuant to a Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement) and amounts received by the Issuer under any related Swap Counterparty Guaranty.

“*Credit Enhancement Facility*” means, if and to the extent provided for in a Supplemental Indenture with respect to Notes of one or more series, (i) an insurance policy insuring, or a letter of credit or surety bond providing a direct or indirect source of funds for, the timely payment of principal of and interest on such Notes (but not necessarily principal due upon acceleration thereof) or (ii) a letter of credit, standby purchase agreement, or similar instrument, providing for the purchase of such Notes on a Tender Date, and in either case, all agreements entered into by the Issuer or the Trustee and the Credit Facility Provider with respect thereto.

“*Credit Facility Provider*” means any institution engaged by the Issuer pursuant to a Credit Enhancement Facility to provide credit enhancement or liquidity for the payment of the principal of and interest on any or all of the Notes of one or more series, or for the Issuer’s obligation to purchase Notes of one or more series on a Tender Date.

“*Debt Service Fund*” means the Debt Service Fund created and established pursuant to the Indenture and further described in the Offering Memorandum under the caption “Description of the Indenture—Funds and Accounts—Debt Service Fund.”

“*Department of Education*” means the United States Department of Education.

“*DTC*” means The Depository Trust Company.

“*Eligible Lender Trust Agreement*” means the Eligible Lender Trust Agreement dated as of March 1, 2002 between the Issuer, as grantor, and the Eligible Lender Trustee, as trustee, and any similar agreement entered into by the Issuer and an “eligible lender” under the Higher Education Act pursuant to which such “eligible lender” holds Financed FFELP Loans as legal owner in trust for the Issuer, in each case as supplemented or amended from time to time.

“*Eligible Lender Trustee*” means The Bank of New York Mellon (as successor to The Bank of New York), as trustee under the Eligible Lender Trust Agreement, and its successors and assigns in such capacity.

“*Eligible Loan*” means: (a) a Student Loan which: (i) has been or will be made to a borrower for post-secondary education; (ii) is a FFELP Loan which is Guaranteed; (iii) is an “eligible loan” as defined in Section 438 of the Higher Education Act for purposes of receiving Special Allowance Payments; and (iv) unless a Rating Agency Confirmation is obtained, is either (A) a Consolidation Loan or (B) a FFELP Loan other than a Consolidation Loan, provided that the aggregate Principal Balance of all such FFELP Loans which are not Consolidation Loans does not exceed \$25,000,000 at any given time and provided further that no more than \$12,500,000 of such FFELP Loans which are not Consolidation Loans may be “unsubsidized Stafford loans”; or (b) a Student Loan which is an Alternative Loan if a Rating Agency Confirmation is obtained with respect to treating such type of Student Loan as an Eligible Loan; provided, however, that if, after any reauthorization or amendment of the Higher Education Act, loans authorized thereunder, including their benefits, are materially different from loans authorized prior to such reauthorization or amendment, such loans authorized after such reauthorization or amendment shall not constitute Eligible Loans unless a Rating Agency Confirmation is obtained.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“*Event of Default*” means an event of default under the Indenture, as described in the Offering Memorandum under “Description of the Indenture—Events of Default.”

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*FDIC*” means the Federal Deposit Insurance Corporation.

“*Federal Reimbursement Contract*” means any agreement between a Guarantee Agency and the Secretary of Education providing for the payment by the Secretary of Education of amounts authorized to be paid pursuant to the Higher Education Act, including (but not necessarily limited to) partial reimbursement of amounts paid or payable upon defaulted Financed FFELP Loans and other student loans guaranteed or insured by the Guarantee Agency and interest subsidy payments to holders of qualifying student loans Guaranteed by the Guarantee Agency.

“*FFEL Program*” means the Federal Family Education Loan Program established by the Higher Education Act pursuant to which loans are made to borrowers pursuant to certain guidelines, and the repayment of such loans is guaranteed by a Guarantee Agency and any predecessor or successor program.

“*FFELP Guarantee Agreements*” means the blanket guarantee and other guarantee agreements issued by or from any Guarantee Agency to the Eligible Lender Trustee for the purpose of Guaranteeing FFELP Loans to be Financed under the Indenture, and any amendment of any of the foregoing entered into in accordance with the provisions thereof.

“*FFELP Loan*” means a Student Loan made pursuant to the Higher Education Act.

“*Financed*” means, when used with respect to Student Loans, Eligible Loans, FFELP Loans or Alternative Loans, such Student Loans, Eligible Loans, FFELP Loans or Alternative Loans, as the case may be, acquired by the Issuer or the Eligible Lender Trustee on behalf of the Issuer with moneys in the Acquisition Fund, any Eligible Loans received in exchange for Financed Student Loans upon the sale thereof or substitution therefor in accordance with the Indenture and any other Student Loans deemed “Financed” with moneys in the Acquisition Fund, but does not include Student Loans released from the lien of the Indenture and sold to any purchaser, including a trustee for the holders of the Issuer’s bonds, notes or other evidences of indebtedness issued other than pursuant to the Indenture.

“*Fund*” means any of the funds created or established by the Indenture.

“*Government Obligations*” means direct obligations of, or obligations the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“*Guarantee*” or “*Guaranteed*” means, (a) with respect to a FFELP Loan, the insurance or guarantee by a Guarantee Agency, to the extent provided in the Higher Education Act, of the principal of and accrued interest on such FFELP Loan and the coverage of such FFELP Loan by one or more Federal Reimbursement Contracts providing, among other things, for reimbursement to the Guarantee Agency for losses incurred by it on defaulted Financed Student Loans insured or guaranteed by the Guarantee Agency to the extent provided in the Higher Education Act and (b) with respect to an Alternative Loan, the insurance or guarantee by a Guarantor of an Alternative Loan.

“*Guarantee Agency*” means any state agency or private nonprofit institution or organization which has Federal Reimbursement Contracts in place and has entered into a FFELP Guarantee Agreement with the Eligible Lender Trustee, and any such guarantor’s successors and assigns.

“*Guarantee Agreement*” means collectively, any Alternative Loan Guarantee Agreement and any FFELP Guarantee Agreement.

“*Guarantor*” means any Alternative Loan Guarantor and any Guarantee Agency.

“*Higher Education Act*” means the Higher Education Act of 1965, as amended or supplemented from time to time, and all regulations promulgated thereunder.

“*Holder*” means, when used with respect to any Note, the Person in whose name such Note is registered in the Note Register, except that to the extent and for the purposes provided in a Supplemental Indenture for a series of Notes (including, without limitation, for purposes of the definition of “Acting Beneficiaries Upon Default”), a Credit Facility Provider that has delivered a Credit Enhancement Facility with respect to such series of Notes may instead be treated as the Holder of the Notes of such series.

“*Indenture*” means the Indenture of Trust, dated as of March 1, 2002, from the Issuer and the Eligible Lender Trustee to the Trustee, as amended and supplemented from time to time.

“*Indenture Obligations*” means the Senior Obligations, the Subordinate Obligations and the Junior Subordinated Obligations.

“*Indirect Participant*” means any financial institution for whom any Direct Participant holds an interest in any Note.

“*Interest Payment Date*” means, with respect to the Series 2011-1 Senior Notes, (a) each Monthly Distribution Date; or (b) with respect to the payment of interest upon acceleration of the Series 2011-1 Senior Notes, such date on which such interest is payable under the Indenture.

“*Interest Period*” means, with respect to the Series 2011-1 Senior Notes, the period from and including each Interest Payment Date to but excluding the next Interest Payment Date (except that the initial Interest Period will commence on the Closing Date).

“*Issuer Administrator*” means Goal Financial, in its capacity as administrator under that certain Administration Agreement, or any other Person providing similar services upon receipt of a Rating Agency Confirmation.

“*Issuer Order*” or “*Issuer Certificate*” means, respectively, a written order or certificate (which may be a standing order or certificate) signed in the name of the Issuer by an Authorized Officer and delivered to the Trustee.

“*Investment Letter*” means an investment letter substantially in the form of Exhibit B to the Sixth Supplemental Indenture.

“*Junior Subordinate Beneficiaries*” means (1) the Holders of any Outstanding Junior Subordinate Notes, and (2) any Other Junior Subordinate Beneficiary holding any Other Junior Subordinate Obligation that is Outstanding.

“*Junior Subordinate Credit Enhancement Facility*” means a Credit Enhancement Facility designated as a Junior Subordinate Credit Enhancement Facility in the Supplemental Indenture pursuant to which such Credit Enhancement Facility is furnished by the Issuer.

“*Junior Subordinate Credit Facility Provider*” means any person who provides a Junior Subordinate Credit Enhancement Facility.

“*Junior Subordinate Notes*” means any Notes designated in a Supplemental Indenture as Junior Subordinate Notes, which are secured under the Indenture on a basis subordinate to any Senior Obligations and Subordinate Obligations (as such subordination is described in the Indenture), and in parity with Other Junior Subordinate Obligations.

“*Junior Subordinate Obligations*” means, collectively, the Junior Subordinate Notes and any Other Junior Subordinate Obligations. There are currently no Junior Subordinate Obligations issued or Outstanding under the Indenture.

“*Junior Subordinate Swap Agreement*” means a Swap Agreement designated as a Junior Subordinate Swap Agreement in the Supplemental Indenture pursuant to which such Swap Agreement is furnished by the Issuer.

“*Junior Subordinate Swap Counterparty*” means any Person who provides a Junior Subordinate Swap Agreement.

“*Lender*” means any party from which the Issuer or the Depositor (or the Eligible Lender Trustee on behalf of the Issuer or the Depositor) acquires Financed Student Loans, which, in the case of FFELP Loans, must be an “eligible lender” (as defined in the Higher Education Act).

“*LIBOR Business Day*” means any day on which banks in New York, New York and London, England are open for the transaction of international business.

“*LIBOR Determination Date*” means the second LIBOR Business Day immediately preceding the first day of each Interest Period.

“*Material Documents*” means the Trust Agreement, the Indenture and any Supplemental Indenture.

“*Maturity*” means, when used with respect to any Note, the date on which the entire outstanding Principal Amount of such Note becomes due and payable as provided therein or in the Indenture, whether at the Stated Maturity thereof or by declaration of acceleration, redemption, distribution of principal or otherwise.

“*Monthly Calculation Date*” means the 25th day of each calendar month or, if such 25th day is not a Business Day, the next succeeding Business Day.

“*Monthly Distribution Date*” means the 25th day of each calendar month or, if such 25th day is not a Business Day, the next succeeding Business Day. The first Monthly Distribution Date will be March 25, 2011.

“*Moody’s*” means Moody’s Investors Service Inc., and its successors and assigns and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee at the written direction of the Issuer.

“*Note Fees*” means the fees, costs and expenses (excluding costs of issuance) of the Trustee, the Delaware Trustee and any Eligible Lender Trustee, paying agents, authenticating agent, remarketing agents, tender agent, auction agents, broker-dealers, counsel, note registrar, market agents or independent accountants and other consultants and professionals incurred by the Issuer in carrying out and administering its powers, duties and functions under (1) the Eligible Lender Trust Agreement, the Trust Agreement, the Guarantee Agreements, the Higher Education Act, or any requirement of the laws of the United States or any State with respect to the FFEL Program, as such powers, duties and functions relate to Financed Student Loans, (2) any Swap Agreements and any Credit Enhancement Facilities (other than any amounts payable thereunder which constitute Other Obligations), (3) any remarketing agreement, tender agent agreement, auction agent agreement, market agent agreement or broker-dealer agreement and (4) the Indenture.

“*Notes*” means all notes, bonds or other obligations issued by the Issuer under the Indenture.

“*One-Month LIBOR*” means, with respect to any Interest Period, the London interbank offered rate for United States dollar deposits having a maturity of one month which appears on the Reuters LIBOR01 Page (or such other page as may replace the Reuters LIBOR01 Page for the purpose of displaying comparable rates) as of approximately 11:00 a.m., London time, on the related LIBOR Determination Date; provided, that if on any calculation date, no rate appears on the Reuters LIBOR01 Page as specified above, the Trustee shall determine the arithmetic mean of the offered quotations of four major banks in the London interbank market, for deposits in U.S. dollars for the respective periods specified above to the banks in the London interbank market as of approximately 11:00 a.m., London time, on such calculation date and in a principal amount of not less than \$1,000,000 that is representative of a single transaction in such market and at such time, unless fewer than two such quotations are provided, in which case, the rate shall be the arithmetic mean of the offered quotations that leading banks in New York City selected by the Trustee are quoting on the relevant LIBOR Determination Date for loans in U.S. dollars to leading European banks in a principal amount of not less than \$1,000,000 for a one-month period that is representative of a single transaction in such market at such time. All percentages resulting from such calculations shall be rounded upwards, if necessary, to the nearest one-hundredth of one percent.

“*Other Beneficiary*” means an Other Senior Beneficiary, an Other Subordinate Beneficiary or an Other Junior Subordinated Beneficiary.

“*Other Junior Subordinate Beneficiary*” means a person who is a Junior Subordinate Beneficiary other than as a result of ownership of Junior Subordinated Notes.

“*Other Junior Subordinate Obligations*” means the Issuer’s obligations to pay any amounts under any Junior Subordinate Swap Agreements and any Junior Subordinate Credit Enhancement Facilities.

“*Other Obligations*” means, collectively, Other Senior Obligations, Other Subordinate Obligations and Other Junior Subordinate Obligations.

“*Other Senior Beneficiary*” means a person or entity who is a Senior Beneficiary other than as a result of ownership of Senior Notes.

“*Other Senior Obligations*” means the Issuer’s obligations to pay any amounts under any Senior Swap Agreements and any Senior Credit Enhancement Facilities.

“*Other Subordinate Beneficiary*” means a person or entity who is a Subordinate Beneficiary other than as a result of ownership of Subordinate Notes.

“*Other Subordinate Obligations*” means the Issuer’s obligations to pay any amounts under any Subordinate Swap Agreements and any Subordinate Credit Enhancement Facilities.

“*Outstanding*,” (1) when used with respect to any Note, shall have the construction given to such word in the Indenture, *i.e.*, a Note shall not be Outstanding under the Indenture if such Note is at the time not deemed to be Outstanding by reason of the operation and effect of the Indenture, and (2) when used with respect to any Other Obligation, means all Other Obligations which have become, or may in the future become, due and payable and which have not been paid or otherwise satisfied.

“*Participant*” means a member of, or participant in, the Securities Depository.

“*Person*” means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, incorporated organization or government or any agency or political subdivision thereof.

“*PLUS Loan*” means, a Student Loan made pursuant to Section 428b of the Higher Education Act.

“*Pool Balance*” means, for any date, the Aggregate Value as of the last day of the preceding calendar month, less any amounts on deposit in any of the Accounts or Funds other than the Reserve Fund.

“*Previous Notes*” means, collectively, the Series 2002 Notes and the Series 2002-2 Notes.

“*Previous Senior Notes*” means, collectively, the Senior Notes of the Series 2002 Notes and the Series 2002-2 Notes.

“*Principal Amount*,” when used with respect to (i) a Note, means the original principal amount of such Note less all payments previously made to the Holder thereof in respect of principal and (ii) a Swap Agreement, shall have the meaning set forth in the Supplemental Indenture relating to the Series of Notes for which the Issuer entered into such Swap Agreement.

“*Principal Balance*” means, when used with respect to a Student Loan, the unpaid principal amount thereof (including, in the case of FFELP Loans, any unpaid capitalized interest thereon that is authorized to be capitalized under the Higher Education Act and, in the case of Alternative Loans, any unpaid capitalized interest thereon that is authorized to be capitalized under the applicable promissory note) as of a given date.

“*Principal Distribution Amount*” means, with respect to the Series 2011-1 Senior Notes, an amount determined by the Issuer Administrator equal to (I) on each Monthly Distribution Date prior to the Stated Maturity of the Series 2011-1 Senior Notes, the greater of (A) for the first 12 Monthly Distribution Dates, \$500,000 or (B) the sum of (1) the difference, if any, between (i) the aggregate Principal Amount of all Senior Notes Outstanding and (ii) the quotient of (a) the Pool Balance and (b) the minimum required Senior Asset Percentage of 107.0% plus (2) with respect to the first Monthly Distribution Date, any excess Issuance Proceeds remaining in the Tender Account of the Surplus Fund after settlement of the Tender Offer; or (II) on the Stated Maturity of the Series 2011-1 Senior Notes, the amount necessary to reduce the aggregate Principal Amount of the Series 2011-1 Senior Notes to zero; provided, however, that while the Series 2011-1 Senior Notes are Outstanding the Previous Senior Notes Outstanding, after giving effect to the purchases of the Previous Senior Notes pursuant to the Tender Offer, will be assumed to have the same Principal Amounts as on the settlement of the Tender Offer.

“*Rating Agency*” means: (1) with respect to the Notes, any rating agency having an outstanding rating on any of the Notes that was specifically engaged by the Issuer to provide such rating; *provided, however*, that the definition of “*Rating Agency*” shall specifically exclude any other rating agency not engaged by the Issuer to rate any of the Notes that otherwise issues an unsolicited rating on any of the Notes; and (2) with respect to investment securities, any rating agency that has an outstanding rating on the applicable investment security.

“*Rating Agency Confirmation*” means, with respect to any action, that each of the Rating Agencies shall have notified the Issuer and the Trustee in writing that such action will not result in a reduction, qualification or withdrawal of the then-current rating of any of the Notes.

“*Regular Record Date*” means the last Business Day immediately preceding each Interest Payment Date.

“*Reserve Fund*” means the Reserve Fund created and established pursuant to the Indenture and further described in the Offering Memorandum under the caption “Description of the Indenture—Funds and Accounts—Reserve Fund.”

“*Reserve Fund Requirement*” means, with respect to the Notes at any time, an amount equal to the greater of (a) 0.92% of the aggregate Principal Amount of the Notes then Outstanding or (b) \$500,000.

“*Reuters LIBOR01 Page*” means the display page so designated on the Reuters Monitor Money Rates Service, or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor for the purposes of displaying comparable rates or prices.

“*Revolving Period*” means the period during which repayments on the Financed Eligible Loans may be deposited to the Acquisition Fund to be used to acquire additional Eligible Loans.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services, LLC business, and its successors and assigns and if such corporation shall be dissolved or liquidated or shall no longer perform the function of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee at the written direction of the Issuer.

“*Secretary of Education*” means the Secretary of the United States Department of Education (who succeeded to the functions of the Commissioner of Education pursuant to the Department of Education Organization Act), or any other officer, board, body, commission or agency succeeding to the functions thereof under the Higher Education Act.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Securities Depository*” means DTC or, if (i) the then-existing Securities Depository resigns from its functions as depository of the Series 2011-1 Senior Notes or (ii) the Issuer discontinues use of the 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 Series 2011-1 Senior Notes and which is selected by the Issuer with the consent of the Trustee.

“*Senior Asset Percentage*” means, as of the date of determination, the percentage resulting by dividing (A) the Aggregate Value less the sum of (1) all accrued interest on Outstanding Senior Notes, (2) all accrued Issuer Swap Payments with respect to Senior Swap Agreements, and (3) all accrued fees with respect to Senior Credit Enhancement Facilities and (4) all accrued fees and expenses to be paid out of the Administration Fund, by (B) aggregate Principal Amount of Outstanding Senior Notes.

“*Senior Asset Requirement*” means at any time, any requirement set forth as such in a Supplemental Indenture providing for the issuance of one or more series of Notes any of which are then Outstanding. Currently, the “*Senior Asset Requirement*” means that as of the date of determination, the Senior Asset Percentage is at least equal to 107.0% and the Subordinate Asset Percentage is at least equal to 101.5%.

“*Senior Beneficiaries*” means (1) the Holders of any Outstanding Senior Notes, and (2) any other Senior Beneficiary holding any Other Senior Obligation that is Outstanding.

“*Senior Credit Enhancement Facility*” means a Credit Enhancement Facility designated as a Senior Credit Enhancement Facility in the Supplemental Indenture pursuant to which such Credit Enhancement Facility is furnished by the Issuer.

“*Senior Credit Facility Provider*” means any person or entity who provides a Senior Credit Enhancement Facility.

“*Senior Notes*” means any Notes designated in a Supplemental Indenture as Senior Notes, which are secured under the Indenture on a basis senior to any Subordinate Obligations and any Junior Subordinate Obligations (as such seniority is described in the Indenture), and in parity with Other Senior Obligations.

“*Senior Obligations*” means, collectively, the Senior Notes and any Other Senior Obligations.

“*Senior Swap Agreement*” means a Swap Agreement designated as a Senior Swap Agreement in the Supplemental Indenture pursuant to which such Swap Agreement is furnished by the Issuer.

“*Senior Swap Counterparty*” means any person or entity who provides a Senior Swap Agreement.

“*Series 2002 Notes*” means the Series 2002 Notes created and issued under the First Supplemental Indenture, dated March 1, 2002, between the Issuer and the Trustee, as amended or supplemented from time to time, in the aggregate original Principal Amount of \$600,000,000.

“*Series 2002-2 Notes*” means the Series 2002-2 Notes created and issued under the Second Supplemental Indenture, dated July 1, 2002, between the Issuer and the Trustee, as amended or supplemented from time to time, in the aggregate original Principal Amount of \$900,000,000.

“*Series 2011-1 Senior Notes*” means, the Series 2011-1 Senior Notes created and issued under the Sixth Supplemental Indenture in the original Principal Amount of \$602,000,000 and designated as the “Student Loan Asset-Backed Notes, Senior Series 2011-1.”

“*Servicer*” means Nelnet, Inc., Great Lakes Educational Loan Services, Inc., ACS Education Services, Inc. and any other organization with which the Issuer has (or the Issuer and the Eligible Lender Trustee have) entered into a Servicing Agreement; in any case, so long as such party acts as servicer of the Financed Student Loans.

“*Servicing Agreement*” means each of: (i) the Federal Family Education Loan Program Consolidation Loan Servicing Agreement, dated as of March 1, 2002, between the Issuer and Nelnet, Inc. (f/k/a Nelnet Loan Services, Inc.), as amended by the Amendment to the Federal Family Education Loan Program Consolidation Loan Servicing Agreement, dated as of March 31, 2008; (ii) the Student Loan Servicing Agreement, dated as of March 1, 2002, between the Issuer and Great Lakes Educational Loan Services, Inc., as amended by the Amendment to Certain Student Loan Servicing Agreements and Student Loan Origination and Servicing Agreements, effective as of March 31, 2008; (iii) the Federal FFEL Servicing Agreement, dated as of March 1, 2002, between the Issuer and ACS Education Services, Inc. (as successor in interest to AFSA Data Corporation), as amended by the Amendment to Certain Federal FFEL Origination/Servicing Agreements and Federal FFEL Servicing Agreements, dated as of March 31, 2008; or (iv) any other agreement between the Issuer and a Servicer (or among the Issuer, the Eligible Lender Trustee and a Servicer), under which such Servicer agrees to act as the Issuer’s agent in connection with the administration and collection of Financed Student Loans in accordance with the Indenture.

“*Servicing Fees*” means any fees payable by the Issuer to (1) a Servicer in respect of Financed Student Loans pursuant to the provisions of a Servicing Agreement and (2) a collection agent in respect of Financed Student Loans in default.

“*Sixth Supplemental Indenture*” means the Sixth Supplemental Indenture of Trust, dated as of March 15, 2011, between the Issuer and the Trustee, as amended or supplemented in accordance with the terms hereof and the Indenture.

“*Special Allowance Payments*” means special allowance payments authorized to be made by the Secretary of Education by Section 438 of the Higher Education Act, or similar allowances authorized from time to time by federal law or regulation.

“*Sponsor*” means Goal Financial, in its capacity as sponsor of the transactions described in this Offering Memorandum.

“*Student Loan*” means a loan to a borrower for or in connection with post-secondary education, bar preparation expenses or medical residency expenses.

“*Sub-Administration Agreement*” means the Sub-Administration Agreement, dated as of January 1, 2008, between the Issuer Administrator and Goal Structured Solutions, as amended, supplemented or otherwise modified from time to time.

“*Sub-Administrator*” means Goal Structured Solutions, in its capacity as sub-administrator under that certain Sub-Administration Agreement, or any other Person providing similar services upon receipt of a Rating Agency Confirmation.

“*Subordinate Asset Percentage*” means, as of the date of determination, the percentage resulting by dividing (A) the Aggregate Value less the sum of (1) all accrued interest on Outstanding Senior Notes and Outstanding Subordinate Notes, (2) all accrued Issuer Swap Payments (other than with respect to Junior Subordinated Swap Agreements), (3) all accrued fees with respect to Credit Enhancement Facilities (other than with respect to Junior Subordinated Credit Enhancement Facilities), and (4) all accrued fees and expenses to be paid out of the Administration Fund by (B) the aggregate Principal Amount of Outstanding Senior Notes and Outstanding Subordinate Notes.

“*Subordinate Beneficiaries*” means (1) the Holders of any Outstanding Subordinate Notes, and (2) any Other Subordinate Beneficiary holding any Other Subordinate Obligation then Outstanding.

“*Subordinate Credit Enhancement Facility*” means a Credit Enhancement Facility designated as a Subordinate Credit Enhancement Facility in the Supplemental Indenture pursuant to which such Credit Enhancement Facility is furnished by the Issuer.

“*Subordinate Credit Facility Provider*” means any person or entity who provides a Subordinate Credit Enhancement Facility.

“*Subordinate Notes*” means any Notes designated in a Supplemental Indenture as Subordinate Notes, which are secured under the Indenture on a basis subordinate to any Senior Obligations, on a basis senior to any Junior Subordinate Obligations and in parity with Other Subordinate Obligations.

“*Subordinate Obligations*” means, collectively, the Subordinate Notes and the Other Subordinate Obligations.

“*Subordinate Swap Agreement*” means a Swap Agreement designated as a Subordinate Swap Agreement in the Supplemental Indenture pursuant to which such Swap Agreement is furnished by the Issuer.

“*Subordinate Swap Counterparty*” means any person or entity who provides a Subordinate Swap Agreement.

“*Supplemental Indenture*” means any amendment of or supplement to the Indenture made in accordance with the provisions thereof.

“*Surplus Fund*” means the Surplus Fund created and established pursuant to the Indenture and further described under the caption “Description of the Indenture—Funds and Accounts—Surplus Fund” herein.

“*Swap Agreement*” means an interest rate or other hedge agreement between the Issuer and a Swap Counterparty as supplemented or amended from time to time.

“*Swap Counterparty*” means any person or entity with whom the Issuer shall, from time to time, enter into a Swap Agreement.

“*Taxes*” means an amount reasonably estimated by the Issuer Administrator which shall be equal to the hypothetical taxes which would be incurred by the Issuer as a direct consequence of the Indenture, the Notes or the Financed Student Loans if the Issuer were a taxpaying entity with a tax rate of 35%, which percentage can be changed with a

Rating Agency Confirmation, and shall not be based upon the actual taxes owed by any owners of the issuer or the Depositor.

“*Tender Account*” means the account created pursuant to the Sixth Supplemental Indenture.

“*Tender Date*” means, with respect to any Note, a date on which such Note is required to be tendered for purchase by or on behalf of the Issuer, or has been tendered for purchase by or on behalf of the Issuer pursuant to a right given the Holder or Beneficial Owner of such Note, in accordance with the provisions in the Supplemental Indenture providing for the issuance thereof.

“*Tender Offer*” means the cash tender offer, commenced by the Issuer on January 14, 2011, increased on February 25, 2011 and March 2, 2011 and increased further on March 8, 2011, to purchase up to \$648,200,000 aggregate principal amount (as such amount may be increased in the Issuer’s sole discretion) of its outstanding Previous Senior Notes, as further described in the Offering Memorandum under the caption “The Tender Offer.”

“*Trust Agreement*” means the Trust Agreement, dated as of March 1, 2002, as amended from time to time, between the Delaware Trustee and the Depositor.

“*Trust Estate*” means the Trust Estate as described in the Granting Clauses of the Indenture.

“*Trustee*” means The Bank of New York Mellon (as successor to The Bank of New York), as trustee under the Indenture, and any successor or assign in that capacity, and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

“*Value*” means, on any calculation date when required under the Indenture, the value of the Trust Estate calculated by the Issuer Administrator with respect to clauses (1) and (6) below and the Trustee with respect to clauses (2) through (5) below, in accordance with the following:

1. with respect to any Financed Eligible Loan, the Principal Balance thereof, plus accrued interest and Special Allowance Payments thereon; provided, however, such amount shall not include the Principal Balance of any Alternative Loan that is more than 180 days delinquent;
2. with respect to any funds of the Issuer (other than with respect to funds in the Capitalized Interest Fund, solely for the purposes of calculating the Asset Release Requirement, Senior Asset Percentage and Subordinate Asset Percentage) on deposit in any commercial bank or as to any banker’s acceptance or repurchase agreement or investment agreement, the amount thereof plus accrued interest thereon;
3. with respect to any investment securities of an investment company, the bid price, or the net asset value if there is no bid price, of the shares as reported by the investment company;
4. as to other investments, (a) the bid price published by a nationally recognized pricing service, or (b) if the bid and asked prices thereof are published on a regular basis by Bloomberg Financial Markets Commodities News (or, if not there, then in The Wall Street Journal), the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination plus accrued interest thereon;
5. as to investments the bid prices of which are not published by a nationally recognized pricing service and the bid and asked prices of which are not published on a regular basis by Bloomberg Financial Markets Commodities News (or, if not there, then in The Wall Street Journal) the lower of the bid prices at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments, plus accrued interest thereon; and
6. any accrued but unpaid Counterparty Swap Payment, unless the Swap Counterparty is in default of its obligations under the Swap Agreement.

“Variable Rate Notes” means Notes whose interest rate is not fixed but varies on a periodic basis as specified in the Supplemental Indenture providing for the issuance thereof.

DESCRIPTION OF THE FFEL 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 authorizes certain student loans to be covered under the Federal Family Education Loan Program (“*FFEL Program*”). 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 eliminated the FFEL Program. As of July 1, 2010, 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 by the Issuer (including the loans described in the Offering Memorandum under the caption “Characteristics of the Student Loans”) continue to be subject to the provisions of the FFEL Program. The following description of the FFEL Program has been provided solely to explain certain of the provisions of the FFEL Program 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 FFEL Program and no funds are authorized to be appropriated, or may be expended, under the Higher Education Act to make or insure loans under the FFEL Program (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 FFEL Program, 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 was eligible for loans made under the FFEL Program only if he or she:

- had been accepted for enrollment or is enrolled in good standing at an eligible institution of higher education;
- was 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;
- was not in default on any federal education loans;
- had not committed a crime involving fraud in obtaining funds under the Higher Education Act which funds have not been fully repaid; and
- met other applicable eligibility requirements.

Eligible institutions include higher educational institutions and vocational schools that comply with specific federal regulations. Each loan is 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 FFEL Program. The Higher Education Act allows lesser rates of interest to be charged.

Types of loans

There are four types of loans under the FFEL Program:

- Subsidized Stafford Loans

- Unsubsidized Stafford Loans
- PLUS Loans
- Consolidation Loans

These loan types varied 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 FFEL Program was the Subsidized Stafford Loan. Students who were not eligible for Subsidized Stafford Loans based on their economic circumstances may have been able to obtain Unsubsidized Stafford Loans. Graduate or professional students and parents of dependent undergraduate students may have been able to obtain PLUS Loans. Consolidation Loans were available to borrowers with existing loans made under the FFEL Program and other federal programs to consolidate repayment of the borrower's existing loans. Prior to July 1, 1994, the FFEL Program 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 was made had been accepted or was 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 had 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 had discretion to raise these limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subsidized Stafford Loans were made only to student borrowers who met 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 were the subject of frequent and extensive amendment.

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 was intended for a period of enrollment that included or began 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 is fixed at 5.60%,

Unsubsidized Stafford Loans

General. The Unsubsidized Stafford Loan program was created by Congress in 1992 for students who did 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, were 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 does not make interest subsidy payments and the loan limitations are determined without respect to the expected family contribution. The borrower is required to either pay interest from the time the loan is disbursed or the accruing interest is 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 FFEL Program was 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 were made to parents, and under certain circumstances spouses of remarried parents, of dependent undergraduate students. Effective July 1, 2006, graduate and professional students were eligible borrowers under the PLUS Loan program. For PLUS Loans made on or after July 1, 1993, the borrower must not have had an adverse credit history as determined by criteria established by the Secretary of Education. The basic provisions applicable to PLUS Loans were 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 authorized a program under which certain borrowers could consolidate their various federally insured education loans into a single loan insured and reinsured on a basis similar to Stafford Loans. Consolidation Loans could 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 had outstanding indebtedness on student loans made under the FFEL Program and/or certain other federal student loan programs; and
- have been in repayment status or in a grace period on loans that are to be consolidated.

Borrowers who were in default on loans that were to be consolidated must first have made satisfactory arrangements to repay the loans to the respective holder(s) or must have agreed 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 were permitted to 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, were 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” below.

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

Dependent students were permitted to borrow an additional \$2,000 in Unsubsidized Stafford Loans for each year of undergraduate study. Independent students were permitted to 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 were generally reduced in proportion to the amount by which the programs were less than one year in length. A graduate or professional

student was permitted to borrow up to \$20,500 in an academic year where no more than \$8,500 was 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 was permitted to have outstanding was \$31,000 (of which only \$23,000 may have been Subsidized Stafford Loans). An independent undergraduate student was permitted to have an aggregate maximum of \$57,500 (of which only \$23,000 may have been 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 have been Subsidized Stafford Loans. In some instances, schools were permitted to 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 were limited only by the student's unmet need. There was no aggregate limit for PLUS Loans.

Disbursement requirements

The Higher Education Act required 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 have been 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) were permitted to request disbursement in single installments and were excused from the 30-day delayed delivery requirement applicable to first-time, first-year borrowers.

Repayment

Repayment periods. Loans made under the FFEL Program, 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 were 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 FFEL Program 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, was able to 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 FFEL Program) 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 was 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 was collected either by deduction from the proceeds of the loan or by payment from other non-Federal sources. Federal default fees could 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 could be charged to a Stafford Loan borrower decreased according to the following schedule:

- 1.5% with respect to loans for which the first disbursement was made on or after July 1, 2007, and before July 1, 2008;
- 1.0% with respect to loans for which the first disbursement was made on or after July 1, 2008, and before July 1, 2009; and

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

A lender was permitted to 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 passed all or a portion of the origination fee on to the borrower, the lender was required to pay the origination fee owed on each loan it made to the Secretary of Education.

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

Lender fee. The lender of any loan made under the FFEL Program was required to pay a fee to the Secretary of Education. For loans made on or after October 1, 2007, the fee was equal to 1.0% of the principal amount of such loan. This fee could not 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 entered 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 was 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 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 Special Allowance Payment 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%

Date of LoansAnnualized Special Allowance Payment Rate

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 Special Allowance Payment 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 was 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:

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

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.

**Weighted Average Lives, Expected Maturities
and Percentages of Original Principal Remaining at Each
Monthly Distribution Date for the Series 2011-1 Senior 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. For 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 and CPR models do not purport to describe historical prepayment experience or predict the prepayment rate of any actual student loan pool. The student loans will not prepay according to the PPC and CPR, 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 monthly distribution dates under various PPC and CPR scenarios.

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 January 31, 2011;
- the closing date is March 15, 2011;
- 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;

- the Issuer uses all of the amounts on deposit in the Surplus Account every twenty-four (24) months after the Closing Date to redeem senior Auction Rate Notes first, then subordinate Auction Rate Notes second;
- 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:
 - One-month LIBOR of 0.263%;
 - 91-day Treasury bill rate of 0.12%; and
 - three-month commercial paper rate of 0.36%;
- monthly distributions begin on March 25, 2011, and payments are made quarterly on the 25th day of every month thereafter, whether or not the 25th is a business day;
- the interest rate for the outstanding notes at all times will be equal to 1.25%;
- 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 0.12% per annum through the end of the collection period; reinvestment earnings are available for distribution from the prior collection period;
- the pool of trust student loans were grouped into 1,706 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;
- the Auction Rate Notes are accruing interest at the maximum rate under the indenture;
- the initial balances of the Reserve Fund and Surplus Fund are equal to \$13,191,931 and \$32,171,977, respectively;
- no senior Auction Rate Notes would be redeemed prior to their respective stated maturity date;
- subordinate Auction Rate Notes are redeemed prior to their respective stated maturity date;
- Servicing Fees for Student Loans serviced by ACS are \$1.72 per borrower per month for borrowers in school and \$4.02 per borrower per month in any other status, servicing fees for Student Loans serviced by Great Lakes are \$2.88 per borrower per month; servicing fees for Student Loans serviced by Nelnet are \$3.97 per borrower per month, it was also assumed that the servicing fees will grow at a rate of 2.00% per annum;
- Auction Agent Fees and Broker-Dealer Fees are equal to 0.07% per annum, paid on a monthly basis calculated using the balances of the Auction Rate Notes;
- Indenture Trustee fees are equal to 0.0075% per annum, paid on a quarterly basis;
- Delaware Trustee fees are equal to \$5,000 per annum, on an annual basis;
- Administration Fees are equal to 0.05% per annum with a minimum of \$75,000 per annum, paid on a monthly basis;

- Backup Administration Fees are equal to \$10,000 per annum, paid on a monthly basis.
- UCC fees are equal to \$2,000 per annum, paid on an annual basis.

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

Series	Weighted Average Life (years)⁽¹⁾				
	0% PPC	50% PPC	100% PPC	150% PPC	200% PPC
2011-1 Senior Notes	8.42	6.18	4.73	3.77	3.12

Series	Expected Maturity Date				
	2011-1 Senior Notes	06/25/2025	05/25/2023	03/25/2021	06/25/2019

⁽¹⁾ 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 MONTHLY DISTRIBUTION DATES
AT VARIOUS PERCENTAGES OF PPC**

Monthly Distribution Dates	0% PPC	50% PPC	100% PPC	150% PPC	200% PPC
Initial	100%	100%	100%	100%	100%
2/25/2012	98%	95%	91%	88%	84%
2/25/2013	95%	87%	80%	73%	67%
2/25/2014	89%	78%	68%	58%	49%
2/25/2015	84%	69%	56%	44%	34%
2/25/2016	78%	60%	45%	32%	21%
2/25/2017	71%	51%	34%	21%	9%
2/25/2018	64%	42%	25%	11%	0%
2/25/2019	56%	34%	16%	2%	0%
2/25/2020	48%	25%	8%	0%	0%
2/25/2021	40%	17%	1%	0%	0%
2/25/2022	32%	9%	0%	0%	0%
2/25/2023	22%	2%	0%	0%	0%
2/25/2024	13%	0%	0%	0%	0%
2/25/2025	3%	0%	0%	0%	0%
2/25/2026	0%	0%	0%	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 Financed Student Loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the Financed 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.

**WEIGHTED AVERAGE LIVES AND EXPECTED MATURITY DATES
OF THE NOTES AT VARIOUS PERCENTAGES OF CPR**

Series	Weighted Average Life (years) ⁽¹⁾				
	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
2011-1 Senior Notes	8.42	7.01	5.87	4.98	4.27

Series	Expected Maturity Date				
	2011-1 Senior Notes	06/25/2025	05/25/2024	03/25/2023	12/25/2021

⁽¹⁾ 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 MONTHLY DISTRIBUTION DATES AT
VARIOUS PERCENTAGES OF CPR**

Monthly Distribution Dates	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
Initial	100%	100%	100%	100%	100%
2/25/2012	98%	96%	93%	90%	88%
2/25/2013	95%	89%	84%	80%	75%
2/25/2014	89%	82%	75%	68%	62%
2/25/2015	84%	75%	66%	58%	50%
2/25/2016	78%	67%	57%	48%	39%
2/25/2017	71%	59%	48%	38%	29%
2/25/2018	64%	51%	39%	29%	20%
2/25/2019	56%	43%	31%	21%	12%
2/25/2020	48%	35%	23%	13%	4%
2/25/2021	40%	26%	15%	5%	0%
2/25/2022	32%	18%	7%	0%	0%
2/25/2023	22%	10%	0%*	0%	0%
2/25/2024	13%	2%	0%	0%	0%
2/25/2025	3%	0%	0%	0%	0%
2/25/2026	0%	0%	0%	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 Financed Student Loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the Financed 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.

* the percentage is less than 0.5% but greater than 0%.