

THIRD SUPPLEMENTAL INDENTURE OF TRUST

THIS THIRD SUPPLEMENTAL INDENTURE OF TRUST (“Third Supplemental Indenture”), dated as of November 19, 2007, between **HIGHER EDUCATION FUNDING I**, a Delaware statutory trust (the “Issuer”) and **THE BANK OF NEW YORK**, a banking corporation duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the State of New York (the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer, The Bank of New York, as eligible lender trustee, and the Trustee, as indenture trustee, have previously executed and delivered an Indenture of Trust, dated as of January 1, 2004 (the “Initial Indenture”); and

WHEREAS, the Issuer and the Trustee have previously executed and delivered a First Supplemental Indenture of Trust, dated as of January 1, 2004 (the “First Supplemental Indenture”); and

WHEREAS, the Issuer, The Bank of New York, as eligible lender trustee, and the Trustee, as indenture trustee, have previously executed and delivered an Amended and Restated Indenture of Trust, dated as of March 1, 2005 (as amended from time to time, the “Base Indenture”), to amend and restate the Initial Indenture (the Base Indenture, the First Supplemental Indenture and the Second Supplemental Indenture (defined below) are collectively referred to as the “Indenture”); and

WHEREAS, the Issuer and the Trustee have previously executed and delivered a Second Supplemental Indenture of Trust, dated as of March 1, 2005 (the “Second Supplemental Indenture”); and

WHEREAS, the First Supplemental Indenture provides that the definition of “Net Loan Rate” therein may be modified at the discretion of the Issuer upon receipt by the Trustee of (i) written consent of the Market Agent and (ii) written consent from each Rating Agency then rating the Series 2004-1 Notes (as defined in the First Supplemental Indenture) that such change will not in and of itself result in a reduction of the rating on any Series 2004-1 Notes; and

WHEREAS, the Issuer and the Trustee desire to amend the First Supplemental Indenture as set forth herein in accordance with the definition of “Net Loan Rate;” and

WHEREAS, the execution and delivery of this Third Supplemental Indenture has been in all respects duly and validly authorized by the Issuer and the Trustee, and all acts and things necessary to constitute this Third Supplemental Indenture a valid supplemental indenture according to its terms have been done and performed;

NOW, THEREFORE, this Third Supplemental Indenture Witnesseth:

Section 1. Definitions; Conflicting Terms. In this Third Supplemental Indenture, all capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Second Supplemental Indenture or, if not defined therein, in the Base Indenture. In the event that any term or provision contained in this Third Supplemental Indenture shall conflict with or be inconsistent with any provision contained in the Indenture (as amended from time to time), the terms and provisions of this Third Supplemental Indenture shall govern.

Section 2. Amendment to the First Supplemental Indenture. The definition of “Net Loan Rate” set forth in Section 1(c) of the First Supplemental Indenture is hereby amended in its entirety as follows:

“ *Net Loan Rate*” means, with respect to any Auction Period, the rate of interest per annum (rounded to the next highest 0.01%) equal to the amount determined by dividing (a) the product of 12 times the sum of the following amounts accrued during the most recent calendar month that ended at least 25 days before the start of such Auction Period: (i) interest (including Interest Subsidy Payments), assumed Special Allowance Payments and late fees collected with respect to the Financed Student Loans, after giving effect to borrower incentive and similar programs, plus (ii) investment earnings on amounts in the Funds, plus (iii) any Counterparty Swap Payments, minus (iv) any rebate fees due to the U.S. Department of Education with respect to Financed Student Loans that are Consolidation Loans, minus (v) any Issuer Swap Payments, minus (vi) the interest accrued on all Outstanding Notes other than those that bear interest based upon an auction mode, minus (vii) the Note Fees, Administration Fees and Servicing Fees; by (b) the aggregate principal balance of all Notes bearing interest based upon an auction mode that are Outstanding on the date of such calculation. For this purpose, the Special Allowance Payment shall be computed based upon the bond equivalent yield of 91-day United States Treasury Bills most recently auctioned, or the CP Rate, as applicable (whether or not the actual Special Allowance Payment rate could then be determined). Notwithstanding the foregoing, from the period commencing on November 25, 2007 through and including January 25, 2008, “*Net Loan Rate*” shall mean the lesser of (a) the Maximum Auction Rate or (b) the Maximum Interest Rate, in each case rounded to the nearest one-thousandth (0.001) of 1%. Notwithstanding anything in the Indenture or this Second Supplemental Indenture to the contrary, this definition of “*Net Loan Rate*” may be modified at the direction of the Issuer upon receipt by the Trustee of (i) written consent of the Market Agent and (ii) written consent from each Rating Agency then rating the Series 2004-1 Notes that such change will not in and of itself result in a reduction of the rating on any Series 2004-1 Notes.”

Section 3. Governing Law. This Third Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflicts-of-laws principles thereof.

Section 4. Headings. The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning or construction, interpretation or effect of this Third Supplemental Indenture.

Section 5. Severability. If any provision of this Third Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or paragraphs in this Third Supplemental Indenture contained shall not affect the remaining portions of this Third Supplemental Indenture or part thereof.

Section 6. Counterparts. This Third Supplemental Indenture may be simultaneously executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.


Section 7. Effect of Third Supplemental Indenture. Upon the execution and delivery of this Third Supplemental Indenture, the Indenture shall be supplemented in accordance herewith, and this Third Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes hereafter authenticated and delivered and Other Beneficiary under the Indenture shall be bound hereby.

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IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed as of the day and year first above written.

HIGHER EDUCATION FUNDING I

By Wilmington Trust Company, not in its individual capacity but solely as Delaware Trustee

By 
Name Jeanne M. Oller
Title Senior Financial Services Officer

IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed as of the day and year first above written.

THE BANK OF NEW YORK, as Trustee

By William Cardozo
Name WILLIAM CARDOZO
Title AGENT