SLM CORPORATION

Overview of FFELP and FFELP ABS Transactions

JUNE 18, 2012

Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of June 18, 2012 (unless otherwise noted) and should be read in connection with SLM Corporation's Annual Report on Form 10-K for the year ended December 31, 2011 (the "2011 Form 10-K"), the Company's first quarter Form 10-Q and subsequent reports filed with the Securities and Exchange Commission (the "SEC").

This Presentation contains forward-looking statements and information based on management's current expectations as of the date of this presentation. Statements that are not historical facts, including statements about our opinions, beliefs or expectations and statements that assume or are dependent upon future events, are forward-looking statements. Forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others, the risks and uncertainties set forth in Item 1A "Risk Factors" and elsewhere in the 2011 Form 10-K, the Company's first quarter Form 10-Q and subsequent filings with the SEC; increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; changes in accounting standards and the impact of related changes in significant accounting estimates; any adverse outcomes in any significant litigation to which we are a party; credit risk associated with our exposure to third parties, including counterparties to our derivative transactions; and changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). We could also be affected by, among other things: changes in our funding costs and availability; reductions to our credit ratings or the credit ratings of the United States of America; failures of our operating systems or infrastructure, including those of third-party vendors; damage to our reputation; failures to successfully implement cost-cutting and restructuring initiatives and adverse effects of such initiatives on our business; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in law and regulations with respect to the student lending business and financial institutions generally; increased competition from banks and other consumer lenders; the creditworthiness of our customers; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of our earning assets versus our funding arrangements; changes in general economic conditions; and changes in the demand for debt management services. The preparation of our consolidated financial statements also requires management to make certain estimates and assumptions including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect. All forward-looking statements contained in this Presentation are qualified by these cautionary statements and are made only as of the date of this Presentation. We do not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in our expectations.

The Company reports financial results on a GAAP basis and also provides certain core earnings performance measures. The difference between the Company's core earnings and GAAP results for the periods presented were the unrealized, mark-to-market gains/losses on derivative contracts and the goodwill and acquired intangible asset amortization and impairment. These items are recognized in GAAP but not in core earnings results. The Company provides core earnings measures because this is what management uses when making management decisions regarding the Company's performance and the allocation of corporate resources. The Company's core earnings are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. For additional information, see "Core Earnings — Definition and Limitations" in the Company's first quarter Form 10-Q for a further discussion and a complete reconciliation between GAAP net income and core earnings.

FFELP Loan Overview

FFELP Timeline - Key Events in FFELP History

Key Points of HERA

- Required floor income rebate to government
- Reduced insurance from 98% to 97%
- Authorized graduate and professional students to borrow PLUS Loans
- Increased loan limits

Key Points of ECASLA

- Increased Unsubsidized Stafford Loan limits for undergraduate students
- Provided temporary authority to the Secretary of Education to purchase loans from FFELP lenders
- Allowed for the creation of the 2007-2010 Loan Participation and PUT Programs
- Allowed for the creation of the 5 year Asset-Backed Commercial Paper Conduit (Straight-A Funding)

1965:
The Higher Education Act of 1965 established the U.S. government insured or guaranteed Federal Family Education Loan Program ("FFELP")

1993:
Congress created the William D. Ford Federal Direct Loan Program ("DSLP") under which Stafford, PLUS and Consolidation Loans are funded directly by the U.S. Department of Treasury

2000:
Special Allowance Payment ("SAP") index changed from the 91 day Treasury bill to the 3 month commercial paper rate (financial) for FFELP Loans disbursed on or after January 1, 2000

2005:
Higher Education Reconciliation Act (HERA)

2007:
College Cost Reduction and Access Act (CCRAA)

2008:
Ensuring Continued Access to Student Loans Act (ECASLA)

2008:
The Higher Education Opportunity Act (HEOA)

2009:
The Health Care and Education Reconciliation Act of 2010, including the Student Aid and Fiscal Responsibility Act (SAFRA), which, in part, terminated the authority to make new FFELP Loans effective July 1, 2010

2011:
President Obama signed the Consolidated Appropriations Act of 2012, which allowed lenders to change the index used to estimate the loan yield to one month LIBOR from 3 month CP beginning April 1, 2012.

Key Points of the CCRAA

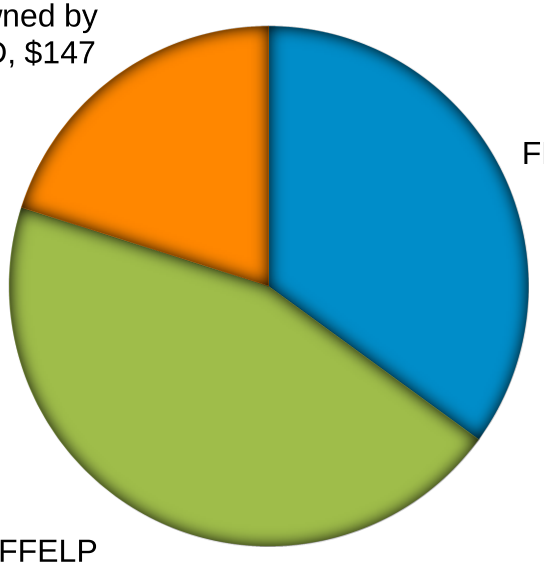
- Reduced SAP by 0.55% for Stafford and Consolidation loans
- Reduced SAP by 0.85% for PLUS loans
- Increased the lender loan fees on all loan types, from 0.5% to 1.0%
- Reduced fixed interest rates on subsidized Stafford Loans to undergraduates

Key Points of HEOA

- Required lenders to offer income-based repayment option
- Required the Guarantor to notify a borrower twice of options to remove a loan from default
- Eliminated Guarantor and ED obligations for insurance and reinsurance in instances of nondisclosure

Federal Student Loan Market

Outstanding Government Student Loan Market Distribution
FFYE 9/30/2011 ($ in billions)



Top 10 Holders of FFELP Loans
FFYE 9/30/2011 ($ in millions)

Lender Name	FY11
SLM CORPORATION	$139,540
NELNET	$25,169
WELLS FARGO	$17,923
BRAZOS GROUP	$10,976
JPMORGAN CHASE BANK	$9,371
PA HIGHER ED ASST AUTH (PHEAA)	$8,172
PNC	$7,732
College Loan Corp	$7,645
CIT[1]	$7,396
Goal Financial	$6,466
Top 10 Holders	**$240,390**

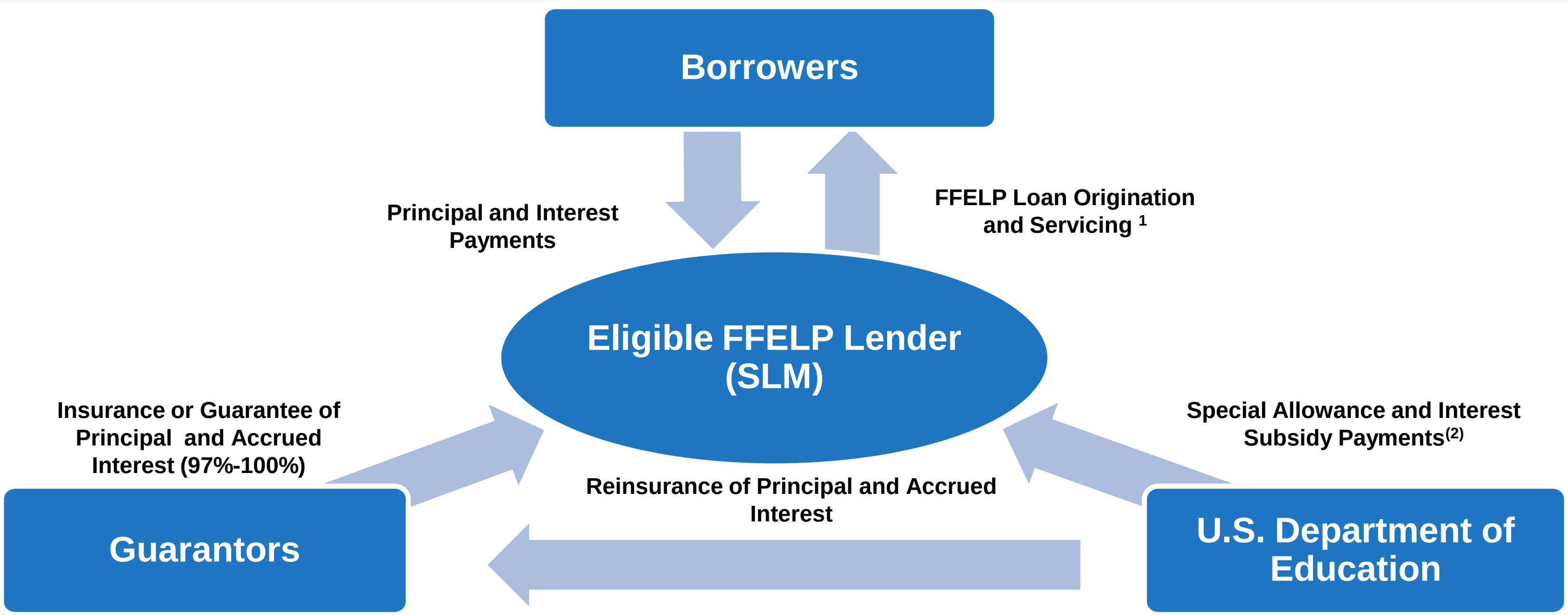
Source: Department of Education Annual Performance and Accountability Reports, FY 2011, Notes to the Principal Financial Statements, Credit Programs note; Federally-owned FFELP is calculated based on receivables in purchase program and participated loans sold to the Department.
1 Student Loan Xpress is a CIT company

Primary FFELP Participants

Eligible Lenders	Servicers	Guarantors
➢ Required to register with ED ➢ Banks, savings & loan associations, credit unions, pension funds, insurance companies, and occasionally schools and guarantee agencies all participated ➢ Eligible to originate and hold FFELP loans, receive interest subsidy payments, SAP, and default reimbursement ➢ ABS trusts often feature an Eligible Lender Trustee and a Beneficial Trustee	➢ May be the eligible lender or an independent third party ➢ Servicing responsibility from origination through final repayment • Before beginning repayment, must track borrower's loan eligibility status • After beginning repayment, the main objective is collecting, due diligence, keeping loans from defaulting, as well as servicing delinquent loans ➢ Expertise is critical to ensure compliance with ED guidelines	➢ Typically affiliated with a region or state ➢ Guarantor reimburses eligible lenders by paying claims on defaulted loans ➢ ED reimburses guarantor for claims paid ➢ Guarantor assumes ownership of loan after paying claim and pursues recoveries, of which they retain a percentage and reimburse ED for the remainder

FFELP Lender Benefits

Insurance or Guarantee	Special Allowance Payments (SAP)	Interest Subsidy Payments (ISP)
FFELP Loans are insured or guaranteed by state or not-for profit agencies, and are also protected by contractual rights to recover from the United States pursuant to guaranty agreements among ED and these agencies	Special Allowance Payments (SAP) provide holders with floating returns indexed to 1M LIBOR + spread	The U.S. government provides Interest Subsidy Payments to pay in-school interest on certain subsidized student loans



[1] H.R. 3221 - Student Aid and Fiscal Responsibility Act ended FFELP loan originations effective July 1, 2010. Sallie Mae is the master servicer for all SLM owned FFELP loans.

2 If ED determines that a Guarantor is unable to meet its insurance obligations, the holders of loans insured by that Guarantor may submit claims directly to ED and ED is required to pay the full reimbursements due. However, ED's obligation to pay reimbursement amounts directly in this fashion is contingent upon ED determining a Guarantor is unable to meet its obligations.

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Types of FFELP Loans

- **Subsidized Stafford Loan**
  - Eligible students must meet certain needs and family income tests
  - Interest is subsidized by government, which pays lender quarterly at the applicable rate while the borrower is in school, grace or other prescribed deferral periods
- **Unsubsidized Stafford Loan**
  - Eligible students that have borrowing needs beyond the subsidized program or do not qualify for the subsidized program
  - Interest must be paid by the borrower or capitalized while the borrower is in school or grace and other prescribed deferral periods
- **PLUS Loan**
  - Eligible students include graduate, professional or parents of eligible dependent students
  - Interest must be paid by the borrower or capitalized while the borrower is in school or other prescribed deferral periods
- **Consolidation Loan**
  - All borrowers with one or more federal student loans outstanding, in grace or repayment status are eligible
  - Interest subsidies dependent on underlying loans subsidy
  - The maximum maturity is 30 years for indebtedness of $60,000 or more

Comparison of FFELP Loans

Parameter	Subsidized Stafford	Unsubsidized Stafford	PLUS/Grad PLUS	Subsidized Consolidation	Unsubsidized Consolidation
Borrower	Student	Student	Parents or Graduate Students	Student or Parents	Student or Parents
Needs Based	Yes	No	No	N/A	N/A
Federal Insurance or Guarantee of Principal and Accrued Interest	97 - 100%	97 - 100%	97 - 100%	97 - 100%	97 - 100%
Interest Subsidy Payments	Yes	No	No	Yes	No
Special Allowance Payments (SAP)	Yes	Yes	If cap is reached	Yes	Yes
Repayment Term	120 months	120 months	120 months	Up to 360 months	Up to 360 months
Aggregate Loan Limit	Undergraduate: $23,000 Graduate: $65,500	Undergraduate[1]: $57,500 Graduate: $138,500	None	None	None

[1] Aggregate loan limit for a Dependent Undergraduate is $31,000 Note: As of July 1, 2011

FFELP Loan Consolidation

- Borrowers have refinanced their various 10 year Stafford or PLUS loans into a single consolidation loan, with a term of up to 30 years
- Borrowers pay a fixed rate of interest on consolidation loans, which is the weighted average borrower rate of the initial loans at consolidation

Consolidation Example

Stafford Loan

Outstanding:	$10,000
Term:	10 years
Rate:	6.80%

Stafford Loan

Outstanding:	$10,000
Term:	10 years
Rate:	3.40%

PLUS Loan

Outstanding:	$10,000
Term:	10 years
Rate:	8.50%

Consolidation Loan [1]

Amount:	$30,000
Term:	Up to 30 years
Fixed Rate:	6.25%

[1] Consolidation Loans retain the subsidy characteristics of the underlying subsidized loans being consolidated. Consolidation loan rates equals the weighted average rate of the underling loans at the time of consolidation, rounded to the nearest 1/8 of 1 percent.

FFELP Loan Lifecycle

In-School | **Grace** | **Repayment**

When the borrower is enrolled at least part-time in a degree seeking program

Generally the 6 months following graduation

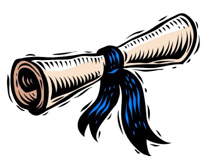
Stafford and PLUS loans have a standard repayment term of 10 years
Consolidation loans have a repayment term of up to 30 years

Deferment

Average usage of 27 months. Cumulative usage limit up to 36 months

Forbearance

Average usage of 25 months. SLM usage policy limit is up to 60 months with exceptions for special circumstances



Graduation

Consolidation will generally occur when the loan enters repayment

Delinquency Timeline

270 Days
Borrower in default

271-360 Days
Must file insurance claim

>360 Days
Guarantor must pay claim within 60 days

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FFELP Loan Status Definitions

- **In-School:** Status before the borrower's graduation or departure from school. No principal or interest payments are required during this time

- **Grace:** Time period between borrower's graduation or departure from school and the commencement of the repayment period. This period is typically for six months and no principal or interest payments are required

- **Repayment:** The period when a borrower makes interest and principal payments on the loans

- **Deferment:** After Repayment has begun an eligible borrower may suspend payments. Deferment may be granted for economic hardship, enrollment in school, unemployment, military service, etc.

- **Forbearance:** After repayment has begun an eligible borrower may suspend payments. Examples of reasons for choosing forbearance include poor health and other unanticipated personal problems. Borrowers can typically receive forbearance despite deferment ineligibility

FFELP Repayment Options

- **Standard Repayment**: Borrowers pay principal and interest amortized over a 10-year term for Stafford and PLUS loans (excluding in-school, grace, deferment, and forbearance periods). The repayment term for consolidation loan borrowers can range from 10-30 years depending on the borrower's loan balance.

- **Graduated Repayment Plan:** Lenders are able to establish a payment schedule whereby the borrower's payment increases over time. Each payment in the plan can be no more than 3 times any other payment. The loan must be repaid within 10 years (excluding in-school, grace, deferment, and forbearance periods) or 25 years with an extended repayment term.

- **Extended Repayment:** The extended repayment plan is available to FFELP borrowers whose loan was disbursed on or after Oct. 7, 1998, with a total loan balance exceeding $30,000. If borrowers meet these requirements, their term can be extended to a period of up to 25 years.

- **Income Sensitive Repayment:** Monthly payments are adjusted annually, based on the expected total monthly gross income.

- **Income-Based Repayment (IBR):** Permits a borrower with a "partial financial hardship" as determined by regulation to make payment according to income level for 25 years after which any remaining loan balance may be forgiven by the Department of Education.

Overview of the Guarantee Payment Process

- FFELP loans are insured or guaranteed between 97% - 100%

Guarantee Payment Process

Borrower Defaults
Borrower payment is at least 270 days past due

Guarantor Pays Claim
Lender receives claim payment of 97%-100%

U.S. Government Reinsurance
U.S. Department of Education reinsures guarantors at 75%-100%

Guarantor Does Not Pay Claim
Typically a rejected claim due to a servicing-related error

Rejected Claim
Uninsured period where SAP and ISP cease

Cured Loan
Insurance, SAP and ISP are reinstated

Permanently Uninsured
A loan that cannot be cured within 3 years

Insolvent Guarantor [(1)]
U.S. Department of Education pays claim or reassigns guarantor

Guaranty agencies (Guarantors) are state agencies or private non-profit corporations that act as intermediaries between lenders and the U.S. Department of Education. They monitor compliance of schools and lenders who participate in the FFELP program

[1] ED's obligation to pay is contingent upon ED determining a Guarantor is unable to meet its obligations.

FFELP Servicing Overview

SLM Servicing Overview

- SLM is the largest servicer of student loans with a Federal and private credit education portfolio totaling $239 B, as of December 31, 2011
  - $175 B of loans serviced are SLM owned
  - $64 B of loans serviced are 3rd party owned

- SLM was one of only 4 servicers awarded a 5 year Federal Direct Lending Program (FDLP) servicing contract on June 17, 2009, with one 5 year renewal at the option of ED

- SLM maintains relationships with various 3rd party sub-servicers
  - Actively converting 3rd party serviced loans to SLM servicing platforms
  - Acts as master servicer for all SLM ABS transactions

- SLM is committed to remaining a best-in-class servicer for FFELP and FDLP
  - Awarded 26% of FDLP servicing volume for the 3rd year's allocation

SLM Servicing Operations

Customer Service Call Center → Back Office Servicing → Customer Resolution Services

Customer Service Call Centers provide service to borrowers, co-signors and schools throughout the loan life cycle. Call center specialists are equipped with tools and knowledge needed to effectively and efficiently resolve a wide range of student loan inquiries.

Back Office Servicing primarily handles all non-customer facing activities during the loan servicing life cycle. This includes over 1,200 unique tasks, mostly consisting of processing customer payments, correspondence, financial and non-financial activities, claim filing and loan portfolio conversions.

Customer Resolution Services works with customers to resolve past due accounts. Committed to assist and educate customers on options and programs available by utilizing the most appropriate repayment plan or program based on their situation.

Operations Support

- Business Systems Support
- Operations Data Management
- Business Re-Engineering
- Compliance & Audit Support
- Quality
- Office of the Customer Advocate

Corporate

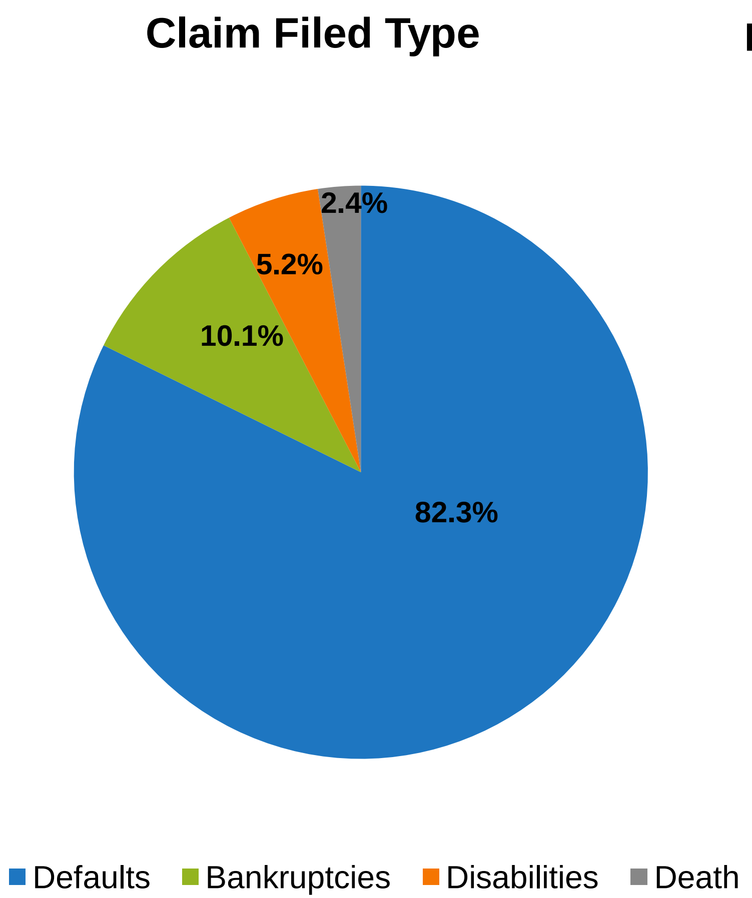
- Human Resources
- Finance & Accounting
- Corporate Compliance & Policy
- Legal
- Information Technology
- Facilities & Procurement

Collection Activity

- SLM goes above and beyond the required FFELP collection activity

Delinquency (days)	Required Collection Activity	SLM's Incremental Activity
1-30	• Delinquency Notice Letter (Borrower)	--
31-60	• Delinquency Notice Letter (Borrower & Co-Borrower)	--
61-90	• 2 Telephone Attempts or 1 Contact (Borrower & Co-Borrower) • Delinquency Notice Letter (Borrower & Co-Borrower)	• Targeted Telephone Attempts (Borrower and Co-Borrower)
91-120	• 2 Telephone Attempts or 1 Contact (Borrower) • Delinquency Notice Letter (Borrower)	• Targeted Telephone Attempts (Borrower and Co-Borrower)
121-150	• 2 Telephone Attempts or 1 Contact (Borrower)	• Targeted Telephone Attempts (Borrower and Co-Borrower)
151-180	• 2 Telephone Attempts or 1 Contact (Borrower) • Delinquency Notice Letter (Borrower)	• Targeted Telephone Attempts (Borrower and Co-Borrower)
181-210	• Delinquency Notice Letter (Borrower)	• Telephone Attempts Every 2-3 Days (Borrower & Co-Borrower)
211-240	• Final Demand Letter at 240 Days Delinquent	• Telephone Attempts Every 2-3 Days (Borrower & Co-Borrower)
241-270	• Delinquency Notice Letter (Borrower & Co-Borrower)	• Telephone Attempts Every 2-3 Days (Borrower & Co-Borrower)
271-300	• No Requirement	• Telephone Attempts Every 2-3 Days (Borrower & Co-Borrower)
301-330	• No Requirement	• Telephone Attempts Every 2-3 Days (Borrower & Co-Borrower)

Claim Servicing



Default Claims are Filed:

- Between day 320 and 360 of delinquency

Bankruptcy, Death, and Disability Claims are Filed:

- Bankruptcy: Within 15 days from notification for adversary cases
- Bankruptcy: Within 30 days from notification for all other claim file-able cases
- Death and Disability: Filed within 60 days from receipt of documentation

Note: data as of 12/31/2011

FFELP ABS Structure Overview

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Student Loan ABS

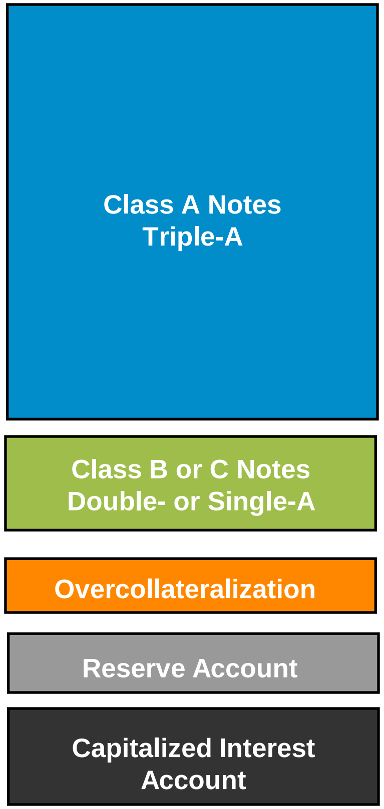
Summary of Important Indicative Terms for a FFELP ABS Transaction

Term	Summary
Pricing Prepayment Speed:	Stafford and PLUS Loan Issue: generally 4-6% CPR Consolidation Loan Issue: historically 100% CLR (ramp of 0-8% CPR over 120 months and then 8% thereafter); recently 2% CPR
Issuance % (Assets/Liabilities):	95% - 100% (assets include reserve account and capitalized interest account)
Triggers:	Subordinate interest trigger and subordinate principal trigger shuts off interest and principal to the subordinate notes if there is poor collateral performance
Subordination:	Typically 3-7% to AAA. Placed with investors or held by issuer
Reserve Account:	Funded at settlement to 0.25% of the monthly pool balance, subject to a floor of 0.10% of the initial pool balance. This account is intended to provide credit enhancement to the trust
Capitalized Interest Account:	Funded at settlement and sized to provide liquidity enhancement to the transaction while many students may still be in-school, grace or deferment
Call Feature:	10% optional clean-up call
Servicing:	Sallie Mae is the master servicer on all of its issuances. Monthly servicing fee based on the borrower's current payment status or fixed dollar and/or percentage
Registration:	Both private & public transactions
Day Count Basis:	Actual/360 for all classes
Debt-for-Tax and ERISA Eligibility:	Notes are debt-for-tax and ERISA eligible

Key ABS Structural Features

- Loans are sold into either trusts or special-purpose entities (SPEs) issuing notes
  - "True sale" and non-consolidation legal opinions are issued with respect to the issuing entity to validate bankruptcy-remoteness
- Structured to withstand liquidity stresses and credit defaults and loans in repayment status
  - Senior/subordinate tranches
  - Initial OC, par issuance, or under parity with parity/OC build
  - Reserve account
  - Capitalized interest account structured to cover interest and fees that are capitalized and borrowers that are in repayment status
  - Basis or currency swaps, if needed

Typical Structural Components



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SLM FFELP ABS Waterfall

Typical SLM FFELP ABS distribution from the collection account

- Trust Collection Account
- Master Servicer - Primary Servicing Fee
- Administrator - Administration Fee
- Class A Noteholder Interest Distribution Amount
- Class B Noteholder Interest Distribution Amount
- Reserve Account - Maintain Reserve Account Specified Balance
- Class A Noteholder Principal Distribution Amount
- Class B Noteholder Principal Distribution Amount
- Indenture Trustee - Unpaid Fees and Expenses (if any)
- Master Servicer - Carryover Servicing Fee (if any)
- Excess Distribution Certificate Holder – Remaining Amounts

Rating Agency Considerations

- The Rating Agencies assess student loan ABS based on the following information

Transaction Information	Loan Information
General Transaction Parameters ➢ How credit support will be provided (subordination, excess spread, etc.) ➢ Type of securities that will be issued ➢ Denomination of securities ➢ Expected rating levels for the various tranches ➢ Whether or not there will be a derivative ➢ List of servicers and administrators ➢ Timeline of anticipated events	**Stratification of Key Collateral Parameters** ➢ Loan type ➢ Loan status ➢ Borrower interest rate ➢ School type ➢ Remaining term ➢ Guarantor ➢ Geographic distribution **Historical Performance** ➢ Defaults ➢ Delinquencies ➢ Net losses ➢ Borrower benefit qualification rate

Rating Agency Stresses

Examples of Stafford/PLUS ABS Cashflow Stresses

Stress	Description
Asset Performance Risk	• Minimal credit risk with default severity limited to 3.0% • Loan type (Stafford, Plus or Consolidation) dictates gross defaults/timing stress assumptions
Servicer Risk	• Loans can lose guarantee if not originated and serviced within FFELP guidelines • Claim reject rates are provided for the various rating levels
Liquidity Risk	• Loans not in active payment status (including school, grace, deferment and forbearance) will not generate cash flow • Timing lags in the receipt of borrower payments, ISP and SAP are stressed • Deferment and forbearance usage assumptions as well as conservative prepayment assumptions can extend the debt's maturity within a transaction
Basis Risk	• Prior to April 1, 2012 basis risk that existed between the assets (3-month financial Commercial Paper) and liabilities (1-month and 3-month LIBOR) was stressed at the various rating levels
Borrower Benefit Qualification and Usage	• Borrower benefits participation and/or utilization rates are stressed pursuant to each rating level • Borrower benefits include interest rate discounts and principal rebates

Net Loss Example

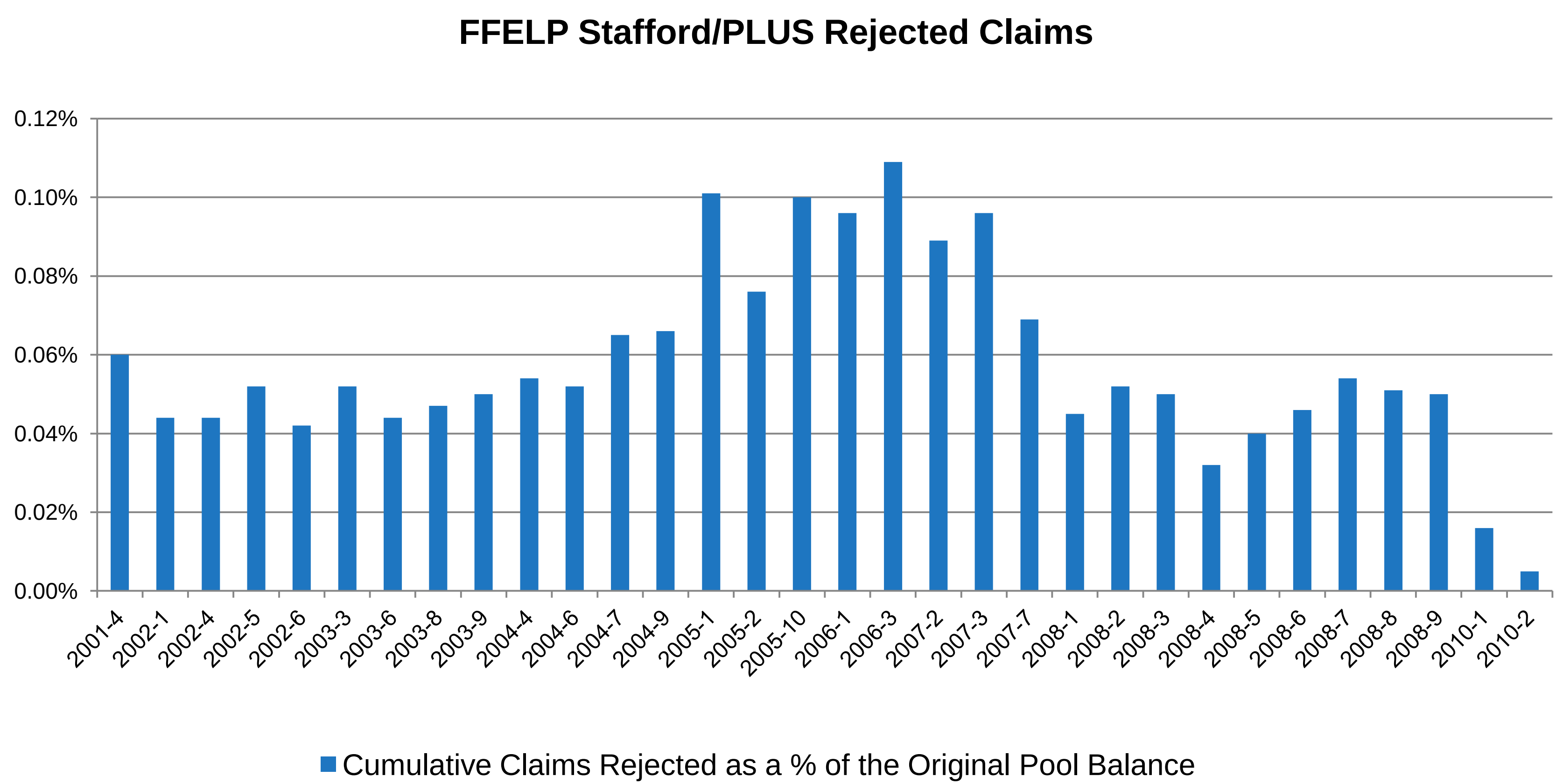
- Government insured or guaranteed student loan ABS transactions have extremely low expected loss

Assumption	Expected Loss (dollars)	Expected Loss (percentage)
$100M Pool Balance with 10% Gross Default Rate Assumption *($100 Million Pool Balance * 10% Gross Default Rate)*	$10,000,000	10.00%
Times 0.50% Net Claim Rejection Rate Assumption [1] *($10 Million Gross Defaults * 0.50% Claim Reject Rate = $50,000)* *($10 Million Gross Defaults – $50,000 Claim Rejects = $9.950 Million Claims Paid)*	$50,000	0.05%
Add 3% Risk Share on Claims Paid *(($9.950 Million Claims Paid * 3% Risk Share) + $50,000 = $348,500)*	**$348,500**	**0.35%**

[1] Represents typical Moody's base case scenario. SLM's historical trust claim rejection rates are much lower.

Trust Claim Rejection Rates

- Rejected claim rates have been consistently low in SLM's FFELP ABS trusts



Historical Trust Performance Data for the November 2011 and December 2011 reporting periods

FFELP Prepayment Methodology

- Stafford/PLUS transactions are usually priced in a Constant Prepayment Rate (CPR) prepayment convention
  - CPR's have changed over the years
    - In 2002, typical pricing CPR was 7%
    - Pricing CPR has been as high as 22%
    - Most recent transactions in 4% to 6% range

- Consolidation loans usually employ the Consolidation Loan Ramp (CLR) ramp
  - Standard ramp is 0% to 8% CPR over 10 years
  - Variations depending on issuer and transaction
    - Sallie Mae – 0% to 8% over 10 years
    - SLC – 0% to 10% ramp over 10 years
    - Access – 2% to 10% ramp over 10 years
    - Nelnet – 2% to 10% ramp over 10 years

FFELP Prepayment

Voluntary Prepayments

Components of Voluntary Prepayment

- **Consolidation:** Prepayment in full due to refinancing of the loan through a Consolidation loan. Lender authority to consolidate FFELP terminated July 1, 2010. FFELP borrowers may consolidate under the Federal Direct Lending Program under certain limited conditions
- **Prepayment in Full:** Borrower pays off their full loan balance in a single payment prior to maturity
- **Partial Prepayment:** Payment received differs from scheduled payment, but does not pay off the loan

Drivers of Voluntary Prepayment

- Loan Seasoning (higher payoffs as loans season)
- Economic environment, especially prevailing interest rates and availability of mechanisms to refinance
- Loan rate, especially for fixed rate loans
- Consolidation activity and other refinance activity

Involuntary Prepayments

Components of Involuntary Prepayment

- **Event of Default:** the loan delinquency is greater than or equal to 270 days past due and a claim is paid by the Department of Education

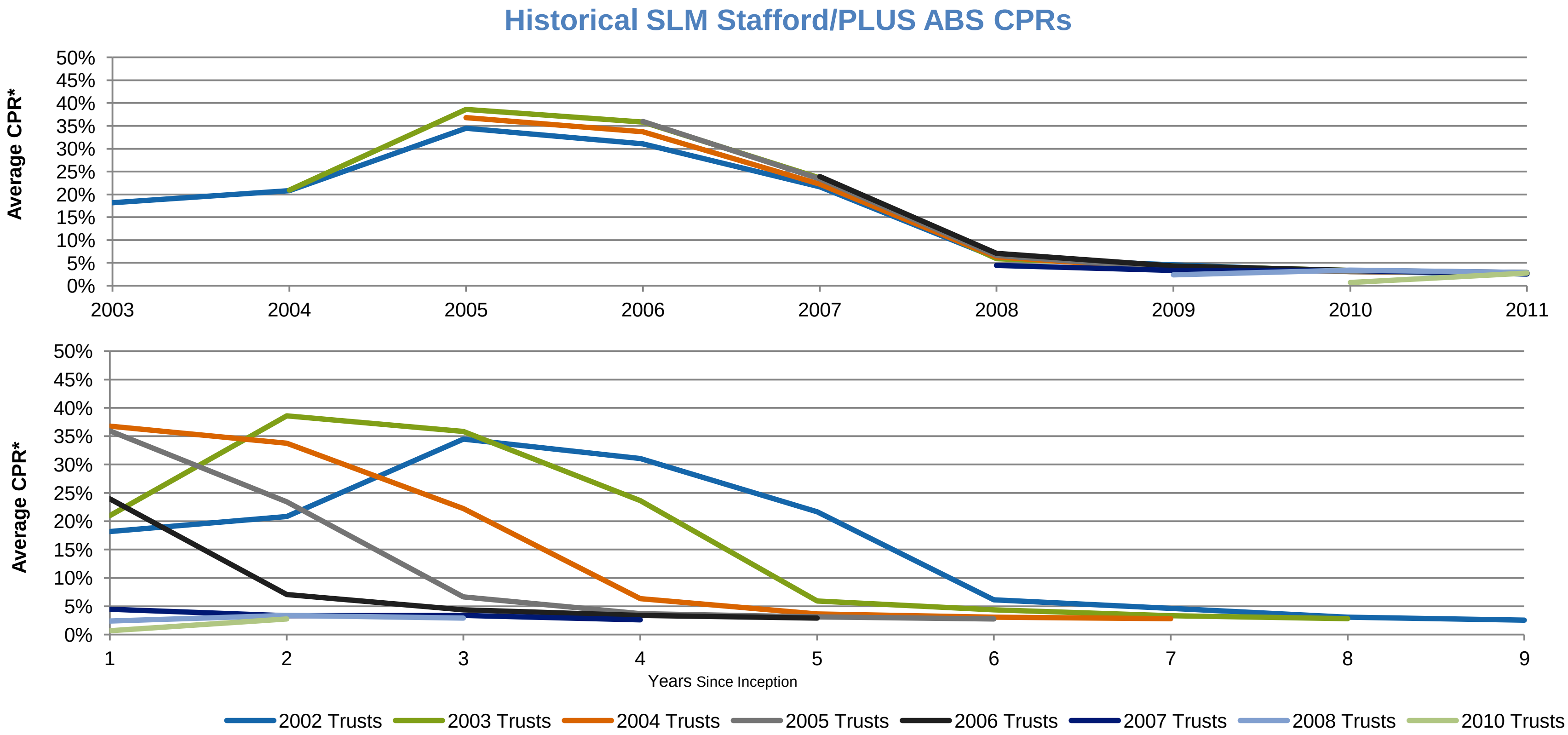
Drivers of Involuntary Prepayment

- Loan Seasoning
- Program and School Type (PLUS loans and loans made to borrowers at 4 year schools carry the lowest risk of default)

SLM Stafford/PLUS ABS Trusts

Prepayment Analysis

- Annualized CPRs for SLM Stafford/PLUS ABS Trusts have decreased significantly as incentives for borrowers to consolidate have declined



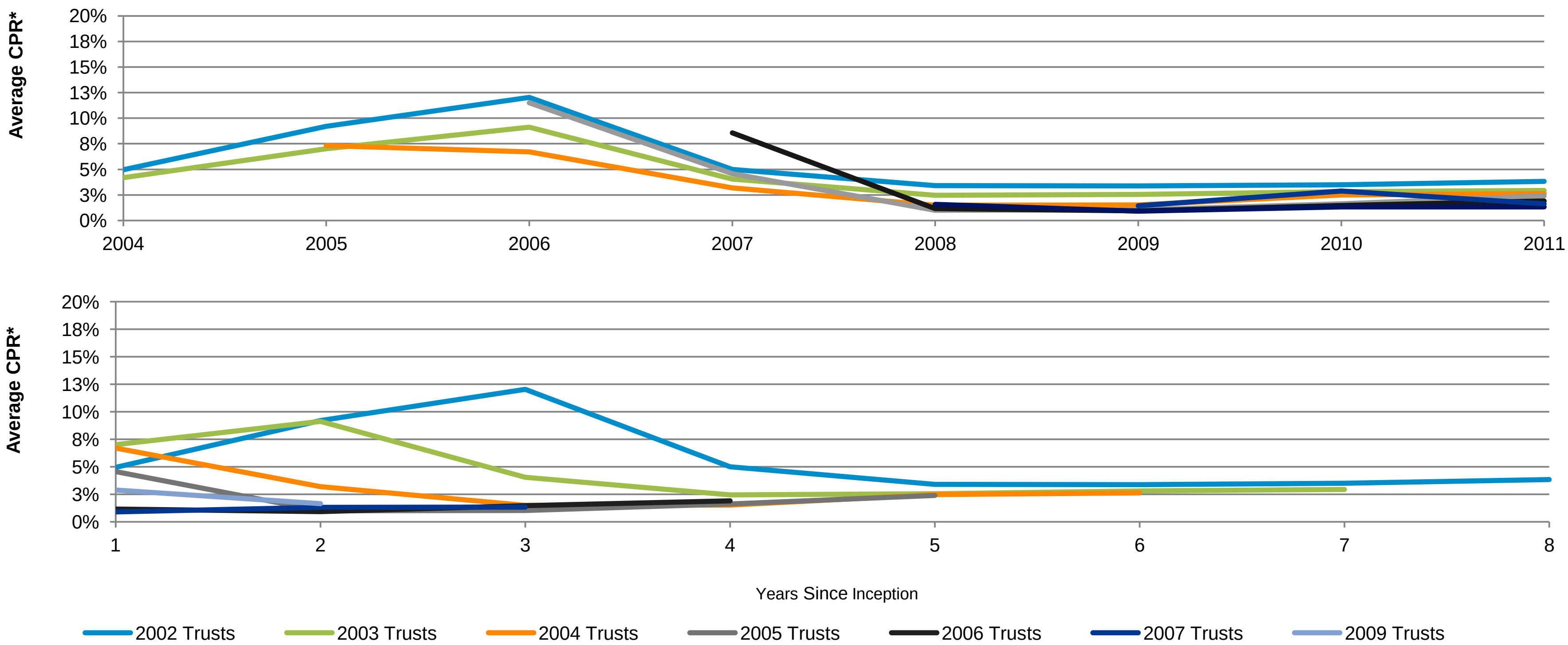
* Average CPR is the simple (non-weighted) average of four Quarterly CPR calculations for each calendar year. Quarterly CPR assumes School and Grace loans are not scheduled to make payments. Deferment, Forbearance and Repayment loans are scheduled to make payments.

SLM Consolidation ABS Trusts

Prepayment Analysis

- CPRs for SLM Consolidation ABS Trusts have declined significantly following legislation that prevented in-school and re-consolidation of borrowers' loans

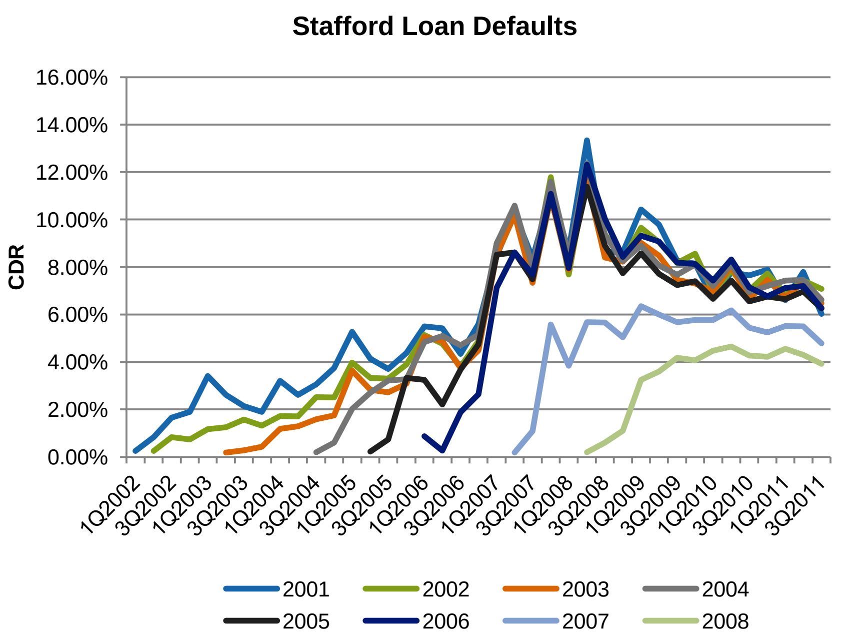
Historical Consolidation ABS CPRs

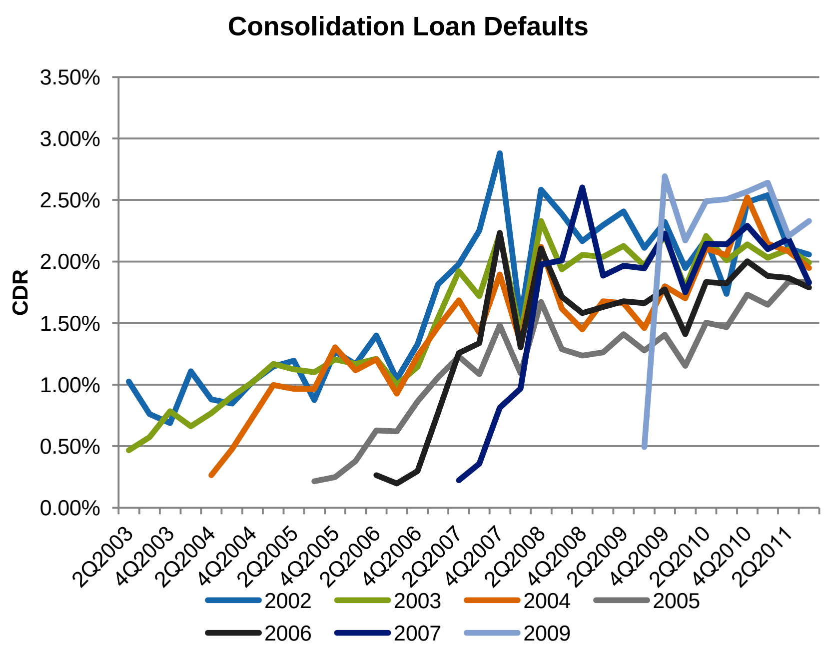


* Average CPR is the simple (non-weighted) average of four Quarterly CPR calculations for each calendar year. Quarterly CPR assumes School and Grace loans are not scheduled to make payments. Deferment, Forbearance and Repayment loans are scheduled to make payments.

Impact of Defaults

- As loans season, constant default rate (CDR) increases
  - Borrowers with higher credit and better refinancing options have already paid their loans off
  - Borrowers outstanding for several years are more likely to be consistent payers (less likely to prepay)
  - Extensive use of deferment and forbearance for FFELP loans results in the possibility that a set of financially troubled borrowers take many years to default





Note: Constant Default Rates are reflective of trust loans serviced on SLM servicing platform
As of September 30, 2011

Sallie Mae Investor Relations Website

www.salliemae.com/investors

- SLM student loan trust data (Debt/asset backed securities – SLM Student Loan Trusts)
  - Static pool information – Detailed portfolio stratifications by trust as of the cutoff date
  - Accrued interest factors
  - Quarterly distribution factors
  - Historical trust performance - monthly charge-off, delinquency, loan status, CPR, etc. by trust
  - Since issued CPR – monthly CPR data by trust since issuance
- SLM student loan performance by trust – Issue details
  - Current and historical monthly distribution reports
  - Distribution factors
  - Current rates
  - Prospectus for public transactions and Rule 144A transactions are available through underwriters
- Additional information (Webcasts and presentations)
  - Archived and historical webcasts, transcripts and investor presentations