SOUTH CAROLINA Student Loan

$501,500,000

SOUTH CAROLINA STUDENT LOAN CORPORATION
EDUCATION LOAN REVENUE BONDS,
2014 SERIES

We are offering the following bonds:

Class/Tranche	Original Principal Amount	Interest Rate	Stated Maturity	Price to Public	CUSIP
A-1 Senior	$328,000,000	1-month LIBOR plus 0.75%	May 1, 2030	100.00000%	83715R AE2
A-2 Senior	$100,500,000	1-month LIBOR plus 1.00%	January 3, 2033	99.53271%	83715R AF9
B Subordinate	$73,000,000	1-month LIBOR plus 1.50%	August 1, 2035	94.22693%	83715R AG7

You should carefully consider the risk factors described in this Offering Memorandum.

The 2014 Bonds are limited obligations of the Corporation. The Corporation has no taxing power.

The 2014 Bonds do not constitute a debt, liability or obligation, or a pledge of the full faith and credit or the taxing power, of the State of South Carolina or any of its agencies or political subdivisions.

The 2014 Series A-1 Bonds, 2014 Series A-2 Bonds, and 2014 Series B Bonds (collectively, the "***2014 Bonds***") are limited obligations payable from collections on a pool of education loans originated under the Federal Family Education Loan Program; a Debt Service Reserve Fund; a Supplemental Reserve Fund; and other moneys and investments (collectively, the "***Pledged Assets***") pledged to Wells Fargo Bank, N.A., as Trustee. **The 2014 Bonds 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 2014 Bonds will have recourse to the Pledged Assets pursuant to the General Resolution, but will not have recourse to any of our other assets.**

We expect that the 2014 Series A-1 Bonds and the 2014 Series A-2 Bonds (collectively, the "***2014 Senior Bonds***") will be rated "Aaa" by Moody's Investors Service, Inc. ("***Moody's***"), "AAAsf" by Fitch Ratings ("***Fitch***"), and "AA+(sf)" by Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("***S&P***"). We expect that the 2014 Series B Bonds will be rated "Aa1" by Moody's, "AAsf" by Fitch, and "AA(sf)" by S&P.

The 2014 Senior Bonds are "***Senior Lien Bonds***" on a parity with the Corporation's Outstanding 2005 Bonds and 2006 Bonds (the "***Prior Bonds***") and the 2014 Series B Bonds are "***Subordinate Lien Bonds***."

The 2014 Bonds will receive distributions on October 1, 2014, and thereafter, on the first (1st) Business Day of each month as described in this Offering Memorandum. All payments of principal of the 2014 Bonds through The Depository Trust Company ("***DTC***") will be treated by DTC, in accordance with its rules and procedures, as a "Pro Rata Pass-Through Distribution of Principal."

Generally, principal will be paid sequentially on each Distribution Date. Except after the occurrence of an Event of Default, funds will be allocated to provide for sequential payment of principal first on the 2014 Series A-1 Bonds until paid in full, second on the 2014 Series A-2 Bonds until paid in full, and third on the 2014 Series B Bonds until paid in full.

The 2014 Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and are "exempt securities" within the meaning of the Securities Exchange Act of 1934, as amended. Pursuant to an exemption contained in the Trust Indenture Act of 1939, as amended, it is not necessary to qualify the General Resolution thereunder. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

We are offering the 2014 Bonds through the underwriter when and if issued. The 2014 Bonds will be delivered in book-entry only form on or about August 20, 2014.

BofA Merrill Lynch

Dated: August 13, 2014

SOUTH CAROLINA STUDENT LOAN CORPORATION

Board of Directors

Frederick T. Himmelein, Esq., *Chairman*
William M. Mackie, Jr., *Vice Chairman*
J. Thornton Kirby, Esq., *Treasurer*
Charlie C. Sanders, Jr., *Secretary*
Renee R. Brooks, *Director*
Neil E. Grayson, Esq., *Director*
Jeffrey R. Scott, *Director*
Barbara F. Weston, *Director*
D. Grant Carwile, *Director*
Fred L. Green, III, *Director*
Harry R. Brown, *Director*

Senior Management

Charlie C. Sanders, Jr., *President and CEO*
Jane W. Honeycutt, *Chief Financial Officer*
David A. Simon, III, *Chief Information Officer*
Anne Harvin Gavin, *Senior Vice President - EdManage*
Cynthia G. Callaham, *Vice President - EdVantage*
Denise L. Easterling, *Vice President – Repayment Services*
Michael E. Fox, *Vice President – Guaranty Services*
Gerald I. Long, *Vice President - Repayment Services*
Selena K. Mulliken, *Director of Internal Audit and Risk Management*
David C. Roupe, *Vice President - EdVantage*
Donna E. Weathersbee, *Director of Human Resources*

Bond Counsel

McNair Law Firm, P.A.
Charleston, South Carolina

Trustee

Wells Fargo Bank, N.A.
Minneapolis, Minnesota

[inside cover page continued from prior page]

ADDITIONAL INFORMATION

No dealer, broker, salesman, or other person has been authorized by the Corporation or the Underwriter to give any material information or to make any material 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 any of the foregoing.

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 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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 Corporation since the date hereof.

The Trustee has not furnished or verified any information or statements contained in this Offering Memorandum other than the information under the heading "**THE TRUSTEE**" (the "***Trustee Information***") and is not responsible for the sufficiency, completeness, or accuracy of any information or statements contained in this Offering Memorandum other than the Trustee Information.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

NOTWITHSTANDING ANY INVESTIGATION THAT THE UNDERWRITER MAY HAVE CONDUCTED WITH RESPECT TO THE INFORMATION CONTAINED HEREIN, THE UNDERWRITER MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND NOTHING HEREIN SHALL BE DEEMED TO CONSTITUTE SUCH A REPRESENTATION OR WARRANTY BY THE UNDERWRITER.

THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE 2014 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREON. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE JURISDICTIONS REFERENCED ABOVE, NOR ANY OF THEIR AGENCIES HAVE APPROVED, DISAPPROVED, GUARANTEED, OR PASSED UPON THE SAFETY OF THE 2014 BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON, OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Offering Memorandum contains certain statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on beliefs of Corporation management as well as assumptions and estimates based on information currently available to the Corporation, and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, depending on a variety of factors, including economic and market instability, the financial health of the Corporation and the Guarantee Agency, changes in federal and state laws applicable to the Corporation and the 2014 Bonds and interest rate fluctuations. Should one or more of these risks or uncertainties materialize adversely, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described. See "**RISK FACTORS**."

Within this Offering Memorandum are cross-references to headings found elsewhere in this Offering Memorandum, under which you can find further related discussions. The table of contents found on the previous page indicates where such headings and discussions are located.

COMPLIANCE WITH APPLICABLE SECURITIES LAWS

THE 2014 BONDS MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS OFFERING MEMORANDUM NOR ANY CIRCULAR, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT OR OTHER MATERIAL MAY BE DISTRIBUTED IN OR FROM OR PUBLISHED IN ANY COUNTRY OR JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE HANDS THIS OFFERING MEMORANDUM COMES ARE REQUIRED BY THE CORPORATION AND THE UNDERWRITER TO COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN EACH COUNTRY OR JURISDICTION IN WHICH THEY PURCHASE, SELL, OR DELIVER THE 2014 BONDS OR HAVE IN THEIR POSSESSION OR DISTRIBUTE SUCH OFFERING MEMORANDUM, IN ALL CASES AT THEIR OWN EXPENSE.

COMPLIANCE WITH FOREIGN ACCOUNT TAX COMPLIANCE ACT

BY PURCHASING THE 2014 BONDS AND BECOMING A BENEFICIAL OWNER, EACH BENEFICIAL OWNER AGREES TO COLLECT AND PROVIDE THE BONDHOLDER TAX IDENTIFICATION INFORMATION AND BONDHOLDER FATCA INFORMATION (BOTH AS DEFINED AND DESCRIBED HEREIN) TO THE TRUSTEE UPON REQUEST. EACH BENEFICIAL OWNER OF A 2014 BOND OR AN INTEREST THEREIN, BY ACCEPTANCEOF SUCH 2014 BOND OR SUCH INTEREST IN SUCH 2014 BOND, WILL BE DEEMED TO HAVE AGREED TO PROVIDE SUCH INFORMATION TO THE TRUSTEE. IN ADDITION, EACH BENEFICIAL OWNER OF A 2014 BOND WILL BE DEEMED TO UNDERSTAND THAT THE TRUSTEE HAS THE RIGHT TO WITHHOLD INTEREST PAYABLE WITH RESPECT TO THE 2014 BOND (WITHOUT ANY CORRESPONDING GROSS UP) ON ANY BENEFICIAL OWNER OF AN INTERESTIN A 2014 BOND THAT FAILS TO COMPLY WITH THESE PROVISIONS.

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EXHIBITS

SUMMARY OF TERMS

The following summary is a general overview of the terms of the 2014 Bonds and does not contain all of the information that you need to consider in making your investment decision.

Before deciding to purchase the 2014 Bonds, you should consider the more detailed information appearing elsewhere in this Offering Memorandum.

*The words "**we**," "**us**," "**our**," and similar terms, as well as references to the "Issuer" and the "Corporation" refer to the South Carolina Student Loan Corporation. This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. See "***SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS***" herein.*

All capitalized terms used in this Offering Memorandum and not otherwise defined herein have the same meanings as assigned to them in the Resolution. See **EXHIBIT II** – "**GLOSSARY OF CERTAIN DEFINED TERMS FROM THE GENERAL AND 2014 SERIES RESOLUTIONS**."

Please note that certain dollar amounts may have been rounded to the nearest whole number.

Principal Parties and Dates

Issuer, Servicer, and Administrator

South Carolina Student Loan Corporation

Sole Guarantee Agency

South Carolina State Education Assistance Authority

Trustee, Paying Agent, and Registrar

Wells Fargo Bank, N.A.

Backup Servicer

Nelnet Servicing, LLC

Underwriter

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Distribution Dates

Interest on the 2014 Bonds (as defined herein) will be payable on October 1, 2014, and thereafter, on the first (1st) Business Day of each month (collectively, the "***Distribution Dates***" and each, a "***Distribution Date***").

Interest Periods

The Initial Period for the 2014 Bonds begins on the Issue Date and ends on September 30, 2014. For any other Distribution Date, the Interest Period will begin on the prior Distribution Date and end on the day before such Distribution Date.

Cutoff Date and Statistical Cutoff Date

The cutoff date (the "***Cutoff Date***") for the Education Loan portfolio that will become part of the Pledged Assets on the Issue Date (the "***2014 Education Loan Portfolio***") is expected to be approximately one week preceding the Issue Date. On and after the Issue Date, all loan revenues received with respect to the 2014 Education Loan Portfolio after the Cutoff Date will be deposited in the General Revenue Fund.

For the definitions of "***Education Loan***" and "***Pledged Assets***," see **EXHIBIT II** – "**GLOSSARY OF CERTAIN DEFINED TERMS FROM THE GENERAL AND 2014 SERIES RESOLUTIONS**." See also "**The Pledged Assets**" below and "**THE PLEDGED ASSETS**" in this Offering Memorandum.

For purposes of this Offering Memorandum, "***Financed Education Loans***," as of the Issue Date and thereafter, means Education Loans securing any bonds issued and outstanding under the 1996 General Resolution adopted by the Board of Directors of the Corporation (the "***General Resolution***").

On and after the Issue Date, the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio will comprise the Financed Education Loans.

The information presented in this Offering Memorandum relating to the existing $883,591,171 in aggregate principal amount of Financed Education Loans financed by prior bonds issued by the Corporation under the General Resolution (the "***Existing Education Loan Portfolio***") and the $40,102,142 in aggregate principal amount of the 2014 Education Loan Portfolio is based on information with respect thereto as of June 30, 2014 (the "***Statistical Cutoff Date***"). This information, particularly specific dollar amounts that change as a result of payments received, may have changed since that date.

Issue Date

The Issue Date for this offering will be on or about August 20, 2014.

Description of the 2014 Bonds

General

We are offering the following Education Loan Revenue Bonds:

- 2014 Series A-1 Senior Lien LIBOR Indexed Bonds in the aggregate principal amount of $328,000,000 (the "***2014 Series A-1 Bonds***");

- 2014 Series A-2 Senior Lien LIBOR Indexed Bonds in the aggregate principal amount of $100,500,000 (the "***2014 Series A-2 Bonds***" and together with the 2014 Series A-1 Bonds, the "***2014 Senior Bonds***"); and

- 2014 Series B Subordinate Lien LIBOR Indexed Bonds in the aggregate principal amount of $73,000,000 (the "***2014 Series B Bonds***" or the "***2014 Subordinate Bonds***" and together with the 2014 Senior Bonds, the "***2014 Bonds***").

The 2014 Bonds will be special, limited debt obligations of the Corporation and will be issued pursuant to the General Resolution and a Series Resolution adopted by the Board of Directors of the Corporation (the "***2014 Series Resolution***"). We sometimes refer to the General Resolution and the 2014 Series Resolution collectively as the "***Resolution***." The 2014 Bonds will receive payments primarily from collections on the pool of Financed Education Loans constituting a portion of the Pledged Assets. **The 2014 Bonds do not constitute a debt, liability, or obligation of the State of South Carolina or of any agency or political subdivision thereof, or a pledge of the full faith and credit of the State of South Carolina or of any agency or political subdivision thereof. The Corporation has no taxing power.**

Guaranteed Loans

All of the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio are Guaranteed Loans.

For the definition of "***Guaranteed Loan***," see **EXHIBIT II** – "**GLOSSARY OF CERTAIN DEFINED TERMS FROM THE GENERAL AND 2014 SERIES RESOLUTIONS**."

Outstanding Parity Bonds

The 2014 Senior Bonds are issued as "***Senior Lien Bonds***" on a parity and equality of lien with the Corporation's other Senior Lien Bonds Outstanding under the General Resolution (i.e., the Outstanding 2005 Bonds and 2006 Bonds (the "***Prior Bonds***")). The outstanding principal amount of the Prior Bonds is $749,873,000 as of the date on the cover of this Offering Memorandum), but is expected to be reduced by $219,818,000 on September 2, 2014, to a total of $530,055,000 Outstanding on such date. The 2014 Subordinate Bonds are the first series of "***Subordinate Lien Bonds***" issued under the General Resolution. We sometimes refer to the Prior Bonds and the 2014 Senior Bonds collectively as the "***Senior Bonds***," and we sometimes refer to the Senior Bonds and the 2014 Subordinate Bonds collectively as the "***Bonds***."

No Tax-Exempt Bonds

No Bonds issued with the intention that the interest thereon be excluded from the gross income of the owners thereof for purposes of regular federal income taxation have been ("***Tax-Exempt Bonds***") or will be issued under the General Resolution. Consequently, all references to provisions relating to Tax-Exempt Bonds contained in the General Resolution have been omitted.

No Additional Bonds

No additional bonds, notes, or other obligations may be issued under the General Resolution after the Issue Date.

Authorized Denominations

The 2014 Bonds will be offered in minimum denominations of $100,000 and multiples of $1,000 in excess of such amount.

Interest on the 2014 Bonds

The 2014 Bonds will bear interest from the Issue Date to the Stated Maturity Date at the following rates:

- the 2014 Series A-1 Bonds will bear interest at an annual rate equal to one-month LIBOR, except for the Initial Period, plus 0.75%;

- the 2014 Series A-2 Bonds will bear interest at an annual rate equal to one-month LIBOR, except for the Initial Period, plus 1.00%; and

- the 2014 Series B Bonds will bear interest at an annual rate equal to one-month LIBOR, except for the Initial Period, plus 1.50%.

The Trustee will determine the rates of interest on the 2014 Bonds on the second (2^{nd}) business day prior to the start of the applicable Interest Period. Interest on the 2014 Bonds will be calculated on the

basis of the actual number of days elapsed during the Interest Period divided by 360. For the Initial Period, the Trustee will determine the LIBOR rate according to a formula described under "**DESCRIPTION OF THE 2014 BONDS – Interest Payments**" in this Offering Memorandum.

Interest accrued on the outstanding principal balance of the 2014 Bonds during each Interest Period will be paid on each Distribution Date.

Principal Distributions

Principal distributions will be allocated to the 2014 Bonds on each Distribution Date as described under "**Flow of Funds**" below and under "**THE PLEDGED ASSETS – Flow of Funds**" in this Offering Memorandum.

Except after the occurrence of an Event of Default, principal will be paid first on the 2014 Series A-1 Bonds until paid in full, second on the 2014 Series A-2 Bonds until paid in full, and third on the 2014 Series B Bonds until paid in full.

See "**DESCRIPTION OF THE 2014 BONDS – Principal Distributions**" in this Offering Memorandum "**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION – DEFAULTS AND REMEDIES**" in **EXHIBIT III** attached hereto.

Stated Maturity

The Distribution Dates on which the 2014 Bonds are due and payable in full are as follows:

Class/Tranche	Stated Maturity Date
A-1 Senior	May 1, 2030
A-2 Senior	January 3, 2033
B Subordinate	August 1, 2035

We expect that the principal of the 2014 Bonds will be paid prior to the Stated Maturity Date as a result of either

- payments and prepayments on the Financed Education Loans; or

- the exercise by us of our option to redeem the 2014 Bonds in whole, but not in part, on the Distribution Date when the Pool Balance shall be ten percent (10%) or less of the Initial Pool Balance.

See "**Optional Redemption**" below and "**DESCRIPTION OF THE 2014 BONDS – Optional Redemption**" in this Offering Memorandum.

"***Pool Balance***" means, for any date, the aggregate principal balance of the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio on that date plus accrued interest that is expected to be capitalized as authorized under the Higher Education Act (as defined below) as determined by the Corporation.

"***Initial Pool Balance***" means $928,789,580, which was the Pool Balance as of the Statistical Cutoff Date, of the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio. The Initial Pool Balance consists of a principal balance of $923,693,313 and accrued interest expected to be capitalized of $5,096,267.

The expected weighted average lives and expected maturity dates for the 2014 Bonds are set forth in **EXHIBIT V** – "**PREPAYMENTS, EXTENSIONS, WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES OF THE 2014 BONDS, AND PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 BONDS REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES**." **EXHIBIT V** also contains the assumptions utilized for calculating these expected weighted average lives and expected maturity dates, together with the projected remaining principal balance of the 2014 Bonds as a percentage of the initial principal balance thereof under various assumed prepayment scenarios. See **EXHIBIT V** – "**PREPAYMENTS, EXTENSIONS, WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES OF THE 2014 BONDS, AND PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 BONDS REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES**."

Description of the Corporation

South Carolina Student Loan Corporation is a nonprofit, public benefit corporation incorporated on November 15, 1973, pursuant to the laws of the State of South Carolina, which received its final 501(c)(3) determination letter from the Internal Revenue Service on June 30, 1979. Under its Restated and Amended Articles of Incorporation, the Corporation has the power to receive, invest, administer, and disburse funds for educational purposes so as to enable individuals to attend eligible educational institutions beyond the secondary school level and to make, handle, service, and deal with student and parent loans as provided in the Higher Education Act of 1965, as amended. We refer to this act as the "***Higher Education Act***." The Corporation has been designated an "eligible lender" pursuant to Title IV of the Higher Education Act and, as agent of and an independent contractor with the Authority, serves as the principal servicer of Education Loans originated under the Federal Family Education Loan Program of the Higher Education Act and guaranteed by the Authority. See "**THE CORPORATION**" in this Offering Memorandum.

Our principal office is located at 8906 Two Notch Road, Columbia, South Carolina 29223, and our telephone number is (803) 772-9480. We have a website at www.scstudentloan.org. Information found on the website is not part of this Offering Memorandum.

The only sources of funds for payment of all of the 2014 Bonds are the Financed Education Loans, the payments we receive on those Financed Education Loans, and investments pledged to the Trustee.

The Pledged Assets

The Pledged Assets means, together with any proceeds, all rights, title, and interest of the Corporation in the following:

- the Financed Education Loans;
- interest payments with respect to Financed Education Loans made by or on behalf of borrowers;
- any Recoveries of Principal;
- any Special Allowance Payments;
- any applicable Interest Subsidy Payments;
- all moneys and securities from time to time held by the Trustee under the terms of the General Resolution in various Funds and Accounts; and
- any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the General Resolution.

See "**THE PLEDGED ASSETS**" in this Offering Memorandum.

The South Carolina State Education Assistance Authority, as Guarantee Agency, guarantees, and the U.S. Department of Education (the "***Department of Education***") reinsures, the Financed Education Loans, both to the maximum extent permitted by the Higher Education Act.

Repurchase Obligation

We will agree to purchase from the Pledged Assets any Financed Education Loan that ceases to be eligible as an Education Loan under the Resolution due to any action taken or failed to be taken by us with respect to servicing or origination on or after the Issue Date that results in the loss of guarantee or federal reinsurance, Interest Subsidy Payments, or Special Allowance Payments, within thirty (30) days of the date on which we become aware that such Education Loan becomes ineligible. We will purchase the applicable Financed Education Loan(s) using available cash at an amount equal to the amount the Guarantee Agency would otherwise have paid but for our error or omission as calculated by the Corporation.

Description of Funds and Accounts

The Program Fund

On the Issue Date, we will make a deposit to the Loan Account of the Program Fund in the amount of approximately $40,180,770 which amount we will use to purchase the 2014 Education Loan Portfolio (including accrued interest thereon) and to the Cost of Issuance Account of the Program Fund in the approximate amount of approximately $1,000,000 which amount we will use to pay costs of issuance relating to the 2014 Bonds.

The General Revenue Fund

The Trustee has established the General Revenue Fund as part of the Pledged Assets. The Trustee will deposit into the General Revenue Fund all moneys received by or on behalf of the Corporation as assets of, or with respect to, the Pledged Assets.

Money on deposit in the General Revenue Fund will be used as described under "**Flow of Funds**" below and under "**THE PLEDGED ASSETS – Flow of Funds**" in this Offering Memorandum.

The Operating Fund

The Trustee has established the Operating Fund as part of the Pledged Assets. We will not make a deposit to the Operating Fund on the Issue Date. It will be funded from funds available in the General Revenue Fund as described under "**Flow of Funds**" below and under "**THE PLEDGED ASSETS – Flow of Funds**" in this Offering Memorandum. Money on deposit in the Operating Fund will be used to pay all Operating Costs. Such Operating Costs will not be increased beyond the levels detailed herein under the subheading "**THE PLEDGED ASSETS – The Operating Fund**" in the Offering Memorandum unless the Trustee shall first receive a confirmation of the rating on all Bonds Outstanding from Moody's Investor Service and Fitch Ratings and a Cash Flow Certificate. The Corporation will be required to provide thirty (30) days' prior written notice to Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business of any increase in Operating Costs. The Operating Fund will be funded as described under "**Flow of Funds**" below and under "**THE PLEDGED ASSETS – Flow of**

Funds" in this Offering Memorandum in an amount equal to the Operating Costs (not to exceed four (4) months' Operating Costs as determined by us). We refer to this amount as the "***Operating Fund Requirement***." Amounts in the Operating Fund in excess of the Operating Fund Requirement will be transferred to the General Revenue Fund.

The Debt Service Fund

The Trustee has established a Debt Service Fund as part of the Pledged Assets and within the Debt Service Fund, a Principal Account and an Interest Account. Moneys in the Interest Account will be applied to pay interest on the 2014 Bonds. Moneys in the Principal Account will be applied to pay the principal of the 2014 Bonds. On the Issue Date, we will make a deposit to the Principal Account in the amount of approximately $192,403,038. We expect to use such amounts to pay Targeted Amortization Payments on the Prior Bonds on September 2, 2014. After such payment, all Targeted Amortization Payments scheduled to have been paid in accordance with the original Targeted Amortization Schedules will have been paid.

For the definitions of "***Targeted Amortization Payments***" and "***Targeted Amortization Schedule***," see **EXHIBIT II** – "**GLOSSARY OF CERTAIN DEFINED TERMS FROM THE GENERAL AND 2014 SERIES RESOLUTIONS**."

Also see "**TARGETED AMORTIZATION SCHEDULES FOR PRIOR BONDS**" in this Offering Memorandum.

Amounts deposited in all funds and accounts created and maintained under the Resolution will be used for the payment of principal of and interest on the 2014 Bonds if there would otherwise be a default in payment. The order of funds and accounts from which moneys are to be transferred in the event that deposits of moneys in the General Revenue Fund to the Interest Account and Principal Account are insufficient to avoid a default in payment of principal of or interest on the 2014 Bonds will be the Debt Service Reserve Fund, the Supplemental Reserve Fund, the Loan Account of the Program Fund, and then the Operating Fund.

The Debt Service Reserve Fund

The Trustee has established the Debt Service Reserve Fund as part of the Pledged Assets and within the Debt Service Reserve Fund, a Senior Lien Account and a Subordinate Lien Account. On the Issue Date, we will make a deposit to the Senior Lien Account in the amount of approximately $1,071,250 and a deposit to the Subordinate Lien Account in the amount of approximately $182,500. On the Issue Date and after such deposit, the amount on deposit in the Senior Lien Account of the Debt Service Reserve Fund will be approximately $8,569,980. The Senior Lien Account of the Debt Service Reserve Fund is a common reserve fund that equally secures all Senior Lien Bonds Outstanding, and the Subordinate Lien Account of the Debt Service Reserve Fund secures all Senior Lien Bonds Outstanding and the 2014 Subordinate Bonds Outstanding. The Debt Service Reserve Requirement (the "***Debt Service Reserve Requirement***") is equal to the greatest of:

- the sum of the reserve requirements for each Series of Bonds;

- 0.1% of the original principal amount of all Tranches Outstanding as of the date of calculation; or

- $750,000.

The Debt Service Reserve Requirement with respect to the 2014 Senior Bonds will be 0.25% of all 2014 Senior Bonds Outstanding. On the Issue Date and after issuance of the 2014 Bonds, the Debt Service Reserve Requirement for all Senior Bonds Outstanding will be approximately $8,569,980 which is 1.0% of the principal balance of the Prior Bonds then expected to be Outstanding and 0.25% of the 2014 Senior Bonds Outstanding. Moneys in the Senior Lien Account of the Debt Service Reserve Fund will be used to pay principal of and interest on the Senior Lien Bonds to the extent moneys in the Principal Account and the Interest Account, respectively, are insufficient for such purposes. See "**THE PLEDGED ASSETS – Application of Funds and Accounts to Avoid a Default; Order of Application**" in this Offering Memorandum. To the extent the amount in the Senior Lien Account of the Debt Service Reserve Fund falls below the Debt Service Reserve Requirement with respect to the Senior Bonds, the Senior Lien Account of the Debt Service Reserve Fund will be replenished on each Distribution Date from funds available in the General Revenue Fund as described under "**Flow of Funds**" below and under "**THE PLEDGED ASSETS – Flow of Funds**" in this Offering Memorandum.

The Debt Service Reserve Requirement with respect to the 2014 Subordinate Bonds will be 0.25% of 2014 Subordinate Bonds Outstanding. On the Issue Date and after issuance of the 2014 Bonds, the Debt Service Reserve Requirement for the 2014 Subordinate Bonds Outstanding will be approximately $182,500. Moneys in the Subordinate Lien Account of the Debt Service Reserve Fund will be used first to pay principal of and interest on the Senior Lien Bonds to the extent moneys in the Principal Account and the Interest Account and the Senior Lien Account of the Debt Service Reserve

Fund, respectively, are insufficient for such purposes and, after payment in full of all Senior Bonds, to pay principal of and interest on the 2014 Subordinate Bonds. See "**THE PLEDGED ASSETS – Application of Funds and Accounts to Avoid a Default; Order of Application**" in this Offering Memorandum. To the extent the amount in the Subordinate Lien Account of the Debt Service Reserve Fund falls below the Debt Service Reserve Requirement with respect to the 2014 Subordinate Bonds, the Subordinate Lien Account of the Debt Service Reserve Fund will be replenished on each Distribution Date from funds available in the General Revenue Fund as described under "**Flow of Funds**" below and under "**THE PLEDGED ASSETS – Flow of Funds**" in this Offering Memorandum.

Funds on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement will be transferred to the General Revenue Fund.

The Supplemental Reserve Fund

The Trustee will establish the Supplemental Reserve Fund on the Issue Date. On the Issue Date, we will make a deposit to the Supplemental Reserve Fund in the amount of $137,391,000. No additional deposits will be made to the Supplemental Reserve Fund. Amounts on deposit in the Supplemental Reserve Fund will not be counted towards amounts otherwise required to be on deposit in the Debt Service Reserve Fund. The Supplemental Reserve Fund will be used to pay Targeted Amortization Payments on the Prior Bonds in accordance with the applicable Targeted Amortization Schedule to the extent that funds are not available for that purpose in the Principal Account of the Debt Service Fund. If, on any date that principal of or interest on Senior Lien Bonds is due and payable there are insufficient moneys in the Principal Account or Interest Account, as the case may be, or the Debt Service Reserve Fund to make the required payment, then moneys in the Supplemental Reserve Fund will be applied to pay the principal of and interest on Senior Lien Bonds then due and payable. Upon payment in full of the Prior Bonds, all amounts remaining in the Supplemental Reserve Fund will be deposited to the General Revenue Fund.

Use of Initial Proceeds of 2014 Bonds

The proceeds of the 2014 Bonds are to be initially used to:

- pay Targeted Amortization Payments for the Prior Bonds that have not been satisfied prior to the Issue Date,
- finance repurchased Education Loans currently held as unencumbered assets of the Corporation,
- fund certain Funds and Accounts under the General Resolution including the Supplemental Reserve Fund, the General Revenue Fund, and the Senior Lien Account and the Subordinate Lien Account of the Debt Service Reserve Fund, and
- pay costs and expenses associated with the issuance of the 2014 Bonds.

Characteristics of the Financed Education Loans

The Existing Education Loan Portfolio and the 2014 Education Loan Portfolio have been originated by us in the ordinary course of our business, are described more fully below under "**CHARACTERISTICS OF THE FINANCED EDUCATION LOANS**," and had an Initial Pool Balance of $928,789,580. As of the Statistical Cutoff Date, the weighted average annual interest rate of the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio, before deducting any interest rate reductions earned by borrowers, was approximately 4.83% and their weighted average remaining term to scheduled maturity was approximately 173 months. This information, particularly specific dollar amounts that change as a result of payments received, may have changed since that date.

As of the Statistical Cutoff Date, the 2014 Education Loan Portfolio was composed entirely of "rehabilitated loans" and "bankruptcy repurchase loans." As of the Statistical Cutoff Date, the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio included approximately $45,794,700 of "rehabilitated loans," which are Education Loans that have previously defaulted, but for which the borrower thereunder has made a specified number of on-time payments as described in **EXHIBIT I** attached hereto under the heading "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM – REHABILITATION OF DEFAULTED LOANS**," and approximately $17,668,563 of "bankruptcy repurchase loans," which are Education Loans to borrowers who have filed for bankruptcy after receiving such Education Loan and who may or may not have been delinquent in the payment of such Education Loan prior to such filing, but whose bankruptcy proceeding has been dismissed or terminated without such Education Loan having been discharged.

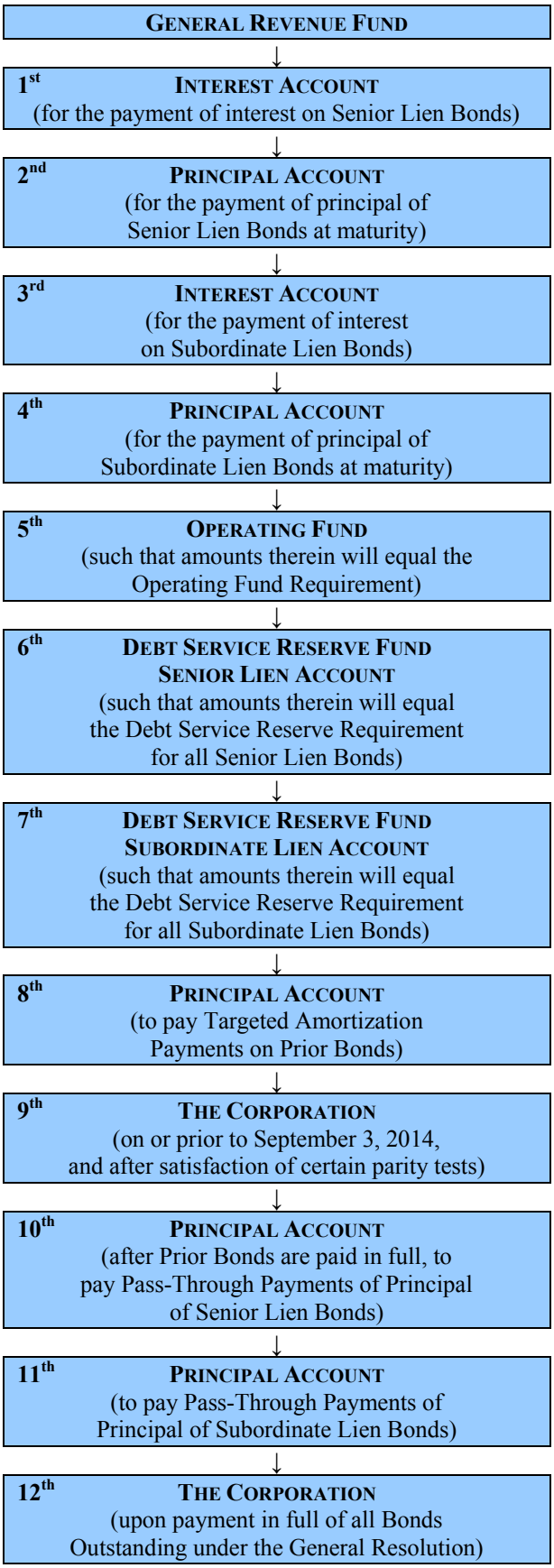
The information set forth herein under the heading "**CHARACTERISTICS OF THE FINANCED EDUCATION LOANS**" is with respect to the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio as of the Statistical Cutoff Date. This information, particularly specific dollar amounts that

change as a result of payments received, may have changed since that date.

Flow of Funds

Under the General Resolution, all moneys received by or on behalf of the Corporation as Pledged Assets, and any other moneys or assets designated as Pledged Assets by the Corporation from time to time, are to be deposited within two (2) Business Days after the receipt thereof by the Corporation to the credit of the General Revenue Fund. Moneys in the General Revenue Fund are to be applied monthly to various funds and accounts for the following purposes**:**

[The remainder of this column is intentionally left blank.]



For a more detailed description of the requirements of the General Resolution, see "**THE PLEDGED ASSETS – Flow of Funds**" in this Offering Memorandum.

No Recycling

No recycling of revenues into additional Education Loans will be permitted under the Resolution.

Flow of Funds After Events of Default

After the occurrence of an Event of Default under the General Resolution, payments of principal of and interest on the 2014 Bonds will be made in accordance with the provisions of the General Resolution. See "**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION – Defaults and Remedies**."

Credit Enhancement

Credit enhancement for the 2014 Bonds will include overcollateralization, excess interest on the Financed Education Loans, and cash on deposit in the Debt Service Reserve Fund and the Supplemental Reserve Fund, as described herein under "**THE PLEDGED ASSETS – Overcollateralization**," "**– The Debt Service Reserve Fund**," and "**– The Supplemental Reserve Fund**." Credit enhancement for the 2014 Senior Bonds will also include subordination of the 2014 Subordinate Bonds.

Servicing

We will act as servicer with respect to the Financed Education Loans.

We will covenant to maintain a Backup Servicing Agreement. The Financed Education Loans will be transferred for servicing by the Backup Servicer under the circumstances described in the definition of "***Servicer Transfer Trigger***" in **EXHIBIT II**. For more information on the Backup Servicing Agreement with Nelnet Servicing, LLC, see "**THE BACKUP SERVICING AGREEMENT**" herein.

Optional Redemption

The 2014 Bonds will be subject to optional redemption in whole, but not in part, at our option on any Distribution Date when the Pool Balance shall be ten percent (10%) or less of the Initial Pool Balance the Pool Balance.

Book-Entry Registration

The 2014 Bonds will be delivered in book-entry form through The Depository Trust Company. You will not receive a certificate representing your 2014 Bonds except in very limited circumstances. See **EXHIBIT IV** – "**BOOK ENTRY SYSTEM**."

Rating of the 2014 Bonds

We expect that the 2014 Senior Bonds will be rated "Aaa" by Moody's Investors Service, Inc. ("***Moody's***"), "AAAsf" by Fitch Ratings ("***Fitch***"), and "AA+(sf)" by Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("***S&P***"). We expect that the 2014 Subordinate Bonds will be rated "Aa1" by Moody's, "AAsf" by Fitch, and "AA(sf)" by S&P. See "**RISK FACTORS – The Ratings of the 2014 Bonds Are Not A Recommendation to Purchase and May Change, Affecting the Price of Your 2014 Bonds**" herein. 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. See "**RATINGS**" herein.

Forward-Looking Statements

Statements in this Offering Memorandum, including, but not limited to, those concerning the characteristics of the Financed Education Loans, constitute forward looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary materially from such expectations.

Prospective investors in the 2014 Bonds should not place undue reliance on those forward-looking statements and should review the factors described under the heading "**RISK FACTORS**," that could cause actual results to differ from expectations.

Reports to Bondholders

The Corporation will enter into a Periodic Reporting Certificate (the "***Periodic Reporting Certificate***") for the benefit of the Beneficial Owners of the 2014 Bonds. See "**REPORTS TO BONDHOLDERS**" herein.

CUSIP Numbers:

A-1 Bonds:	83715R AE2
A-2 Bonds:	83715R AF9
B Bonds:	83715R AG7

RISK FACTORS

Potential investors in the 2014 Bonds should consider the following risk factors together with all other information in this Offering Memorandum in deciding whether to purchase the 2014 Bonds. The following discussion of possible risks is not meant to be an exhaustive list of the risks associated with the purchase of the 2014 Bonds and does not necessarily reflect the relative importance of the various risks. Additional risk factors relating to an investment in the 2014 Bonds are described throughout this Offering Memorandum, whether or not specifically designated as risk factors. There can be no assurance that other risk factors will not become material in the future.

2014 Bonds Are Payable Solely from the Pledged Assets and Bondholders Have No Other Recourse against the Corporation

Principal of and interest on the 2014 Bonds will be paid solely from the funds and assets held as part of the Pledged Assets. See "**THE PLEDGED ASSETS**" herein. No insurance or guarantee of the 2014 Bonds will be provided by any government agency or instrumentality, by any insurance company, or by any other person or entity. Payments of principal of and interest on the 2014 Bonds will ultimately depend on the amount and timing of payments and other collections in respect of the Financed Education Loans and other assets included in the Pledged Assets. You will have no recourse against any party if the Pledged Assets created under the General Resolution are insufficient for repayment of the 2014 Bonds.

Experience May Vary from Assumptions

The Corporation expects that the revenues available for debt service to be received pursuant to the General Resolution should be sufficient to pay principal of and interest on the 2014 Bonds when due and also to pay the Operating Costs until the maturity or earlier retirement of the 2014 Bonds. This expectation is based upon an analysis of cash flow projections using assumptions, which the Corporation believes are reasonable, regarding the timing of the repayment of the Financed Education Loans, the composition of and yield on the Financed Education Loans, the default and collection rates on the Financed Education Loans, the rate of return on moneys to be invested in various Funds and Accounts in the Pledged Assets and the occurrence of future events and conditions. These assumptions are derived from the Corporation's experience in the administration of our student loan finance program. There can be no assurance, however, that interest and principal payments from the Financed Education Loans will be received as anticipated, that the reinvestment rates assumed on the amounts in various Funds and Accounts will be realized, or that Special Allowance Payments and other payments will be received in the amounts and at the times anticipated. Furthermore, other future events over which the Corporation has no control, such as general economic conditions, the job market for graduates of institutions of higher education, the college graduation rate, military and national emergencies, and regulatory changes among others, may adversely affect the Corporation's actual receipt of revenues available for debt service pursuant to the General Resolution. The effect of these factors, including the effect on the amount of Pledged Assets available to make payments of principal of and interest on the 2014 Bonds and pay Operating Costs, is impossible to predict. See "**CHARACTERISTICS OF THE FINANCED EDUCATION LOANS**" for certain information regarding the Financed Education Loans.

Subordination of the 2014 Subordinate Bonds May Result in a Greater Risk of Loss

The payment of interest on the 2014 Subordinate Bonds is subordinated in priority of payment to the payment of interest on the Senior Bonds, and principal on the 2014 Subordinate Bonds will not be paid until the Senior Bonds have been paid in full. Thus, Holders of the 2014 Subordinate Bonds will bear a greater risk of loss than the Holders of Senior Bonds. Holders of the 2014 Subordinate Bonds will also bear the risk of any adverse changes in the anticipated yield and weighted average life of their 2014 Subordinate Bonds resulting from any variability in payments of principal or interest on the 2014 Subordinate Bonds.

The 2014 Subordinate Bonds are subordinated to the Senior Bonds as to the direction of remedies upon an Event of Default. In addition, as long as the Senior Bonds are Outstanding, the failure to pay interest or principal on the 2014 Subordinate Bonds will not result in an acceleration under the General Resolution. Consequently, Holders of the 2014 Subordinate Bonds may bear a greater risk of losses or delays in payment. See "**PLEDGED ASSETS – Flow of Funds**" herein.

Payment Priorities Among the Tranches of the 2014 Senior Bonds May Result in a Greater Risk of Loss

Except in the case of an Event of Default, the 2014 Series A-2 Bonds will receive payments of principal after the 2014 Series A-1 Bonds. Consequently, Holders of the 2014 Series A-2 Bonds may bear a greater risk of loss. Potential purchasers of the 2014 Senior Bonds should consider the priority of payment of each Tranche of 2014 Senior Bonds before making an investment decision.

Different Rates of Change in Interest Rate Indexes May Affect Cash Flow

As described herein, the interest rates on the 2014 Bonds from time to time will be based on LIBOR, thus the interest rates on the 2014 Bonds are variable and will fluctuate from one interest period to another in response to changes in benchmark rates, general market conditions, national and international conditions, and numerous other factors, all of which are totally beyond the control or anticipation of the Corporation. We can make no representation as to what these rates may be in the future.

The Financed Education Loans generally bear interest at fixed interest rates. In addition, all of the Financed Education Loans are subject to Special Allowance Payments to be paid to or by the U.S. Department of Education. The Special Allowance Payments for loans disbursed on or after January 1, 2000, were previously based upon a three-month commercial paper rate, but as a result of the affirmative election made by the Corporation under Public Law 112-74 (as described under "**THE CORPORATION – Change to Index for Calculation of Special Allowance Payments**" herein and in **EXHIBIT I** attached hereto under the heading "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM – SPECIAL ALLOWANCE PAYMENTS**") the **Corporation** permanently changed the index for Special Allowance Payments on all of the Education Loans expected to be in the Financed Education Loans disbursed on or after January 1, 2000**,** from the three-month commercial paper rate to a one-month LIBOR index, commencing with Special Allowance Payments for the calendar quarter that began April 1, 2012. The one-month LIBOR index for Special Allowance Payments resets on a daily basis while the interest rates on the 2014 Bonds reset**s** on a monthly basis. Additionally, the Prior Bonds are indexed to three-month LIBOR and reset on a quarterly basis.

As a result of these differences between the indices and reset dates used to determine the interest rates on Financed Education Loans and the 2014 Bonds, there could be periods of time when the net yield of the Financed Education Loans is low enough to impair our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

Information Regarding the Characteristics of the Financed Education Loans as of the Statistical Cutoff Date

This Offering Memorandum describes the characteristics of the Financed Education Loans as of June 30, 2014 (the "***Statistical Cutoff Date***"), expected to be held as part of the Pledged Assets as of the Issue Date. The Financed Education Loans may have characteristics on the Issue Date that differ from the characteristics thereof on the Statistical Cutoff Date. We do not expect that the characteristics of the Financed Education Loans on the Issue Date will differ materially from the characteristics as of the Statistical Cutoff Date described in this Offering Memorandum; however, an investor should not assume that the characteristics of the Financed Education Loans on the Issue Date will be identical to characteristics disclosed in this Offering Memorandum.

Elimination of the Federal Family Education Loan Program

The Health Care and Education Reconciliation Act of 2010 ("***HCERA***") was signed into law on March 30, 2010, and, among other things, eliminated the Federal Family Education Loan Program (the "***FFELP***") of the Higher Education Act and requires that all new federal student loans be originated through the Federal Direct Student Loan Program (the "***FDLP***") effective July 1, 2010. The terms of existing FFELP loans are not materially affected by HCERA. The Higher Education Act or other relevant federal or state laws, rules and regulations may be further amended or modified in the future in a manner, including as part of any reauthorization of the Higher Education Act, that could adversely affect the federal education loan programs as well as the education loans made under these programs and the financial condition of the guarantors. Among other things, the level of guarantee payments may be adjusted from time to time.

The Corporation's ability to originate new FFELP loans is likely to reduce the Corporation's servicing revenues and increase its unit servicing costs as the aggregate loan portfolio being serviced by the Corporation

diminishes over time. To the extent the Financed Education Loans are transferred to the Backup Servicer, a disruption could occur that results in reductions or delays in cash flow to the Pledged Assets. To the extent that the Debt Service Reserve Fund and the Supplemental Reserve Fund are insufficient to cover any of such shortfalls, our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due, may be adversely affected.

The elimination of the FFELP may result in an increased level of prepayments on a portion of the Financed Education Loans. Borrowers of the Financed Education Loans who are students, or parents of students, continuing their education after June 30, 2010, are unable to receive another FFELP loan and are likely to receive a FDLP loan. Having student loans in both programs may cause some of such borrowers to consolidate their student loans with a FDLP Consolidation Loan, which would result in a prepayment on the Financed Education Loan. Additionally, the federal government may offer incentives, such as principal reductions and consolidation programs such as those described below in "**Reinvestment, Prepayment, and Certain Other Risks Affecting Estimated Cash Flows**," to encourage FFELP borrowers to transition their loans to the FDLP which would have the effect of increasing prepayments. To the extent that prepayments are higher than anticipated, the proceeds of such prepayments may result in the payment of the 2014 Bonds faster than anticipated. If your 2014 Bonds are prepaid, you will bear the risk that you may be unable to reinvest any principal prepayment at a yield at least equal to the yield on your 2014 Bonds.

The Guarantee Agency Function May be Transferred Which Could Cause Delays in Payment on the 2014 Bonds

The elimination of the FFELP has led to 6 of the 34 guaranty agencies in existence in July 1, 2010, transferring their portfolios to other guarantee agencies due to the lack of profitability of continued operations. In addition, the Bipartisan Budget Act (BBA) (Public Law 113-67) approved in December of 2013 included a cut in what is known as the rehabilitation retention rate for student loans effective as of July 1, 2014. Rehabilitation retention had been the largest single source of revenue for guarantee agencies. In the event that the guarantor functions with respect to the Financed Education Loans are transferred to another guarantee agency, the transfer may result in a delay in the processing of default claims and the collections of revenues. The occurrence of these events could adversely affect our ability to make payments to you of principal of and interest on your 2014 Bonds.

Changes in Federal Law and State Law and Regulation

The programs affected by the Higher Education Act have been the subject of numerous statutory and regulatory changes over the last several years that have resulted in material modifications to such programs. For example, one law, among other things, reduced the interest rates on certain types of new loans, reduced loan guarantee levels on new loans, reduced the special allowance support level on new loans, and increased up-front origination fees paid by lenders.

There can be no assurance that relevant federal and state laws and regulations, including the Higher Education Act, will not be changed in a manner that might adversely affect the availability and flow of funds from the Pledged Assets. For example, as described above under the heading "**Elimination of the Federal Family Education Loan Program**" above, HCERA eliminated the ability to originate new FFELP loans after June 30, 2010. In addition, certain legislative changes prior to HCERA (i) made significant changes in interest rates, annual and aggregate borrowing limits, circumstances allowing deferment, Special Allowance Payments, and repayment provisions relating to student loans made subsequent to such legislation and (ii) made several changes to administrative and eligibility provisions relating to guarantee agencies and lenders. See **EXHIBIT I** under the heading "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM**."

The availability of various federal payments in connection with the FFELP is subject to federal budgetary appropriation. In recent years, federal budgetary legislation has been enacted that has provided, subject to certain conditions, for the mandatory curtailment of certain federal budget expenditures, including expenditures in connection with the FFELP and the recovery of certain advances previously made by the federal government to guarantee agencies in order to achieve certain deficit reduction guidelines. No representation is made as to the effect, if any, of future federal budgetary appropriation or legislation upon expenditures by the U.S. Department of Education, or the effect, if any, of any future legislation, regulations or executive actions with respect to the FFELP or other factors that could potentially affect timely payment of principal of and interest on the 2014 Bonds.

There can be no assurance that any future law, regulation, or executive action will not prospectively or retroactively affect the terms and conditions under which student loans are repaid, guaranteed, and/or reinsured, under which lenders are provided Interest Subsidy Payments or Special Allowance Payments and under which FFELP loans may be consolidated into the FDLP. Such changes, if made, might materially and adversely affect our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

Noncompliance with the Higher Education Act

Noncompliance with the Higher Education Act with respect to Financed Education Loans may adversely affect payment of principal of and interest on the 2014 Bonds when due. The Higher Education Act and the applicable regulations thereunder require the lenders making FFELP loans, guarantee agencies guaranteeing FFELP loans, and lenders or servicers servicing FFELP loans to follow certain due diligence procedures in an effort to ensure that FFELP loans are properly made and disbursed to, and timely repaid by, the borrowers. Such due diligence procedures include certain loan application procedures, certain loan origination procedures and, when a FFELP loan is delinquent, certain loan collection procedures. The procedures to make, guarantee, and service Higher Education Act loans are set forth in the Code of Federal Regulations and other documents of the U.S. Department of Education, and no attempt has been made in this Offering Memorandum to describe those procedures in their entirety. Failure to follow such procedures may result in the Secretary's refusal to make reinsurance payments to a guarantee agency on such loans or may result in the guarantee agency's refusal to honor its guarantee on such loans to holders of FFELP loans, including the Corporation. Such action by the Secretary could adversely affect a Guarantee Agency's ability to honor guarantee claims, and loss of guarantee payments to us could adversely affect our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

Timing and Sufficiency of Receipts

Amounts received with respect to the Pledged Assets, including, but not limited to, Financed Education Loans, may vary materially in both timing of receipts and amounts received as a result of innumerable factors. For loans disbursed prior to April 1, 2006, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the education loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on education loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the federal government on a quarterly basis. (As detailed in "**CHARACTERISTICS OF THE FINANCED EDUCATION LOANS**," over 40.74% of the Education Loans in the Financed Education Loans were disbursed on or after April 1, 2006.) This modification effectively limits lenders' returns to the special allowance support level and could require a lender to rebate excess interest accrued but not yet received. For fixed rate loans, the excess interest owed to the federal government is greater when LIBOR is relatively low, causing the special allowance support level to fall below the education loan rate. There can be no assurance that such factors or other types of factors will not occur or that, if they occur, such occurrence will not materially adversely affect the sufficiency of the Pledged Assets to pay the principal of and interest on the 2014 Bonds, as and when due.

Delay in the receipt of principal of and interest on Financed Education Loans may adversely affect payment of the principal of and interest on the 2014 Bonds when due. Principal of and interest on Financed Education Loans may be delayed due to numerous factors, including, without limitation: (i) borrowers entering deferment periods due to a return to school or other eligible purposes; (ii) forbearance being granted to borrowers; (iii) Financed Education Loans becoming delinquent for periods longer than assumed; (iv) actual loan principal amortization periods which are longer than those assumed based upon the current analysis of the Financed Education Loans; (v) default rates are higher than those assumed in the current analysis of the Financed Education Loans, (vi) recoveries on defaulted Financed Education Loans are lower than those assumed in the current analysis of the Financed Education Loans, (vii) implementation of income-based repayment plans as described in the following paragraph, and (viii) the commencement of principal repayment by borrowers at dates later than those assumed based upon the current analysis of the Financed Education Loans. See "**CHARACTERISTICS OF THE FINANCED EDUCATION LOANS**" for certain information regarding the Financed Education Loans.

A borrower with certain loans under the FFELP and the FDLP may qualify for an income-based repayment plan (or other similar plan implemented by executive order) if such borrower has a financial hardship as defined by the U.S. Department of Education. An increase in the number of Financed Education Loans subject to an income-

based repayment plan (or other similar plan implemented by executive order) may adversely affect payment of the principal of and interest on the 2014 Bonds when due, including extending the time period that Bondholders expect to hold the 2014 Bonds. The Corporation cannot currently determine how many of the Financed Education Loans could or will be affected by income-based repayment plans (or other similar plan implemented by executive order).

Reinvestment, Prepayment, and Certain Other Risks Affecting Estimated Cash Flows

Financed Education Loans may be prepaid at any time without penalty. If prepayments are received on the Financed Education Loans, those amounts will be collected in the General Revenue Fund and used to make payments as described below under "**THE PLEDGED ASSETS – Flow of Funds**," which could shorten the average life of the 2014 Bonds. Factors affecting prepayment of 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 also affect prepayment rates. Bondholders will bear reinvestment risks resulting from a faster or slower rate of prepayment of Financed Education Loans.

The Obama Administration has taken various actions to induce students with FFELP loans to consolidate their loans into the FDLP. In November of 2012, the U.S. Department of Education published regulatory changes to income-based repayment plans under the FDLP that may make it more attractive for certain FFELP borrowers to consolidate into the FDLP. Effective January 1, 2014, the U.S. Department of Education continued attempts to make FDLP consolidation more attractive by allowing borrowers to choose their loan servicer. Holders of any such FFELP loans impacted by such actions would be paid 100% of the outstanding principal and interest balance on any FFELP loans consolidated, and such payment would be treated as a prepayment of the Financed Education Loan under the General Resolution. The Corporation cannot currently determine how many of the Financed Education Loans could or will be affected by such a consolidation.

The Corporation cannot predict or give any assurances as to the effect of any future legislative or administrative action that may induce students with Financed Education Loans to consolidate into the FDLP or the impact that such legislative, administrative, or executive actions may have on the average life of the 2014 Bonds.

General Economic Conditions

Regional and national economic developments in recent years have, by a number of measures, resulted in a greater reduction in household wealth and in the availability of civilian employment than during any comparable period during which our student loan finance program has operated. Such developments have also resulted in a reduction in the availability of consumer credit and of general financial market liquidity. It is impossible to predict how long such conditions may continue or whether such conditions may worsen during the period for which they continue. Future performance of Financed Education Loans may be adversely affected by the recent financial crisis and economic downturn or by subsequent economic and other events affecting the employment prospects of borrowers or otherwise affecting their ability and willingness to incur and to repay Financed Education Loans. High levels of unemployment, either regionally or nationally, may result in increased borrower delinquency and default. Failures by borrowers to pay the principal of and interest on the Financed Education Loans in a timely fashion or an increase in deferments or forbearances could affect the timing and amount of available funds during any Interest Period. The effect of these factors on the timing and amount of available funds for any Interest Period, our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due, and the likelihood of redemption of the 2014 Bonds prior to their maturity is impossible to predict.

Uncertainty as to Available Remedies

The remedies available to owners of the 2014 Bonds upon the occurrence of an Event of Default under the General Resolution or other documents described herein are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the General Resolution and such other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the issuance of the 2014 Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, judicial discretion, or other similar laws affecting the rights of creditors generally. There can be no assurance that the occurrence of an Event of Default or a bankruptcy, reorganization, or insolvency proceeding of the Corporation will not occur or that,

if they occur, such occurrence will not materially adversely affect our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

The Financed Education Loans Are Unsecured and the Ability of a Guarantee Agency to Honor its Guarantee May Become Impaired

The Higher Education Act requires that all FFELP loans be unsecured. As a result, the only security for payment of the Financed Education Loans held in the Pledged Assets are the guarantee provided by a guarantee agency. Payments of principal and interest are guaranteed in whole or in part, as herein further described in **EXHIBIT I**, by guarantee agencies to the extent described herein.

A guarantee agency's financial health could be adversely affected by a number of factors, including the amount of claims made against such guarantee agency as a result of borrower defaults, changes in legislation that may reduce expenditures by the applicable state and federal agencies that support such guarantee agencies, and the amount of claims reimbursed by the Secretary. A deterioration in the financial status of a guarantee agency and its ability to honor guarantee claims on defaulted FFELP loans could delay or impair the guarantee agency's ability to make claims payments. The financial condition of a guarantee agency can be adversely affected if it submits a large number of reimbursement claims to the U.S. Department of Education, which results in a reduction of the amount of reimbursement that the U.S. Department of Education is obligated to pay the guarantee agency. The U.S. Department of Education may also require a guarantee agency to return its reserve funds to the U.S. 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 a Guarantee Agency to meet its guarantee obligations could reduce the amount of money available to pay principal and interest to you as an owner of 2014 Bonds or Operating Costs or delay those payments past their due date.

The Authority, the guarantee agency for the Financed Education Loans, in accordance with the provisions of the 1998 reauthorization of the Higher Education Act, established a Federal Student Loan Reserve Fund (the "***Federal Fund***") which may be used by the Authority to remedy defaults on student or parent loans to the extent such defaulted loans are not covered by an existing or future program of federal guarantees or reinsurance. With the elimination of the origination of new FFELP loans and the associated federal default fee, there is no source for the replenishment of the Federal Fund other than reinsurance, and the balance therein has declined from $19,522,696 as of September 30, 2010, to $8,853,826 as of June 30, 2013. Continued depletion of the Federal Fund should be expected, and with such depletion, the risk that the Authority might be unable to meet its guarantee obligations would correspondingly increase. See "**THE SOUTH CAROLINA EDUCATION ASSISTANCE AUTHORITY – Federal Student Loan Reserve Fund**."

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

Payment Offsets by a Guarantee Agency or the U.S. Department of Education Could Prevent the Corporation from Paying You the Full Amount of the Principal and Interest Due on Your 2014 Bonds

The Corporation as eligible lender may use the same U.S. Department of Education lender identification number for Financed Education Loans as it uses for other FFELP loans it holds that are not part of the Pledged Assets. If so, the billings submitted to the U.S. Department of Education and the claims submitted to a guarantee agency with respect to such Financed Education Loans will be consolidated with the billings and claims for payments for FFELP loans that are not part of the Pledged Assets using the same lender identification number. Payments on those billings by the U.S. Department of Education as well as claim payments by the guarantee agency will be made to the Corporation as eligible lender in lump sum form. Those payments must be allocated by the Corporation as eligible lender among FFELP loans in various trust estates that reference the same lender identification number.

If the U.S. Department of Education or a Guarantee Agency determines that the Corporation as eligible lender owes it a liability on any FFELP loan, the U.S. Department of Education or the Guarantee Agency may seek to collect that liability by offsetting it against payments due to the Corporation as eligible lender in respect of the Financed Education Loans. Any offsetting or shortfall of payments due to the Corporation as eligible lender could adversely affect the amount of funds available to the Pledged Assets and thus our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

The Corporation does not currently, and does not intend to, share any U.S. Department of Education lender identification number associated with the Financed Education Loans with other student loans securing different trust estates unless it has implemented and executed a Joint Sharing Agreement which would contain terms and provisions for proper allocation and reallocation of payments made by the U.S. Department of Education (pursuant to a shared or common lender identification number) with respect to Financed Education Loans credited to the Pledged Assets and with respect to student loans credited to different trust estate. If executed, such a Joint Sharing Agreement would constitute an attempt to mitigate the effect of any improper allocation, but, does not guarantee that there would be no offsetting or shortfall of payments that might adversely affect the amount of funds available to the Pledged Assets.

Repurchase of Financed Education Loans

We will agree to purchase from the Pledged Assets any Financed Education Loan that ceases to be eligible as a Financed Education Loan under the Resolution due to any action taken or failed to be taken by us with respect to servicing or origination on or after the Issue Date that results in the loss of guarantee or federal reinsurance, Interest Subsidy Payments, or Special Allowance Payments, within thirty (30) days of the date on which we become aware that such Financed Education Loan becomes ineligible. We may not have the financial resources to meet this repurchase obligation, and our failure to repurchase a Financed Education Loan would be a breach of our repurchase obligation, but is not an Event of Default, and would not permit the exercise of remedies under the Resolution unless such improper servicing or origination constitutes a Servicer Transfer Trigger as described herein under "**THE BACKUP SERVICING AGREEMENT – Servicer Transfer Triggers**" herein.

The Servicing Function may be Transferred, Resulting in Additional Costs or a Diminution in Servicing Performance, Which Could Cause Delays in Payment or Losses on the 2014 Bonds

In the event that the servicing functions with respect to Financed Education Loans are transferred to the Backup Servicer as a result of a Servicer Transfer Trigger or to another entity as a result of the replacement of a Backup Servicer, the cost of the transfer of servicing to the successor is likely to be borne by the Pledged Assets, and the transfer may result in a delay in the processing of payments for transfer to the Trustee. The transfer of the Financed Education Loans held as part of the Pledged Assets is likely to take a number of weeks, or perhaps months to complete, which could delay the filing of default claims and the collection of revenues. The occurrence of these events could adversely affect our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due. Additionally, the cash flow assumptions relied upon in structuring the 2014 Bonds were based on assumptions with respect to servicing costs, including the costs expected to be paid to the Backup Servicer under the Backup Servicing Agreement (as defined herein). The Corporation can give no assurances that the servicing costs related to the Financed Education Loans will not increase or that the Corporation would be able to enter into a Backup Servicing Agreement with a successor Backup Servicer with substantially the same cost to us. See "**THE BACKUP SERVICING AGREEMENT**" herein.

Bankruptcy or Insolvency of Servicer Could Cause Delays in Payment on the 2014 Bonds

The Corporation will act as servicer with respect to the Financed Education Loans. Nelnet Servicing, LLC will act as Backup Servicer. In the event of a default by a servicer or a Backup Servicer resulting from events of insolvency or bankruptcy, a court, conservator, receiver, or liquidator may have the power to prevent the appointment of a successor servicer, and delays in collections in respect of those affected Financed Education Loans may occur. Any delay in the collections of Financed Education Loans may delay payments of principal of and interest on the 2014 Bonds.

Geographic Concentration of Borrowers may Result in Greater Defaults on the Financed Education Loans

As of the Statistical Cutoff Date, approximately 67.67% of the Financed Education Loans by outstanding principal balance were to borrowers with current billing addresses in South Carolina. Because of this concentration, any adverse economic conditions adversely and disproportionately affecting South Carolina may result in a greater number of defaults on the Financed Education Loans than if such concentrations did not exist.

Certain Credit And Liquidity Enhancement Features Are Limited And If They Are Partially or Fully Depleted, There May Be Shortfalls In Distributions To Bondholders

Certain credit and liquidity enhancement features, including the Debt Service Reserve Fund and the Supplemental Reserve Fund, are limited in amount. In certain circumstances, if there is a shortfall in available funds, such amounts may be partially or fully depleted. This depletion could result in shortfalls and delays in distributions to Beneficial Owners of the 2014 Bonds.

The Ratings of the 2014 Bonds Are Not A Recommendation to Purchase and May Change, Affecting the Price of Your 2014 Bonds

It is a condition to the issuance of the 2014 Bonds that they be rated at the rating levels described under the heading "**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. Additionally, the long-term credit rating of the United States of America may impact the ratings on the 2014 Bonds. The credit rating of the United States of America has been downgraded by a rating agency and may potentially be downgraded by other rating agencies in the future. The impact of any such downgrade is not clear, and depending on the ratings assigned, the stated reasons for a lower rating and other factors, the liquidity, market value, and regulatory characteristics of your 2014 Bonds could be materially and adversely affected.

The ratings are not a recommendation to you to purchase, hold, or sell your 2014 Bonds inasmuch as the ratings do not comment as to market price or suitability for you as an investor. An additional rating agency may rate the 2014 Bonds, and that rating may not be equivalent to the initial ratings described in this Offering Memorandum. In addition, the Rating Agencies periodically modify their assumption used to rate asset-backed securities, which could also result in future changes to the rating on the 2014 Bonds. Ratings may be increased, lowered, or withdrawn by any Rating Agency if, in the Rating Agency's judgment, circumstances so warrant. A downgrade in the rating of your 2014 Bonds is likely to decrease the price a subsequent purchaser will be willing to pay for your 2014 Bonds. The ratings of the 2014 Bonds by the Rating Agencies will not address the market liquidity of the 2014 Bonds.

Ratings of Other Education Loan Backed Securities Issued by Us May be Reviewed or Downgraded

Disruptions in the credit markets, along with concerns over the financial health of several monoline insurers and concerns over the long-term credit ratings of the United States of America as described above under "**The Ratings of the 2014 Bonds are Not A Recommendation to Purchase and May Change, Affecting the Price of Your 2014 Bonds**" and of several financial institutions and changes in ratings criteria by certain Rating Agencies have caused certain of the Rating Agencies to announce that they are reviewing or intend to review the ratings assigned to certain securities, including student loan backed securities. Additionally, repeated failed auctions for many auction rate securities ("***Auction Rate Securities***"), including student loan backed Auction Rate Securities, may also cause the rating agencies to announce ratings actions. The Corporation has previously issued education loan backed Auction Rate Securities the payment of which is supported by Ambac Assurance Corporation ("***Ambac***"), and failed auctions have occurred repeatedly since February of 2008 resulting in higher than expected interest rates thereon. Such Auction Rate Securities have been downgraded due to the deterioration of Ambac's financial position and declining collateralization levels in the trust estates securing such Auction Rate Securities. On January 9, 2012, Moody's Investors Service, Inc. reduced its long term rating on such Auction Rate Securities from "A3" to "Caa3," and on June 4, 2013, S&P reduced its long term rating on such Auction Rate Securities from "A (sf)" to "CC (sf)." In connection with a rehabilitation proceeding filed in Wisconsin, Ambac has transferred its obligations relating to such Auction Rate Securities into a segregated account having limited capital.

Ratings actions may take place at any time due to a deterioration of the trust estate pledged to the payment of such Auction Rate Securities. The Corporation cannot predict the timing of any ratings actions, nor can it predict

whether the ratings assigned to any of its securities will be downgraded. Any further adverse action by the Rating Agencies regarding securities issued previously by the Corporation may adversely affect the market value of the 2014 Bonds or any secondary market for the 2014 Bonds that may develop.

Potential for Conflicts of Interest and Regulatory Scrutiny for Rating Agencies

There is the potential for conflicts of interest and regulatory scrutiny with respect to the Rating Agencies. Fees charged by the Rating Agencies for the ratings initially assigned to the 2014 Bonds, as well as ongoing fees to maintain the ratings, will be paid by the Corporation. It may be perceived that the Rating Agencies have a conflict of interest that may have affected the ratings assigned to the 2014 Bonds where, as is the industry standard and the case with the ratings of the 2014 Bonds, the issuing entity pays the fees charged for the rating services.

Furthermore, the Rating Agencies have been and may continue to be under scrutiny by federal and state legislative and regulatory bodies for their roles in the recent financial crisis and such scrutiny and any actions such legislative and regulatory bodies may take as a result thereof may also have an adverse effect on the price that a subsequent purchaser would be willing to pay for the 2014 Bonds and your ability to resell your 2014 Bonds.

You May Have Difficulty Selling your 2014 Bonds

There currently is no secondary market for the 2014 Bonds. The Underwriter may assist in resales of the 2014 Bonds but is not required to do so. 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 2014 Bonds does develop, the spread between the bid price and the asked price for the 2014 Bonds may widen, thereby reducing the net proceeds to you from the sale of your 2014 Bonds. We do not intend to list the 2014 Bonds on any exchange. Under current market conditions, you may not be able to sell your 2014 Bonds 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 2014 Bonds may fluctuate and movements in price may be significant. The ratings of the 2014 Bonds will not address the market liquidity for such notes.

Certain Actions May Be Taken without Bondholder Approval or Confirmation of Ratings

The Resolution provides that the Corporation and the Trustee may undertake various actions without Bondholder approval. Such actions include, but are not limited to, amending the Resolution via a Supplemental Resolution (which may be done without the consent of the Holders of the 2014 Bonds in certain circumstances) and increasing Operating Costs. To the extent such actions are taken after issuance of the 2014 Bonds, you will have to accept such actions and their impact on 2014 Bonds Outstanding. See **EXHIBIT III** – "**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION** – **Modifications of the General Resolution and Outstanding 2014 Bonds**."

Certain of the Rating Agencies rating the 2014 Bonds have adopted a policy of receiving notice of certain actions by the Corporation, rather than being in a position to prevent such actions if such Rating Agencies determine the actions are not in the best interests of the Bondholders. Thus, the Corporation could take action that would result in a downgrade of the ratings provided by such Rating Agencies without first obtaining a confirmation of such ratings.

Amendments of the Resolution and Waivers of Defaults

Under the Resolution, holders of specified percentages of the aggregate principal amount of Bonds may amend or supplement provisions thereof and waive Events of Default and compliance provisions without the consent of the other Bondholders. A Bondholder may have no recourse if other Bondholders vote and such Bondholder disagrees with the vote on these matters. The Bondholders may vote in a manner that impairs our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

Expansion of Corporation's Activities

With the elimination of the FFELP, the Corporation has sought to expand its business activities beyond its traditional core. Such expansion is intended to produce additional revenue; however, there can be no assurance that such activities might not divert financial resources and/or personnel in a way that impairs the financial condition of

the Corporation and/or disrupts the administration and servicing of the Financed Education Loans. See "**THE CORPORATION – Other Programs and Activities**" herein.

2014 Bonds Issued in Book-Entry Form Only

The 2014 Bonds will be issued in book-entry form only, represented by a single fully registered note, initially registered in the name of Cede & Co., the nominee of DTC. You will be able to exercise your rights as Beneficial Owner only indirectly through DTC and its participating organizations (collectively, "***DTC Participants***").

The furnishing of notices and other communications by DTC to DTC Participants, and directly and indirectly through the DTC Participants to you, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Furthermore, you may suffer delays in the receipt of distributions on the 2014 Bonds, and your ability to pledge or otherwise take actions with respect to your interest in your 2014 Bonds may be limited due to the lack of a physical certificate evidencing such interest.

Military Service Obligations and Natural Disasters

Military service obligations and national disasters may result in delayed payments from borrowers or lowered interest rates for eligible service members.

Congress has enacted statutes and other guidelines that provide relief to borrowers who enter active military service, to borrowers in reserve status who are called to active duty after the origination of their student loan, and to individuals who live in a disaster area or suffer a direct economic hardship as a result of a national emergency.

The number and aggregate principal balance of Financed Education Loans that may be affected by the application of these statutes and other guidelines will not be known at the time we issue the 2014 Bonds. If a substantial number of borrowers of Financed Education Loans becomes eligible for the relief under these statutes and other guidelines, there could be an adverse effect on the total collections on those Financed Education Loans and our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

Congressional Actions May Impair Our Financial Condition

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

Consumer Protection Laws

Consumer protection laws impose requirements upon lenders and servicers. Some state laws impose finance charge restrictions on certain transactions and require certain disclosures of legal rights and obligations. Furthermore, to the extent applicable, these laws can impose specific statutory liabilities upon creditors who fail to comply with their provisions and may affect the enforceability of the loan. As they relate to FFELP loans, these state laws are generally preempted by the Higher Education Act.

Investment of Funds and Accounts

The General Resolution requires or permits investments of moneys in each Fund and Account, consistent with the required uses of such moneys, in Investment Obligations. Investment Obligations means certain designated securities, if and to the extent the same are at the time legal for investment of moneys and funds held under the General Resolution. Investment Obligations are subject to the risks inherent in investment securities, such as fluctuating returns and loss of principal; accordingly, the value of each Fund and Account is subject to the risks inherent in investment securities.

Because the reinvestment rate on the funds on deposit as part of the Pledged Assets will likely be less than the interest rate on the 2014 Bonds, the resulting negative arbitrage will cause a reduction in the value of the Pledged Assets and thus, the parity percentage. The longer that loan collections or other revenues remain as Pledged Assets prior to the payment of principal of and interest on the 2014 Bonds and Operating Costs, the greater the likelihood that (i) the parity percentage will fall and (ii) funds from the Debt Service Reserve Fund and/or the Supplemental Reserve Fund will be diminished for the payment of debt service and Operating Costs.

Sale of Financed Education Loans After Default

Upon the occurrence of an Event of Default under the General Resolution, Financed Education Loans may have to be sold. However, it may not be possible to find a purchaser for such Financed Education Loans. Also, the market value of such Financed Education Loans plus other assets in the Pledged Assets available for the payment of the 2014 Bonds may not equal the principal amount of the 2014 Bonds Outstanding plus accrued interest. The secondary market for Education Loans also could be further diminished, resulting in fewer or no potential buyers of such Financed Education Loans and lower prices or no bids available in the secondary market for such Financed Education Loans. You may suffer a loss in circumstances such as these if purchaser(s) cannot be found who are willing to pay sufficient prices for such Financed Education Loans.

Principal of the Financed Education Loans May Amortize Faster because of Incentive Programs

The Financed Education Loans are subject to various borrower incentive programs for borrowers that arrange to have their loan payments automatically withdrawn from a bank account. Any incentive program that effectively reduces borrower payments may result in the principal amount of the Financed Education Loans amortizing faster than anticipated. The Corporation cannot accurately predict the number of borrowers that will continue to utilize the borrower benefits provided under the borrower incentive programs currently offered by the Corporation. The greater the number of borrowers that utilize such benefits with respect to the Financed Education Loans, the lower the total loan receipts on such Financed Education Loans. Although such borrower incentives may decrease the payments to be received from the Financed Education Loans, the Corporation does not expect these borrower benefits to impair its ability to make payments of principal and interest on the 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

Borrower Default on the Financed Education Loans

If a borrower defaults on a Financed Education Loan that is only 98% or 97% guaranteed, the Pledged Assets will experience a loss of approximately 2% or 3%, as the case may be, of the outstanding principal and accrued interest on that Financed Education Loan. If defaults occur on the Financed Education Loans and the credit enhancement described herein is insufficient, the Bondholder may suffer a delay in payment or losses on the 2014 Bonds. See **EXHIBIT I** hereto entitled "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM**" under "– **GUARANTEE AND REINSURANCE FOR FFELP LOANS**" for information regarding the guarantee aspects of the Education Loans.

The 2014 Education Loan Portfolio is composed entirely of "rehabilitated loans" and "bankruptcy repurchase loans." The Existing Education Loan Portfolio and the 2014 Education Loan Portfolio included, as of the Statistical Cutoff Date, approximately $45,794,700 of "rehabilitated loans," which are student loans that have previously defaulted, but for which the borrower thereunder has made a specified number of on-time payments. See "**CHARACTERISTICS OF THE FINANCED EDUCATION LOANS – Rehabilitated Loans**" herein. The Existing Education Loan Portfolio and the 2014 Education Loan Portfolio also included, as of the Statistical Cutoff Date, approximately $17,668,563 of "bankruptcy repurchase loans," which are Education Loans to borrowers who have filed for bankruptcy after receiving such Education Loan and who may or may not have been delinquent in the payment of such Education Loan prior to such filing, but whose bankruptcy proceeding has been dismissed or terminated without such Education Loan having been discharged. Although rehabilitated loans and bankruptcy repurchase loans benefit from the same guarantees as other FFELP loans, no assurance can be given that rehabilitated loans and/or bankruptcy repurchase loans will not experience re-default rates that are higher than default rates for FFELP loans that have not previously defaulted and/or whose borrowers have previously filed for bankruptcy.

Changes in Relevant Laws

There can be no assurance that changes to relevant federal or state laws will not prospectively or retroactively affect the performance of the Financed Education Loans or affect the costs of administering the Financed Education Loans in a manner that might adversely affect the adequacy or availability of the Pledged Assets to fund the payment when due of principal of and interest on the 2014 Bonds.

Under the U.S. Bankruptcy Code, educational loans are generally non-dischargeable, subject to specified exceptions. Title 11 of the United States Code at §523(a)(8) provides substantially as follows:

(a) A discharge under §727, 1141, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt— . . .

* * * * * * *

(8) unless excepting such debt from discharge under this clause would impose an undue hardship on the debtor and the debtor's dependents, for—

(A) (i) an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution; or (ii) an obligation to repay funds received as an educational benefit, scholarship, or stipend; or

(B) any other educational loan that is a qualified education loan, as defined in §221(d)(1) of the Internal Revenue Code of 1986, incurred by a debtor who is an individual.

A number of bankruptcy reform proposals that would alter the treatment of education loans similar to the Financed Education Loans under the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 have been discussed and/or introduced in the Congress of the United States in recent years, including proposals to liberalize the current general nondischargeability of education loans in bankruptcy. For example, one such bill which was introduced in February of 2013 by Senator Durbin. No assurance can be given as to whether bankruptcy reform legislative proposals will be enacted at the federal level in a manner that might affect the Corporation's ability to enforce collection of the Financed Education Loans

Superior Security Interest

If, through inadvertence or fraud, Financed Education Loans were to be sold to a purchaser who purchases in good faith without knowledge of the Trustee's security interest, such purchaser may defeat the Trustee's security interest. We maintain custody of the loan documents for the Financed Education Loans. The loan documents may not be physically segregated or marked to evidence the Trustee's interest in those Financed Education Loans. A third party that obtained control of the loan documents might be able to assert rights that defeat the Trustee's security interest.

The Financed Education Loans May Be Evidenced by a Master Promissory Note

Loans made under the FFELP may have been evidenced by a master promissory note. Once a borrower executed a master promissory note with a lender, additional loans made by the lender were evidenced by a confirmation sent to the borrower, and all loans are governed by the single master promissory note. A loan evidenced by a master promissory note may be pledged as security or sold independently of the other loans evidenced by the master promissory note.

If the Corporation has originated a Financed Education Loan evidenced by a master promissory note, other parties could claim an interest in the Financed Education Loan. This could occur if another party secured by another loan evidenced by the same promissory note or the holder of the master promissory note were to take an action inconsistent with the Corporation's rights to a Financed Education Loan, such as delivery of a duplicate copy of the master promissory note to a third party for value. Although such action would not defeat our rights to the Financed Education Loan or impair the security interest held by the Trustee for your benefit, it could delay receipt of principal and interest payments on the Financed Education Loan.

Commingling of Payments on Education Loans Could Prevent Us from Paying You the Full Amount of the Principal and Interest Due on Your 2014 Bonds

Payments received on our education loans generally are deposited into an account in our name each business day. However, payments received on the Financed Education Loans will not be segregated from payments we receive on our other education loans. Such amounts are transferred to the related trust estates on a daily basis. If the commingled account becomes subject to a claim in litigation or is attached in a proceeding in bankruptcy or otherwise, the servicer may be unable to transfer payments received on the Financed Education Loans to the Trustee, and we may be unable to make payments of principal and interest on the 2014 Bonds and pay Operating Costs from the Pledged Assets.

We May or May Not Exercise Our Option to Redeem Your 2014 Bonds Prior to their Stated Maturity Date and Your Yield May Be Affected

The 2014 Bonds may be repaid before you expect them to be in the event of an optional redemption. An optional redemption would result in the early retirement of the 2014 Bonds Outstanding on that date. If this happens, the yield on your 2014 Bonds may be affected and you will bear the risk that you cannot reinvest the money you receive in comparable notes at an equivalent yield. The 2014 Bonds may also be repaid after you expect them to be in the event we do not exercise our option to redeem them. If this happens, the yield on your 2014 Bonds may be affected and you will not recover the principal of your investment as soon as you may have expected. See "**DESCRIPTION OF THE 2014 BONDS – Optional Redemption**."

The 2014 Bonds Are Not a Suitable Investment for All Investors

The 2014 Bonds are not a suitable investment if an investor requires a regular or predictable schedule of payments or payment on any specific date. The 2014 Bonds are complex investments that should be considered only by investors who, either alone or with their financial, tax, and legal advisors, have the expertise to analyze the prepayment, reinvestment, default, and market risk, the tax consequences of an investment, and the interaction of these factors.

The 2014 Bonds are a Long-Term Investment but are Based Upon a LIBOR Short-Term Index plus Fixed Spread

The interest rates on the 2014 Bonds are based on one-month LIBOR plus fixed spreads, as described herein. As a result, the interest rates on the 2014 Bonds are based on a short-term interest rate that is recalculated monthly on each Interest Rate Determination Date, as described herein, plus a fixed spread. See "**DESCRIPTION OF THE 2014 BONDS – Interest Payments**" herein for more information on how interest payments on the 2014 Bonds are calculated. The interest rates on the 2014 Bonds may fluctuate significantly over the life of the 2014 Bonds.

The 2014 Bonds, however, are long-term investments in that there is currently no secondary market for the 2014 Bonds, and they are not subject to any optional tender or liquidity devices. Furthermore, there are no assurances that a secondary market will develop or, if it does develop, that it will continue or be available at any time in the future.

Corporation's Exempt Status

We have been determined by the Internal Revenue Service (the "***IRS***") to be exempt from taxation as a 501(c)(3) organization. The IRS has recently announced its intention to increase the frequency of audits of the 501(c)(3) tax-exempt status of organizations. We have not been notified that we will be the subject of such an audit, but believe that in the event the IRS conducted such an audit, we would be successful in any audit proceeding. However, if we were to lose our tax-exempt status, it would have an adverse affect on our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due.

Recent Investigations and Litigation Related to LIBOR May Affect 2014 Bonds

The London Interbank Offered Rate, or LIBOR, serves as a global benchmark for home mortgages, student loans and what various issuers pay to borrow money. Specifically, the interest rate payable on the 2014 Bonds is based on a spread over one-month LIBOR, as set forth on the cover of this Offering Memorandum. Additionally, the index for calculating Special Allowance Payments on all of the Education Loans expected to be in the Financed Education Loans disbursed on or after January 1, 2000, is a one-month LIBOR index.

Certain financial institutions have announced settlements with certain regulatory authorities with respect to, among other things, allegations of manipulating LIBOR or have announced that they are involved in investigations by regulatory authorities relating to, among other things, the manipulation of LIBOR. In addition to the ongoing investigations, several plaintiffs have filed lawsuits against various banks in federal court seeking damages arising from alleged LIBOR manipulation. On September 28, 2012, a top official at the United Kingdom's Financial Services Authority released his recommendations calling for a sweeping overhaul of LIBOR and removing it from the control of the British Bankers' Association. On October 17, 2012, the United Kingdom Treasury announced that such recommendations would be implemented in full with the method by which LIBOR is set being enshrined in law, criminal offenses created for those who misrepresent it, and regulators given the power to oversee its setting. ICE Benchmark Administration Limited (IBA) was established in July of 2013 following an announcement by the Hogg Tendering Advisory Committee, an independent committee set up by the UK government to select the new administrator for LIBOR. The transfer from BBA LIBOR Ltd (BBALL) to IBA was completed on February 1, 2014, following authorization by the Financial Conduct Authority (FCA). The Corporation cannot predict what effect, if any, these events will have on the use of LIBOR as a global benchmark going forward, or on Special Allowance Payments and the 2014 Bonds.

Potential for Auction Rate Securities Litigation

From the mid 1990s to 2007, a common structure in which student loan backed debt obligations were issued was as Auction Rate Securities. As of June 30, 2014, the Corporation had $247,450,000 in outstanding principal amount of Auction Rate Securities. In February of 2008, the market for Auction Rate Securities encountered a serious disruption when all of the firms that act as broker-dealers for Auction Rate Securities announced they would no longer purchase Auction Rate Securities for their own accounts to ensure that the auctions not fail. At such time and thereafter, a significant amount of auctions for Auction Rate Securities have failed. Beginning in March of 2008, several lawsuits have been filed by investors against many of the investment banking firms who have acted as broker-dealers for Auction Rate Securities. Among the theories on which such litigation has been based are inadequate disclosure and misrepresentation. Some of the complaints have alleged that Auction Rate Securities were sold to investors as "cash equivalents," and that Auction Rate Securities are now illiquid.

The Corporation has not been party to any such lawsuit nor has any such lawsuit been threatened against the Corporation. However, no assurance can be given that such a lawsuit will not be filed against the Corporation or that if such a lawsuit is filed against the Corporation and is successful, that our ability to make payments to you of principal of and interest on your 2014 Bonds and to pay Operating Costs from the Pledged Assets, as and when due, would not be materially impaired.

Performance of the Education Loan Portfolio May Differ From Historical Education Loan Performance

This Offering Memorandum contains certain information in **EXHIBIT VI** entitled "**PREPAYMENT AND DEFAULT EXPERIENCE**" relating to the payment experience of the Authority and the Corporation in connection with previously originated FFELP loans. Such information is included for general reference purposes only and is not intended as a representation that the payment experience of the portfolio of Financed Education Loans will be similar to that of previously originated FFELP loans during any period or over the respective lives of such Financed Education Loans.

There can be no assurance that the performance of Financed Education Loans will in fact be consistent with that of previously originated FFELP loans. Some of the previously originated FFELP loans bore interest at variable interest rates, while most of the Education Loans that will become Financed Education Loans have fixed interest rates. In addition, past economic conditions may have been more favorable than future economic conditions. There can be no assurance that the ability of borrowers of more recently originated Financed Education Loans to repay

such loans, or their propensity to prepay such loans, may not differ materially from that of borrowers of previously originated FFELP loans.

Federal Financial Regulatory Legislation

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "***Dodd-Frank Act***"). Many provisions of the Dodd-Frank Act have not taken effect yet or will require implementing regulations to be issued. The Dodd-Frank Act is extensive and significant legislation that, amongst other things, creates a liquidation framework for the resolution of large bank holding companies and systematically significant nonbank financial companies, creates a new framework for the regulation of over-the-counter derivatives activities, strengthens the regulatory oversight of securities and capital markets activities by the U.S. Securities and Exchange Commission (the "***SEC***") and creates the Consumer Financial Protection Bureau ("***CFPB***"), a new agency responsible for administering and enforcing the laws and regulations for consumer financial products and services.

The Dodd-Frank Act will impact the offering, marketing and regulation of consumer financial products and services offered by financial institutions. The CFPB will have supervision, examination and enforcement authority over the consumer financial products and services of certain non-depository institutions and large insured depository institutions. The Dodd-Frank Act will also increase the regulation of the securitization markets. It will also give broader powers to the SEC to regulate credit rating agencies and adopt regulations governing these organizations and their activities.

Compliance with the implementing regulations under the Dodd-Frank Act or the oversight of the SEC or CFPB may impose costs on, create operational constraints for, or place limits on pricing with respect to the Corporation or the Backup Servicer. Until implementing regulations are issued, no assurance can be given that these new requirements imposed by the Dodd-Frank Act will not have a significant impact on the servicing of the Financed Education Loans, the regulation and supervision of the Corporation or the Backup Servicer or the value and liquidity of the 2014 Bonds.

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OFFERING MEMORANDUM

$501,500,000

SOUTH CAROLINA STUDENT LOAN CORPORATION
EDUCATION LOAN REVENUE BONDS,
2014 SERIES

consisting of:

Class/Tranche	Original Principal Amount	Interest Rate	Stated Maturity	Price to Public	CUSIP†
A-1 Senior	$328,000,000	1-month LIBOR plus 0.75%	May 1, 2030	100.00000%	83715R AE2
A-2 Senior	$100,500,000	1-month LIBOR plus 1.00%	January 3, 2033	99.53271%	83715R AF9
B Subordinate	$73,000,000	1-month LIBOR plus 1.50%	August 1, 2035	94.22693%	83715R AG7

† CUSIP numbers are copyright by the American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a Standard & Poor's Financial Services LLC business. This data is being provided solely for the convenience of the Holders of the 2014 Bonds only at the time of issuance thereof, and the Corporation does not make any representation with respect thereto or undertake any responsibility for its accuracy now or at ay time in the future.

INTRODUCTION

This Offering Memorandum, which includes the cover page, the Summary of Terms (including the Risk Factors) and the Exhibits hereto, is being provided by the South Carolina Student Loan Corporation (the "***Corporation***") with respect to the offering and sale of its $501,500,000 Education Loan Revenue Bonds, 2014 Series (the "***2014 Bonds***"). The 2014 Bonds are issued in two Classes (the "***2014 Senior Bonds***" and the "***2014 Subordinate Bonds***" or the "***2014 Series B Bonds***," respectively) and within the 2014 Senior Bonds, two Tranches (the "***2014 Series A-1 Bonds***" and the "***2014 Series A-2 Bonds***," respectively) as LIBOR Indexed Bonds pursuant to a June 7, 1996, General Resolution (the "***General Resolution***") and a Series Resolution effective on August 13, 2014 (the "***2014 Series Resolution***") (collectively, the "***Resolution***") approved by the Board of Directors of the Corporation.

The Corporation is a nonprofit, public benefit corporation organized and existing under the laws of the State of South Carolina and a 501(c)(3) corporation and operates in accordance with Title IV, Parts B and F of the Higher Education Act of 1965, as amended (together with any regulations promulgated thereunder, the "***Higher Education Act***").

The 2014 Senior Bonds are Senior Lien Bonds under the General Resolution, and the 2014 Subordinate Bonds are Subordinate Bonds under the General Resolution. The 2014 Senior Bonds are issued on a parity and equality of lien with the Corporation's Outstanding 2005 Bonds and 2006 Bonds (the "***Prior Bonds***" and, together with the 2014 Senior Bonds, the "***Senior Bonds***"). For information concerning the Outstanding Bonds of the Corporation as of the date hereof, see "**THE CORPORATION – Corporation Debt Outstanding**."

THE 2014 BONDS AND ALL BONDS HERETOFORE ISSUED PURSUANT TO THE GENERAL RESOLUTION ARE LIMITED OBLIGATIONS OF THE CORPORATION AND DO NOT CONSTITUTE A DEBT, LIABILITY, OR OBLIGATION OF THE STATE OF SOUTH CAROLINA OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OF SOUTH CAROLINA OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY. THE CORPORATION HAS NO TAXING POWER.

THE 2014 BONDS ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND ARE "EXEMPTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. PURSUANT TO AN EXEMPTION CONTAINED IN THE TRUST INDENTURE ACT OF 1939, AS AMENDED, AND TO THE

EXTENT PROVIDED IN SUCH ACT, IT IS NOT NECESSARY TO QUALIFY THE GENERAL RESOLUTION THEREUNDER.

THE 2014 BONDS 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 2014 BONDS WILL HAVE RECOURSE TO THE PLEDGED ASSETS PURSUANT TO THE GENERAL RESOLUTION, BUT WILL NOT HAVE RECOURSE TO ANY OF THE CORPORATION'S OTHER ASSETS.

The initial proceeds of the 2014 Bonds are being used in connection with the Corporation's Student Loan Finance Program to:

- pay Targeted Amortization Payments for the Prior Bonds that have not been satisfied prior to the Issue Date;
- finance repurchased Education Loans currently held as unencumbered assets of the Corporation;
- fund certain Funds and Accounts under the General Resolution including the Supplemental Reserve Fund, the General Revenue Fund, and the Senior Lien Account and the Subordinate Lien Account of the Debt Service Reserve Fund; and
- pay costs and expenses associated with the issuance of the 2014 Bonds. See "**EXPECTED APPLICATION OF 2014 BOND PROCEEDS**."

No additional bonds, notes, or other obligations may be issued under the General Resolution.

No recycling of revenues into additional Education Loans will be permitted under the Resolution.

All capitalized terms used in this Offering Memorandum and not otherwise defined herein have the same meanings as assigned to them in the Resolution. See **EXHIBIT II** – "**GLOSSARY OF CERTAIN DEFINED TERMS FROM THE GENERAL AND 2014 SERIES RESOLUTIONS**."

Brief summaries and descriptions of the 2014 Bonds, the Corporation, the Corporation's Student Loan Finance Program, the Authority, the General Resolution, the Federal Family Education Loan Program (the "***FFELP***") of the Higher Education Act, and certain statutes, regulations and other documents and materials are included in this Offering Memorandum. These summaries and descriptions do not purport to be comprehensive or definitive. All references to the 2014 Bonds, the Resolution and statutes, regulations and other documents and materials summarized, described or referred to herein are qualified in their entirety by reference to such documents, statutes, regulations and other materials. Complete and final copies of the Resolution may be obtained after the Issue Date upon email request directed to the Corporation at investor_relations@scstudentloan.org. Loan-level data relating to the Financed Education Loans is available prior to the date of sale of the 2014 Bonds upon email request directed to the Corporation at investor_relations@scstudentloan.org.

As of the Statistical Cutoff Date, the existing $883,591,171 in aggregate principal amount of Financed Education Loans financed by prior bonds issued by the Corporation under the General Resolution and currently constituting Pledged Assets under the General Resolution is referred to herein as the "***Existing Education Loan Portfolio***," and the $40,102,142 in aggregate principal amount of Education Loans that will become part of the Pledged Assets on the Issue Date is referred to herein as the "***2014 Education Loan Portfolio***." All Education Loans securing any bonds issued and outstanding under the General Resolution are referred to herein as "***Financed Education Loans***." The Existing Education Loan portfolio are Financed Education Loans on the date of this Offering Memorandum. The 2014 Education Loan Portfolio will be Financed Education Loans on and after the Issue Date.

All of the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio are Guaranteed Loans.

No Bonds issued with the intention that the interest thereon be excluded from the gross income of the owners thereof for purposes of regular federal income taxation ("***Tax-Exempt Bonds***") have been or will be issued under the General Resolution. Consequently, all references in this Offering Memorandum, (including the exhibits hereto) to provisions relating to Tax-Exempt Bonds contained in the General Resolution have been omitted.

OUTSTANDING BONDS AND NOTES OF THE CORPORATION

In addition to the Bonds Outstanding under the General Resolution, the Corporation has outstanding bonds under a 2004 General Resolution, a 2008 General Resolution, and 2010 General Resolution, and a 2013-1 General Resolution. The Corporation issued an aggregate of $362,000,000 of Student Loan Backed Notes under the 2004 General Resolution of which $247,450,000 in aggregate principal amount is outstanding. The Corporation issued an aggregate of $600,000,000 of Student Loan Backed Notes under the 2008 General Resolution of which $265,874,993 in aggregate principal amount is outstanding. The Corporation issued an aggregate of $920,000,000 of Student Loan Backed Notes under the 2010 General Resolution of which $604,063,754 in aggregate principal amount is outstanding. The Corporation issued an aggregate of $323,620,000 of Student Loan Backed Notes under the 2013-1 General Resolution of which $264,961,222 in aggregate principal amount is outstanding.

DESCRIPTION OF THE 2014 BONDS

General

The 2014 Bonds are issued pursuant to the authority of the Resolution. Wells Fargo Bank, N.A., Minneapolis, Minnesota, serves as Trustee (the "***Trustee***") pursuant to the Resolution. The 2014 Bonds will be dated, bear interest, and mature as set forth on the cover of this Offering Memorandum.

The 2014 Bonds will initially be issued only as fully registered bonds without coupons and in book-entry form only, registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("***DTC***"). As herein further described, delivery of the 2014 Bonds will be made through DTC, and purchasers will not receive certificates representing their interests in the 2014 Bonds, except as described herein. Ownership interest is to be recorded in book-entry form by participants of DTC and the interest of such participants is to be recorded in book-entry form by DTC. While DTC is acting as the Securities Depository under the General Resolution, payments of principal of and interest, with respect to each Class and Tranches within a Class of the 2014 Bonds, will be made to DTC (or its nominee) or, in certain instances, participants of DTC. See "**Book-Entry System; Recording and Transfer of Ownership of 2014 Bonds**" below.

The 2014 Bonds will be offered in minimum denominations of $100,000 and multiples of $1,000 in excess of such amount.

Principal of and interest on each Class and Tranches within a Class of the 2014 Bonds are payable solely from revenues to be derived with respect to the Pledged Assets and from other amounts, if any, deposited with the Trustee.

Interest Payments

Interest will accrue on the 2014 Bonds during each Interest Period. The Initial Period for the 2014 Bonds will begin on the Issue Date and end on September 30, 2014. For any other Distribution Date, the Interest Period will begin on the prior Distribution Date and end on the day before such Distribution Date. Interest payable on each Distribution Date will be the interest that shall have accrued from the most recent Distribution Date for which interest shall have been duly paid or provided for (or in the case of the initial Distribution Date, from the Issue Date of the 2014 Bonds) through and including the day immediately preceding such Distribution Date.

Interest on the 2014 Bonds will be payable to the Holders thereof on each Distribution Date commencing on October 1, 2014. Subsequent Distribution Dates for the 2014 Bonds will be on the first (1st) Business Day of each month.

The interest rate on the 2014 Series A-1 Bonds for each Interest Period will be equal to the Initial LIBOR Indexed Rate or the LIBOR Indexed Rate, as applicable, which is the sum of the applicable LIBOR rate plus 0.75%. The interest rate on the 2014 Series A-2 Bonds for each Interest Period will be equal to the Initial LIBOR Indexed Rate or the LIBOR Indexed Rate, as applicable, which is the sum of the applicable LIBOR rate plus 1.00%. The interest rate on the 2014 Series B Bonds for each Interest Period will be equal to the Initial LIBOR Indexed Rate or the LIBOR Indexed Rate, as applicable, which is the sum of the applicable LIBOR rate plus 1.50%.

For the Initial Period, the applicable LIBOR rate for each Class and Tranches within a Class of the 2014 Bonds will be determined based on the interpolation calculated by the following formula:

$$x + [(a/b) * (y-x)]$$

where: a = the actual number of days from the maturity of one-month LIBOR to the first Distribution Date,

b = the actual number of days from the maturity of one-month LIBOR to the maturity date of two-month LIBOR,

x = one-month LIBOR, and

y = two-month LIBOR, in each case, as of the second Business Day before the start of the Initial Period.

After the Initial Period, the LIBOR rate will be the LIBOR Rate. The LIBOR Rate will be determined and communicated by the Trustee as described below on each Interest Rate Determination Date for each Interest Period. The applicable LIBOR Indexed Rate based on such LIBOR Rate will take effect on the Distribution Date immediately succeeding such Interest Rate Determination Date.

The amount of interest distributable to Holders of the 2014 Bonds for each $1,000 (or fraction thereof) in principal amount will be calculated by applying the applicable interest rate for the Interest Period to the principal amount of $1,000 or such fraction, multiplying that product by the actual number of days in the Interest Period divided by 360.

"***LIBOR Rate***" for Interest Periods other than the Initial Period means, for any given day, means the rate per annum fixed at 11:00 a.m., London time, on such day relating to quotations for London Interbank Offered Rates on U.S. dollar deposits for a one month period. If such a day is not a business day in London, then the rate most recently fixed as the London Interbank Offered Rate for a one month period shall be used. Such rate may be available on the following Bloomberg screen: US0001M<Index>HP or another page of this or any other financial reporting service in general use in the financial services industry (or any successor thereto). If the rate is no longer available from Bloomberg or its successor, the Corporation shall direct the Trustee in writing to the new source for the determination of LIBOR Rate.

The determination of the applicable LIBOR Indexed Rate for a Class and Tranches within a Class of the 2014 Bonds by the Trustee will be conclusive and binding on the Beneficial Owners of the 2014 Bonds and the Corporation absent manifest error. If the Trustee shall be unable to ascertain the applicable LIBOR Rate or to determine the applicable LIBOR Indexed Rate for a Class and Tranches within a Class of the 2014 Bonds on any Interest Rate Determination Date, the applicable LIBOR Rate will be ascertained and the applicable LIBOR Indexed Rate will be determined and communicated by the Corporation in accordance with the provisions of the 2014 Series Resolution described in the immediately succeeding paragraph. If the Corporation shall fail or refuse to determine the applicable LIBOR Indexed Rate for a Class and Tranches within a Class of the 2014 Bonds within two (2) Business Days after any Interest Rate Determination Date, the applicable LIBOR Indexed Rate most recently determined for such Class and Tranche of the 2014 Bonds will remain in effect.

On each Interest Rate Determination Date the Trustee will (i) ascertain the applicable LIBOR Rate for each Class and Tranches within a Class of the 2014 Bonds and (ii) add the appropriate applicable Spread Factor to ascertain the applicable LIBOR Indexed Rate to be borne by such Class and Tranche of the 2014 Bonds. On each Interest Rate Determination Date, the Trustee will be required to notify *via* Electronic Means (or such other method or address designated by the Corporation and/or Bloomberg LP) the Corporation and Bloomberg LP (at variable@bloomberg.net, factors@bloomberg.net, and sray@bloomberg.net) of: (a) the CUSIP number for each Class and Tranches within a Class of the 2014 Bonds; (b) the date of the applicable Distribution Date; (c) the amount of interest to be paid with respect to each Class and Tranches within a Class of the 2014 Bonds; and (d) the applicable LIBOR Indexed Rate utilized in the calculation of the amount of interest to be paid on such Distribution Date for each Class and Tranches within a Class of the 2014 Bonds, as well as the applicable LIBOR Indexed Rate ascertained by the Trustee for such Class and Tranche of the 2014 Bonds on the Interest Rate Determination Date which will apply to the Interest Period beginning on such Distribution Date for each Class and Tranches within a Class of the 2014 Bonds.

Principal Distributions

The aggregate outstanding principal balance will be due and payable in full on the respective Distribution Date set out in the table below:

Class/Tranche	Stated Maturity Date
A-1	May 1, 2030
A-2	January 3, 2033
B	August 1, 2035

The actual date on which the final distribution on each Class and Tranches within a Class of the 2014 Bonds will be made may be earlier than the maturity date set forth above as a result of a variety of factors including payments and prepayments on the Financed Education Loans or the exercise by the Corporation of its option to redeem the 2014 Bonds in whole, but not in part, on any Distribution Date when the Pool Balance shall be ten percent (10%) or less of the Initial Pool Balance the Pool Balance as more particularly described under "**Optional Redemption**" below.

The 2014 Bonds are subject to payments of principal, applied *pro rata* within each Class and Tranches within a Class, to be made on Distribution Dates from amounts, if any, deposited to the credit of the Principal Account for such purpose. Except after the occurrence of an Event of Default, principal will be paid first on the 2014 Series A-1 Bonds until paid in full, then on the 2014 Series A-2 Bonds until paid in full, and then on the 2014 Series B Bonds until paid in full. See "**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION – Defaults and Remedies**" in **EXHIBIT III** attached hereto. Notice of factors and rates will be provided to DTC by the Trustee in accordance with DTC's operational arrangements. Any such notices will be required to indicate clearly through the reporting of the Ending Balance Factors that they relate to a "Pro Rata Pass-Through Distribution of Principal."

If at any time the balance in the Debt Service Reserve Fund, together with other available funds of the Corporation on deposit with the Trustee shall be sufficient to retire all Bonds Outstanding, such balance may be applied at the direction of the Corporation to retire all Bonds Outstanding.

Optional Redemption

The 2014 Bonds will be subject to optional redemption in whole, but not in part, at our option on any Distribution Date when the Pool Balance shall be ten percent (10%) or less of the Initial Pool Balance. Such optional redemption will be permitted to be accomplished through the issuance of refunding bonds or notes of the Corporation or the sale, transfer, or other disposition of Financed Education Loans. Such optional redemption will not be authorized unless funds available to the Trustee at the time of the optional redemption shall be in an amount sufficient to pay principal of and interest on all 2014 Bonds Outstanding together with amounts necessary to pay all other costs and expenses with respect to the General Resolution. The Corporation will be required to provide written notice to the Trustee not more than thirty (30) days nor less than twenty-five (25) days prior to the Distribution Date on which the 2014 Bonds are to be so redeemed. The Trustee will be required to make such payment in accordance with the provisions of the Series Resolution described in the third paragraph under the heading "**Principal Distributions**" above.

Pro Rata Pass-Through Distributions of Principal

All payments of principal of the 2014 Bonds through DTC will be treated by DTC, in accordance with its rules and procedures, as a "Pro Rata Pass-Through Distribution of Principal" within a Class and Tranches within a Class.

Other Provisions Relating to the 2014 Bonds

Method and Place of Payment. The 2014 Bonds will be issued in the form of fully registered bonds in Authorized Denominations. The principal of and interest on the 2014 Bonds will be payable in lawful money of the United States of America.

The principal of the 2014 Bonds will be payable to the extent set forth in the General Resolution on the Stated Maturity Date or the Distribution Dates, as applicable, at the designated office of the Paying Agent.

The 2014 Bonds will initially be registered in the name of Cede & Co., as nominee of DTC. DTC will act as the initial Securities Depository for the 2014 Bonds. Ownership interests in the 2014 Bonds will initially be recorded in book-entry form by Participants of DTC, and the interest of such Participants will be recorded in book-entry form by DTC. Payments of principal of and interest on the 2014 Bonds will be made to the Securities Depository.

The Corporation and any Fiduciary will be permitted to deem and treat the person in whose name any Outstanding 2014 Bond shall be registered upon the books of the Corporation, including any Securities Depository holding 2014 Bonds in book-entry form, as the absolute owner of such 2014 Bond, whether such 2014 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of, and interest on, such 2014 Bond and for all other purposes. All such payments so made to any such Holder of 2014 Bonds or upon his, her, or its order will be valid and effectual to satisfy and discharge the liability upon such 2014 Bond to the extent of the sum or sums so paid, and neither the Corporation nor any Fiduciary will be affected by any notice to the contrary.

Book-Entry System; Recording and Transfer of Ownership of 2014 Bonds

The 2014 Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained by the Securities Depository, and transfers of beneficial ownership of the 2014 Bonds will be made only through the Securities Depository and its Participants in accordance with rules specified by the Securities Depository.

The 2014 Bonds will be issued in fully registered form with one certificate for each Class and Tranches within a Class of the 2014 Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the 2014 Bonds shall become due (or shall be subject to a payment of principal), the Corporation will be required to transmit or cause the Trustee to transmit to the Securities Depository an amount equal to such installment of principal and interest and specify the dollar amount of principal and interest per $1,000 original face amount of the applicable Class and Tranches within a Class. Such payments will be made to Cede & Co. or other nominee of DTC as long as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of DTC will be considered to be the owner of the 2014 Bonds so registered for all purposes of the Resolution, including, without limitation, payments as aforesaid and receipt of notices and exercise of rights of Holders of 2014 Bonds.

The Securities Depository will be expected to maintain records of the positions of Participants in the 2014 Bonds, and the Participants and persons acting through Participants will be expected to maintain records of the Beneficial Owners of the 2014 Bonds. The Corporation and the Trustee make no assurances that the Securities Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the Corporation and the Trustee will have no responsibility for any such maintenance of records or transfer of payments by the Securities Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

If the Securities Depository shall determine not to continue to act as Securities Depository for the 2014 Bonds, or the Corporation shall have advised the Securities Depository and the Trustee of the Corporation's determination that the Securities Depository is incapable of discharging its duties, the Corporation will be required to attempt to retain another qualified securities depository to replace the Securities Depository. Upon receipt by the Corporation or the Trustee of the 2014 Bonds together with an assignment duly executed by the Securities Depository, the Corporation will be required to execute and deliver to the successor depository, 2014 Bonds of the same Class and Tranches within a Class, principal amount, interest rate, and maturity.

If the Corporation shall be unable to retain a qualified successor to the Securities Depository or the Corporation shall have determined that it is in the best interest of the Corporation not to continue the Book-Entry System of transfer or that the interest of the Beneficial Owners of the 2014 Bonds might be adversely affected if the Book-Entry System of transfer is continued (the Corporation undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and shall have made provision to so notify Beneficial Owners of the 2014 Bonds by mailing an appropriate notice to the Securities Depository, upon receipt by the Corporation of the 2014 Bonds together with an assignment duly executed by the

Securities Depository, the Corporation, at its expense, will be required to execute, and cause to be authenticated and delivered pursuant to the instructions of the Securities Depository, 2014 Bonds in fully registered form and in Authorized Denominations. In such event, payment of principal at maturity will be made upon surrender of such 2014 Bonds to the Trustee.

EXPECTED USES AND APPLICATION OF 2014 BOND PROCEEDS

The proceeds of the 2014 Bonds will be used for the purposes of (i) paying Targeted Amortization Payments for the Prior Bonds that have not been satisfied prior to the Issue Date, (ii) financing repurchased Education Loans currently held as unencumbered assets of the Corporation, (iii) funding certain Funds and Accounts under the General Resolution including the Supplemental Reserve Fund, the General Revenue Fund, and the Senior Lien Account and the Subordinate Lien Account of the Debt Service Reserve Fund, and (iv) paying costs and expenses associated with the issuance of the 2014 Bonds.

The Initial Pool Balance was approximately $928,789,580. See "**CHARACTERISTICS OF THE FINANCED EDUCATION LOANS**" herein.

Proceeds of the 2014 Bonds are expected to be applied approximately as follows:

Deposit to Principal Account of the Debt Service Fund to fund the Payment of Targeted Amortization Payments on the Prior Bonds	$192,403,038
Deposit to Loan Account of the Program Fund to fund purchase of the 2014 Education Loan Portfolio	40,180,770
Deposit to Supplemental Reserve Fund	137,391,000
Deposit to General Revenue Fund	122,581,474
Deposit to Senior Lien Account of the Debt Service Reserve Fund	1,071,250
Deposit to Subordinate Lien Account of the Debt Service Reserve Fund	182,500
Underwriting Discount and Deposit to Cost of Issuance Account of the Program Fund to pay other Costs of Issuance	3,006,000
Original Issue Discount	4,683,968
Total	$501,500,000

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TARGETED AMORTIZATION SCHEDULES FOR PRIOR BONDS

The Targeted Amortization Schedules for the 2005 Bonds and the 2006 Bonds are as follows:

Targeted Amortization Schedules

First business day on or after	2005A-2[(1)]	2005A-3[(2)]	2006A-1[(3)]	2006A-2[(4)]
09/01/14	$104,570,000[(5)]	$ -	$115,248,000[(6)]	$ -
12/01/14	22,356,000	-	19,867,000	-
03/01/15	21,869,000	-	-	21,252,000
06/01/15	20,219,000	-	-	21,717,000
09/01/15	20,094,000	-	-	20,412,000
12/01/15	19,650,000	-	-	19,655,000
03/01/16	-	20,304,000	-	15,287,000
06/01/16	-	19,414,000	-	13,337,000
09/01/16	-	19,063,000	-	12,452,000
12/01/16	-	18,674,000	-	11,968,000
03/01/17	-	18,190,000	-	11,606,000
06/01/17	-	17,334,000	-	11,204,000
09/01/17	-	21,231,000	-	6,463,000
12/01/17	-	21,474,000	-	5,368,000
03/01/18	-	20,811,000	-	4,665,000
06/01/18	-	19,851,000	-	4,614,000
09/01/18	-	19,015,000	-	-
12/01/18	-	10,639,000	-	-
TOTALS:	$208,758,000	$226,000,000	$135,115,000	$180,000,000

(1) Stated Maturity of December 1, 2020, and Interest Rate of 3-month LIBOR plus 0.12%.
(2) Stated Maturity of December 1, 2023, and Interest Rate of 3-month LIBOR plus 0.14%.
(3) Stated Maturity of December 2, 2019, and Interest Rate of 3-month LIBOR plus 0.09%.
(4) Stated Maturity of December 1, 2022, and Interest Rate of 3-month LIBOR plus 0.12%.
(5) Includes $81,999,000 of payments not previously made in accordance with the applicable Targeted Amortization Schedule.
(6) Includes $95,210,000 of payments not previously made in accordance with the applicable Targeted Amortization Schedule.

Failure by the Corporation to make any payment contemplated by an applicable Targeted Amortization Schedule is not a payment default.

With respect to Targeted Amortization Payments, the Trustee is permitted, to the extent necessary to avoid payments of fractional cents, reduce scheduled payments by up to $1,000. To the extent the Trustee effects any such reduction, such amount will be carried over to the next scheduled Targeted Amortization Payments for a Class and Tranches within a Class.

THE PLEDGED ASSETS

General

The 2014 Bonds and all other Bonds issued under the General Resolution are limited obligations of the Corporation, secured by and payable from the "***Pledged Assets***." Under the General Resolution, Pledged Assets securing the Bonds Outstanding are:

- the Financed Education Loans (insured or guaranteed and reinsured as described herein);
- the Interest payments with respect to Financed Education Loans made by or on behalf of borrowers;

• all amounts received in respect of payment of principal on Financed Education Loans held by the Corporation, including scheduled, delinquent, and advance payments, payouts, or prepayments, proceeds from the guarantee, or from the sale, assignment, or other disposition of an Education Loan;

• all special allowance payments authorized to be made by Secretary of the U.S. Department of Education (the "***Secretary***") in respect of the Financed Education Loans pursuant to §438 of the Higher Education Act or similar allowances authorized from time to time by federal law or regulation;

• all interest subsidy payments" payable in respect of Financed Education Loans by the Secretary under §428 of the Higher Education Act; and

• all moneys and securities from time to time held by the Trustee under the terms of the General Resolution and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned, or transferred to the Trustee as and for additional security under the General Resolution.

For a description of the Funds established by the Resolution, see **EXHIBIT III** – "**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION**."

Credit Enhancement

Credit enhancement for the 2014 Bonds will include overcollateralization, excess interest on the Financed Education Loans, and cash on deposit in the Debt Service Reserve Fund and the Supplemental Reserve Fund, as described below. Credit enhancement for the 2014 Senior Bonds will also include subordination of the 2014 Subordinate Bonds. Credit enhancement will not provide protection against all risks of loss and may not guarantee payment to Holders of 2014 Senior Bonds of all amounts to which they are entitled. If losses or shortfalls occur that exceed the amount covered by the credit enhancement or that are not covered by the credit enhancement, Holders of 2014 Senior Bonds will bear their allocable share of deficiencies. The 2014 Subordinate Bonds are Subordinate Lien Bonds.

The rights of the Holders of 2014 Series B Bonds to receive payments of interest are subordinated to the rights of the Holders of Senior Lien Bonds to receive payments of interest. Similarly, the rights of the Holders of 2014 Series B Bonds to receive payments of principal are subordinated to the rights of the Holders of Senior Lien Bonds to receive payments of interest and principal. This subordination is intended to enhance the likelihood of regular receipt by the Holders of Senior Lien Bonds of the full amount of the payments of interest and principal due to them and to protect the Holders of Senior Lien Bonds against losses. See "**RISK FACTORS – Subordination of the 2014 Subordinate Bonds May Result in a Greater Risk of Loss**."

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Overcollateralization

After giving effect to the issuance of the 2014 Bonds and the transfers to take place on the Issue Date, the overcollateralization with respect to the Senior Lien Bonds is estimated as follows:

Initial Pool Balance	$ 928,789,580
Amounts in the Supplemental Reserve Fund	137,391,000
Amounts in General Revenue Fund	25,026,700
Amounts in the Senior Lien Account of the Debt Service Reserve Fund	8,569,980
Amounts in the Subordinate Lien Account of the Debt Service Reserve Fund	182,500
Amounts in the Principal Account of the Debt Service Fund	219,818,000
Total Pledged Assets	$1,319,777,760
Principal amount of Outstanding Senior Lien Bonds	$1,178,373,000
Principal amount of Outstanding Subordinate Lien Bonds	73,000,000
Principal amount of Outstanding Bonds	$1,251,373,000
Senior Parity Ratio	$1,319,777,760 ÷ $1,178,373,000 = 112.0%
Total Parity Ratio	$1,319,777,760 ÷ $1,251,373,000 = 105.5%

The General Resolution permits releases of cash on or prior to September 3, 2014, if the outstanding principal amount of, and accrued interest on, the Education Loans (as certified by the Corporation) and all amounts held in the funds and accounts under the General Resolution, other than the Operating Fund, exceeds one hundred twelve percent (112%) of the principal amount of the Outstanding Senior Lien Bonds (including all accrued, but unpaid interest) and one hundred four percent (104%) of the principal amount of all Outstanding Bonds (including all accrued, but unpaid interest). We expect that such a release to the aforementioned parity levels will take place on or about September 2, 2014. After September 3, 2014, no such releases will be permitted to be made from the Pledged Assets until all of the Prior Bonds and 2014 Bonds shall have been paid in full.

While all accrued interest on the Financed Education Loans will be a Pledged Asset as of the Cutoff Date, the accrued interest not to be capitalized is not a part of the Pool Balance that the Corporation intends to use in its calculation of the parity percentage in its reports to Holders of the 2014 Bonds.

"***Pool Balance***" means for any date the aggregate principal balance of the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio on that date plus accrued interest that is expected to be capitalized as authorized under the Higher Education Act as determined by the Corporation.

"***Initial Pool Balance***" means $928,789,580, which was the Pool Balance as of the Statistical Cutoff Date of the Existing Education Loan Portfolio and the 2014 Education Loan Portfolio. The Initial Pool Balance consists of a principal balance of $923,693,313 and accrued interest expected to be capitalized of $5,096,267. To the extent that the Pool Balance as of the Cutoff Date is less than the Initial Pool Balance, the Corporation will deposit the difference to the General Revenue Fund on the Issue Date so that the Pledged Assets will include the total assets listed in the table above.

The General Revenue Fund

The Trustee has established the General Revenue Fund as part of the Pledged Assets. All moneys received by or on behalf of the Corporation as assets of, or with respect to, the Pledged Assets will be deposited within two (2) Business Days after the receipt thereof to the credit of the General Revenue Fund.

Money on deposit in the General Revenue Fund will be used as described below under "**Flow of Funds**."

Flow of Funds

As of the first day of each calendar month, and not later than the tenth (10^{th}) day of such calendar month, the Trustee will be required to withdraw from the General Revenue Fund and, to the extent that there are amounts in the

General Revenue Fund available therefor, deposit the amounts to the credit of the following Funds and Accounts the following amounts in the following order of priority:

(i) First, to the Interest Account, and segregated therein for Senior Lien Bonds an amount such that, if the same amounts are so paid and credited to the Interest Account from the same source on the same day of each succeeding calendar month thereafter prior to the next Interest Payment Date, the aggregate of the amounts so paid and credited to the Interest Account, when added to any amount on deposit in the Interest Account on the day of the calculation and segregated therein for such purpose, would on such Interest Payment Date be equal to the interest on all Outstanding Senior Lien Bonds accrued and unpaid as of such date; provided, however, that in order to ensure that the Interest Account is neither over funded nor under funded for all Bonds Outstanding (giving due regard to the different payment intervals for the various Series of Bonds), the Trustee will be required, not later than the tenth (10^{th}) day of each calendar month, to ensure that the amount so transferred to the Interest Account reflects the amount of interest actually accrued in the prior calendar month for each Series of Senior Lien Bonds.

(ii) Second, to the Principal Account, whenever a Principal Installment of Senior Lien Bonds is to fall due within one year of the date of transfer (other than Targeted Amortization Payments), an amount such that, if the same amounts are so paid and credited to the Principal Account from the same source on the same day of each succeeding calendar month thereafter prior to the next day upon which a Principal Installment is due, the aggregate of the amounts so paid and credited to the Principal Account, when added to any amount on deposit in the Principal Account on the day of the calculation and segregated therein for such purpose, would on such Principal Installment Date be equal to the amount of all accrued and unpaid Principal Installments of Senior Lien Bonds as of such date.

(iii) Third, to the Interest Account, and segregated therein for Subordinate Lien Bonds an amount such that, if the same amounts are so paid and credited to the Interest Account from the same source on the same day of each succeeding calendar month thereafter prior to the next Interest Payment Date, the aggregate of the amounts so paid and credited to the Interest Account, when added to any amount on deposit in the Interest Account on the day of the calculation and segregated therein for such purpose, would on such Interest Payment Date be equal to the interest on all Outstanding Subordinate Lien Bonds accrued and unpaid as of such date. In the event that different Interest Payment Dates are established in respect of different Series of Subordinate Lien Bonds, deposits in the Interest Account will be required to be made in accordance with the foregoing calculation applied separately to each such different Series. In the event that amounts representing capitalized interest have been deposited in the Interest Account from the proceeds of a Series of Subordinate Lien Bonds, such deposit will be deemed to be in lieu of deposits otherwise required to be made into the Interest Account from the General Revenue Fund for the succeeding calendar months in order to provide for the payment of interest on Subordinate Lien Bonds of such Series, to the extent that such amount representing capitalized interest equals the aggregate of such deposits otherwise required to be made from the General Revenue Fund.

(iv) Fourth, to the Principal Account, whenever a Principal Installment of Subordinate Lien Bonds is to fall due within one year of the date of transfer (other than Targeted Amortization Payments), an amount such that, if the same amounts are so paid and credited to the Principal Account from the same source on the same day of each succeeding calendar month thereafter prior to the next day upon which a Principal Installment is due, the aggregate of the amounts so paid and credited to the Principal Account, when added to any amount on deposit in the Principal Account on the day of the calculation, would on such Principal Installment Date be equal to the amount of all accrued and unpaid Principal Installments as of such date. In the event that different dates (within one year of the date of transfer) on which Principal Installments fall due are established in respect of different Series of Subordinate Lien Bonds, deposits in the Principal Account will be required to be made in accordance with the foregoing calculation applied separately to each such different Series. There will also be required to be deposited to the Principal Account, whenever Subordinate Lien Bonds have been duly called for redemption and such redemption is to occur within thirty days, an amount equal to the principal amount of Subordinate Lien Bonds to be redeemed on such redemption date.

(v) Fifth, to the Operating Fund, an amount that, when added to the amount therein will equal the Operating Fund Requirement as directed by the Corporation.

(vi) Sixth, to the Debt Service Reserve Fund—Senior Lien Account, so much as may be required so that the amount therein shall equal the Debt Service Reserve Requirement for all Senior Lien Bonds then Outstanding.

(vii) Seventh, to the Debt Service Reserve Fund—Subordinate Lien Account, so much as may be required so that the amount therein shall equal the Debt Service Reserve Requirement for all Subordinate Lien Bonds then Outstanding.

(viii) Eighth, to the Principal Account, an amount such that, if available amounts are so paid and credited to the Principal Account from the same source on the same day of each succeeding calendar month thereafter, then prior to the next day upon which a Targeted Amortization Payment for Prior Bonds is due, the aggregate of the amounts so paid and credited to the Principal Account, when added to any amount on deposit in the Principal Account on the day of the calculation and segregated therein for such purpose, would on such Targeted Amortization Payment Date be equal to (but not exceed) the amount of all accrued and unpaid Targeted Amortization Payment amounts for such Prior Bonds as of such date; provided, that, if Revenues Available for Debt Service are not sufficient to pay Targeted Amortization Payments with respect to each Class and Series, then payments will be required to be made in the order of issuance by Series and to the earliest maturities within a Series; provided further, that such payments with respect to Bonds issued after May 4, 1999, will be required to be made on a *pro rata* basis among Series based upon the amount of the Targeted Amortization Payments due, as adjusted, all in accordance with the applicable Series Resolution. The amount of such insufficiency will be required to added to the next payment or date, as applicable, contemplated by such Targeted Amortization Schedule.

(ix) Ninth, on or prior to September 3, 2014, to the extent that the (a) sum of (1) the outstanding principal amount of, and accrued interest on, the Education Loans (as certified by the Corporation on the first day of each calendar month) and (2) all amounts held in the funds and accounts hereunder, other than the Operating Fund, will exceed both (b) one hundred twelve percent (112%) of the principal amount of all Outstanding Senior Lien Bonds (including all accrued, but unpaid interest) and (c) one hundred four percent (104%) of the principal amount of all Outstanding Bonds (including all accrued, but unpaid interest) after such withdrawal, such excess will be required to be paid to the Corporation.

(x) Tenth, after payment in full of the Prior Bonds, to the Principal Account to pay Pass-Through Payments of Principal until all Senior Bonds designated for such payments in accordance with a Series Resolution have been paid in full and then to pay Pass-Through Payments of Principal until all 2014 Subordinate Bonds designated for such payments in accordance with a Series Resolution have been paid in full.

(xi) Eleventh, the balance, if any, will be required to be transferred at the direction of the Corporation, to the Loan Account (up to the amount authorized in an applicable Series Resolution) or to the Principal Account to effect a redemption of Bonds or to make Targeted Amortization Payments (as directed in an applicable Series Resolution).

The Operating Fund

The Trustee has established the Operating Fund as part of the Pledged Assets. No deposit to the Operating Fund will be made on the Issue Date. It will be funded as described in item (v) in "**Flow of Funds**" above from funds available in the General Revenue Fund. Money on deposit in the Operating Fund will be used to pay all Operating Costs. Certain Operating Costs (for purposes of this heading, the "***Capped Operating Costs***") will not be increased beyond the levels detailed below unless the Trustee shall first receive a confirmation of the rating on all Bonds Outstanding from Moody's Investor Service and Fitch Ratings and a Cash Flow Certificate. The Corporation will be required to provide thirty (30) days' prior written notice to Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business of any increase in Capped Operating Costs. SAP Rebates of "excess interest" and Consolidation Loan Rebate Fees are Operating Costs and will be paid from amounts in the Operating Fund, but are not Capped Operating Costs. The Operating Fund will be funded as described above under "**Flow of Funds**" in an amount equal to the Operating Fund Requirement. Amounts in the Operating Fund in excess of the Operating Fund Requirement will be transferred to the General Revenue Fund periodically.

The Capped Operating Costs are estimated in the table below.

Capped Operating Costs	Recipient	Amount
Servicing and Administration Fee	South Carolina Student Loan Corporation	0.55% [1]
Trustee Fee	Wells Fargo Bank, N.A.	0.007% [2]
Other	Various	$100,000 per annum [3]

(1) As a percentage of the outstanding principal balance of the Financed Education Loans.
(2) As a percentage of the outstanding principal balance of the Bonds.
(3) Includes backup servicer fees and any surveillance fees paid annually beginning December 1, 2014.

The Debt Service Fund

The Trustee has established a Debt Service Fund as part of the Pledged Assets and within the Debt Service Fund, a Principal Account and an Interest Account. Moneys in the Interest Account will be applied to pay interest on the 2014 Bonds. Moneys in the Principal Account will be applied to pay the principal amount of the 2014 Bonds or to pay the Redemption Price of the 2014 Bonds.

The Debt Service Reserve Fund

The Trustee has established a Debt Service Reserve Fund as part of the Pledged Assets and within the Debt Service Reserve Fund, a Senior Lien Account and a Subordinate Lien Account. The Debt Service Reserve Fund is subject to a minimum amount equal to the greatest of (i) the sum of the amounts designated for each Series of Bonds in the Series Resolution related thereto as the Debt Service Reserve Requirement in respect of such Series, (ii) 0.1% of the original principal amount of all Tranches Outstanding as of such date, or (iii) $750,000. We refer to such a minimum amount as the "***Debt Service Reserve Requirement***." The Debt Service Reserve Requirement with respect to the Bonds Outstanding will be 1.0% of the principal balance of the Prior Bonds Outstanding plus 0.25% of the 2014 Bonds Outstanding. The Debt Service Reserve Requirement may be composed of cash, Investment Obligations, or any combination of the foregoing, as the Corporation may determine. Moneys in the Senior Lien Account of the Debt Service Reserve Fund will be used to pay principal of and interest on the 2014 Senior Bonds to the extent moneys in the Principal Account and the Interest Account, respectively, are insufficient for such purposes. Moneys in the Subordinate Lien Account of the Debt Service Reserve Fund will be used to pay principal of and interest on the 2014 Senior Bonds to the extent moneys in the Principal Account and the Interest Account, respectively, are insufficient for such purposes and, after payment in full of all Senior Bonds, to pay principal of and interest on the 2014 Subordinate Bonds. See "**Application of Funds and Accounts to Avoid a Default; Order of Application**" below. To the extent the amount in the Debt Service Reserve Fund falls below the Debt Service Reserve Requirement, the Debt Service Reserve Fund will be replenished from funds available in the General Revenue Fund as described above. Funds on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement will be transferred to the General Revenue Fund.

The Debt Service Reserve Fund is intended to enhance the likelihood of timely distributions of interest to the Bondholders and to decrease the likelihood that the Bondholders will experience losses. In some circumstances, however, the Debt Service Reserve Fund could be reduced to zero.

The Supplemental Reserve Fund

The Trustee will establish the Supplemental Reserve Fund on the Issue Date as part of the Pledged Assets. On the Issue Date, we will make a deposit to the Supplemental Reserve Fund in the amount of $137,391,000. No additional deposits will be made to the Supplemental Reserve Fund. Amounts on deposit in the Supplemental Reserve Fund will not be counted towards amounts otherwise required to be on deposit in the Debt Service Reserve Fund. The Supplemental Reserve Fund will be used to pay Targeted Amortization Payments on the Prior Bonds in accordance with any applicable Targeted Amortization Schedule to the extent that funds are not available for that purpose in the Principal Account of the Debt Service Fund. If, on any date that principal of or interest on any Senior Lien Bonds is due and payable, there are insufficient moneys in the Principal Account or Interest Account, as the case may be, or the Debt Service Reserve Fund to make the required payment, then moneys in the Supplemental Reserve Fund shall be applied to pay the principal of and interest on Senior Lien Bonds then due and payable. Upon payment in full of the Prior Bonds, all amounts remaining in the Supplemental Reserve Fund will be deposited to the General Revenue Fund.

Application of Funds and Accounts to Avoid a Default; Order of Application

Notwithstanding any provision of the General Resolution pertaining to the application of moneys in any Fund or Account, amounts deposited in all Funds and Accounts will be required to be used for the payment of principal of and interest on the 2014 Bonds if there would otherwise be a default in payment. The order of Funds and Accounts from which moneys are to be transferred in the event that deposits of moneys in the General Revenue Fund to the Interest Account and Principal Account are insufficient to avoid a default in payment of principal of or interest on the 2014 Bonds will be as follows: the Debt Service Reserve Fund, the Supplemental Reserve Fund, the Loan Account of the Program Fund, and then the Operating Fund.

Retirement of All Bonds Outstanding

If at any time the balance in the Debt Service Reserve Fund, together with other available funds of the Corporation on deposit with the Trustee shall be sufficient to retire all Bonds Outstanding, such balance may be applied at the direction of the Corporation to retire all Bonds Outstanding.

Guaranteed Loans Generally Not Subject to Discharge in Bankruptcy

Under the U.S. Bankruptcy Code, guaranteed loans are not generally dischargeable. Title 11 of the United States Code at §523(a)(8) provides as follows:

(a) A discharge under §727, 1141, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt— . . .

* * * * * * *

(8) unless excepting such debt from discharge under this clause would impose an undue hardship on the debtor and the debtor's dependents, for—

(A) (i) an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution; or (ii) an obligation to repay funds received as an educational benefit, scholarship, or stipend; or

(B) any other educational loan that is a qualified education loan, as defined in §221(d)(1) of the Internal Revenue Code of 1986, incurred by a debtor who is an individual.

Issues of undue hardship are first resolved by the U.S. Bankruptcy Court having jurisdiction over the case in which the undue hardship claim is asserted. Determinations of undue hardship are generally fact-based and are subject to review on appeal.

See "**RISK FACTORS – Changes in Relevant Laws**."

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CHARACTERISTICS OF THE FINANCED EDUCATION LOANS

The following charts provide summary information concerning certain characteristics of $883,591,171 in aggregate principal amount of the Existing Education Loan Portfolio and the $40,102,142 in aggregate principal amount of 2014 Education Loan Portfolio as of the Statistical Cutoff Date (i.e., June 30, 2014). This information, particularly specific dollar amounts that change as a result of payments received, may have changed since that date.

Composition of the Education Loan Portfolio
(As of the Statistical Cutoff Date)

Aggregate Current Principal Balance	$923,693,313
Current Interest to be Capitalized	$5,096,267
Number of Borrowers	67,340
Average Current Principal Balance per Borrower	$13,717
Number of Loans	133,339
Average Current Principal Balance per Loan	$6,927
Weighted Average Remaining Term to Maturity (months)[(1)]	173
Weighted Average Payments Made (months)[(2)]	58
Weighted Average Annual Statutory Education Loan Interest Rate[(3)]	4.83%
Weighted Average Annual Effective Education Loan Interest Rate[(4)]	4.49%
Weighted Average Special Allowance Repayment Margin to One-Month LIBOR[(3)(5)]	2.49%
Weighted Average Special Allowance Repayment Margin to Three-Month Treasury Bill[(3)(5)]	3.07%

(1) Determined from the Statistical Cutoff Date of June 30, 2014, to the stated maturity date of the applicable loan, including any remaining school period, grace period, current deferment, or forbearance periods and repayment period, but without consideration for term extensions for income-based repayment plans or any deferment or forbearance periods that may be granted in the future.

(2) Determined as the difference in original repayment term and remaining repayment term.

(3) Excludes any interest rate reductions earned by borrowers.

(4) Adjusted for interest rate reductions earned by borrowers as of the Statistical Cutoff Date.

(5) See "**THE CORPORATION – Change to Index for Calculation of Special Allowance Payments**."

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Distribution of the Education Loans by Loan Type
(As of the Statistical Cutoff Date)

Loan Type	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Unsubsidized Consolidation Loans	$334,159,683	36.18%	26,205
Subsidized Consolidation Loans	299,724,071	32.45	26,278
Unsubsidized Stafford Loans	143,570,685	15.54	34,360
Subsidized Stafford Loans	124,990,976	13.53	43,164
PLUS Loans – Parent	18,056,550	1.95	3,032
PLUS Loans - Graduate/Professional	2,723,648	0.29	215
SLS Loans	331,570	0.04	75
Heal Loans	136,131	0.01	10
Total	**$923,693,313[(1)]**	**100.00%[(1)]**	**133,339**

(1) Totals do not foot due to rounding.

Distribution of the Education Loans by School Type
(As of the Statistical Cutoff Date)

School Type	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Four Year Public & Private Non Profit	$843,516,770	91.32%	109,220
Two Year Public & Private Non Profit	68,826,855	7.45	22,259
For Profit/Vocational	6,778,621	0.73	1,529
Out of Country/Unknown	4,571,067	0.49	331
Total	**$923,693,313**	**100.00%[(1)]**	**133,339**

(1) Totals do not foot due to rounding.

Distribution of the Education Loans by Loan Status
(As of the Statistical Cutoff Date)

Loan Status	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
School	$ 5,598,906	0.61%	1,613
Grace	3,578,508	0.39	957
Deferment	107,464,580	11.63	18,655
Forbearance	113,283,250	12.26	15,636
Repayment			
First year of repayment	63,512,296	6.88	13,404
Second year of repayment	78,749,168	8.53	13,728
Third year of repayment	60,394,525	6.54	8,498
More than three years of repayment	491,112,080	53.17	60,848
Total	**$923,693,313**	**100.00%[(1)]**	**133,339**

(1) Total does not foot due to rounding.

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Distribution of the Education Loans by Number of Months Remaining Until Scheduled Maturity (As of the Statistical Cutoff Date)

Number of Months Remaining Until Scheduled Maturity[1]	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
0 to 12	$ 457,001	0.05%	541
13 to 24	1,266,572	0.14	1,239
25 to 36	3,043,831	0.33	2,152
37 to 48	6,718,773	0.73	3,556
49 to 60	17,056,066	1.85	7,143
61 to 72	32,111,782	3.48	10,369
73 to 84	38,939,221	4.22	10,921
85 to 96	50,377,471	5.45	12,157
97 to 108	89,643,734	9.70	21,822
109 to 120	131,082,935	14.19	29,847
121 to 132	25,980,812	2.81	2,996
133 to 144	30,479,404	3.30	3,090
145 to 156	35,013,592	3.79	3,312
157 to 168	32,950,249	3.57	2,768
169 to 180	31,608,359	3.42	2,411
181 to 192	28,110,709	3.04	1,757
193 to 204	30,385,470	3.29	1,753
205 to 216	34,758,443	3.76	1,849
217 to 228	39,655,680	4.29	1,965
229 to 240	38,562,339	4.17	2,096
241 to 252	31,460,626	3.41	1,784
253 to 264	33,246,268	3.60	1,766
265 to 276	36,131,022	3.91	1,799
277 to 288	35,097,396	3.80	1,817
289 to 300	27,700,563	3.00	1,269
301 and above	61,854,997	6.70	1,160
Total	**$923,693,313[2]**	**100.00%**	**133,339**

(1) Determined from the Statistical Cutoff Date of June 30, 2014, the stated maturity date of the applicable loan, including any remaining school period, grace period, current deferment, or forbearance periods and repayment period, but without consideration for term extensions for income-based repayment plans or any deferment or forbearance periods that may be granted in the future.

(2) Total does not foot due to rounding.

Distribution of the Education Loans by Weighted Average Months Remaining In Status (As of the Statistical Cutoff Date)

Weighted Average Months Remaining In Status	School	Grace	Deferment	Forbearance	Repayment
School	22	6			118
Grace		4			119
Deferment			18		169
Forbearance				4	177
Repayment					174

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Distribution of the Education Loans in Repayment by Number of Days Delinquent
(As of the Statistical Cutoff Date)

Number of Days Delinquent	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
0 - 30	$607,993,429	87.64%	82,628
31 - 60	21,771,624	3.14	3,612
61 - 90	17,559,873	2.53	2,819
91 - 120	11,929,325	1.72	1,799
121 - 150	9,411,759	1.36	1,415
151 - 180	4,237,191	0.61	697
181 and above	20,864,868	3.01	3,508
Total	**$693,768,069**	**100.00%**[(1)]	**96,478**

(1) Totals do not foot due to rounding.

Distribution of the Education Loans by Repayment Schedule Type
(As of the Statistical Cutoff Date)

Repayment Schedule Type	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Standard	$676,534,763	73.24%	106,441
Other Repayment Options[(1)]	247,158,550	26.76	26,898
Total	**$923,693,313**	**100.00%**	**133,339**

(1) May include, among others, graduated repayment loans, extended repayment loans, graduated extended repayment loans and income sensitive repayment loans.

Distribution of the Education Loans by SAP Interest Rate Index
(As of the Statistical Cutoff Date)

SAP Interest Rate Index	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
One-month LIBOR Index	$883,321,936	95.63%	127,163
91-day T-Bill Index	40,371,377	4.37	6,176
Total	**$923,693,313**	**100.00%**	**133,339**

Distribution of the Education Loans by Borrower Interest Rate Type
(As of the Statistical Cutoff Date)

Borrower Interest Rate Type	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Fixed Rate	$812,280,620	87.94%	93,812
Variable Rate	111,412,693	12.06	39,527
Total	**$923,693,313**	**100.00%**	**133,339**

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Distribution of the Education Loans by Borrower Interest Rate
(As of the Statistical Cutoff Date)

Borrower Interest Rate[1]	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Less than 2.000%	$ 20,124,355	2.18%	7,224
2.000% to 2.999%	149,803,185	16.22	35,069
3.000% to 3.999%	180,787,131	19.57	16,192
4.000% to 4.999%	190,751,478	20.65	17,395
5.000% to 5.999%	81,937,503	8.87	10,821
6.000% to 6.999%	210,012,730	22.74	39,032
7.000% and above	90,276,931	9.77	7,606
Total	**$923,693,313**	**100.00%**	**133,339**

Distribution of the Education Loans by Current Principal Balance
(As of the Statistical Cutoff Date)

Range of Current Principal Balance	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Less than $5,000	$193,362,449	20.93%	82,126
$5,000 to $9,999	188,719,823	20.43	27,402
$10,000 to $14,999	107,141,861	11.60	8,750
$15,000 to $19,999	88,631,060	9.60	5,120
$20,000 to $24,999	73,855,423	8.00	3,304
$25,000 to $29,999	59,419,332	6.43	2,178
$30,000 to $34,999	43,387,383	4.70	1,341
$35,000 to $39,999	32,222,300	3.49	864
$40,000 to $44,999	25,009,308	2.71	591
$45,000 to $49,999	19,990,136	2.16	422
$50,000 to $54,999	14,559,139	1.58	278
$55,000 to $59,999	11,477,978	1.24	200
$60,000 and above	65,917,121	7.14	763
Total	**$923,693,313**	**100.00%[1]**	**133,339**

(1) Total does not foot due to rounding.

Distribution of the Education Loans by Date of Disbursement
(Dates Correspond to Changes in Special Allowance Support Level)
(As of the Statistical Cutoff Date)

Date of Disbursement[1]	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Prior to April 1, 2006	$547,344,725	59.26%	72,852
April 1, 2006 to September 30, 2007	242,052,570	26.20	30,476
October 1, 2007, and after	134,296,019	14.54	30,011
Total	**$923,693,313[2]**	**100.00%**	**133,339**

(1) For Education Loans made on or after April 1, 2006, if the stated interest rate is higher than the special allowance support level, the holder of the FFELP loan must credit the difference to the U.S. Department of Education. Education Loans made on or after October 1, 2007, have a lower special allowance support level than those made prior to such date, but eligible not-for-profit holders receive a higher special allowance support level than for-profit holders.

(2) Total does not foot due to rounding.

Distribution of the Education Loans by Date of Disbursement
(Dates Correspond to Changes in Guarantee Percentage)
(As of the Statistical Cutoff Date)

Date of Disbursement[1]	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Prior to October 1, 1993	$ 1,896,345	0.21%	765
October 1, 1993 to June 30, 2006	600,663,564	65.03	80,098
July 1, 2006, and after	321,133,404	34.77	52,476
Total	**$923,693,313**	**100.00%[2]**	**133,339**

(1) Education Loans made prior to October 1, 1993, are 100% guaranteed by the Guarantee Agency. Education Loans made October 1, 1993, through June 30, 2006, are at least 98% guaranteed by the Guarantee Agency. Education Loans made July 1, 2006, through June 30, 2010, are at least 97% guaranteed by the Guarantee Agency.
(2) Total does not foot due to rounding.

Distribution of the Education Loans by Rehabilitated, Bankruptcy Repurchase, or Other Loan History
(As of the Statistical Cutoff Date)

Loan History	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
No Rehabilitation or Bankruptcy	$860,230,051	93.13%	119,839
Rehabilitated	45,794,700	4.96	10,691
Bankruptcy Repurchase	17,668,563	1.91	2,809
Total	**$923,693,313[1]**	**100.00%**	**133,339**

(1) Total does not foot due to rounding.

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Distribution of the Education Loans by Geographic Location
(As of the Statistical Cutoff Date)

Geographic Location	Current Principal Balance	Percent of Current Principal Balance	Number of Loans
Alabama	$ 4,458,615	0.48%	512
Alaska	498,475	0.05	96
Arizona	2,176,569	0.24	286
Arkansas	989,980	0.11	128
California	9,432,117	1.02	1,153
Colorado	3,593,536	0.39	458
Connecticut	2,890,563	0.31	347
Delaware	1,071,291	0.12	142
District of Columbia	2,359,366	0.26	304
Florida	23,856,634	2.58	2,856
Georgia	49,841,171	5.40	6,004
Guam	80,134	0.01	6
Hawaii	922,650	0.10	160
Idaho	572,220	0.06	42
Illinois	4,078,154	0.44	551
Indiana	2,869,144	0.31	332
Iowa	885,214	0.10	92
Kansas	802,601	0.09	109
Kentucky	3,993,615	0.43	430
Louisiana	3,433,158	0.37	358
Maine	1,274,623	0.14	96
Maryland	11,127,483	1.20	1,409
Massachusetts	4,559,809	0.49	610
Michigan	2,267,946	0.25	258
Minnesota	1,528,948	0.17	144
Mississippi	1,423,955	0.15	186
Missouri	2,244,900	0.24	254
Montana	199,568	0.02	33
Nebraska	472,439	0.05	46
Nevada	752,655	0.08	106
New Hampshire	880,745	0.10	122
New Jersey	5,073,023	0.55	794
New Mexico	411,455	0.04	78
New York	11,408,685	1.24	1,469
North Carolina	66,611,459	7.21	7,706
North Dakota	214,509	0.02	39
Ohio	6,086,343	0.66	749
Oklahoma	772,971	0.08	142
Oregon	1,556,736	0.17	178
Pennsylvania	8,058,430	0.87	1,102
Puerto Rico	3,081	0.00	2
Rhode Island	859,281	0.09	78
South Carolina	625,027,114	67.67	97,018
South Dakota	131,296	0.01	21
Tennessee	10,196,648	1.10	1,135
Texas	12,383,367	1.34	1,538
Utah	1,419,170	0.15	128
Vermont	508,726	0.06	62
Virgin Islands	48,566	0.01	7
Virginia	19,468,875	2.11	2,441
Washington	2,628,144	0.28	355
West Virginia	1,183,914	0.13	217
Wisconsin	1,619,763	0.18	170
Wyoming	284,823	0.03	31
US Armed Forces Americas (Except Canada)	14,916	0.00	2
US Armed Forces Europe	614,591	0.07	92
US Armed Forces Pacific	258,151	0.03	39
Other	1,310,996	0.14	116
Total	**$923,693,313[(1)]**	**100.00%[(1)]**	**133,339**

[(1)] Totals do not foot due to rounding.

Rehabilitated Loans and Bankruptcy Repurchase Loans

An education loan originated under the FFELP that has previously defaulted, but satisfies the conditions described below, is known as a "rehabilitated loan." The Existing Education Loan Portfolio and the 2014 Education Loan Portfolio included approximately $45,794,700 of rehabilitated loans as of the Statistical Cutoff Date. To rehabilitate an education loan originated under FFELP, a borrower must pay the applicable guarantee agency at least nine full payments of an amount that is reasonable and affordable as agreed to by the borrower and the guarantee agency within twenty (20) days of their monthly due dates over a ten-month period. Once the borrower has made the required payments, the loan may be purchased by an eligible lending institution. After a rehabilitated loan is purchased, it is eligible for all benefits under the Higher Education Act for which it would have been eligible if no default had occurred. See **EXHIBIT I** – "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM** – **Rehabilitation of Defaulted Loans**."

Bankruptcy repurchase loans are Education Loans to borrowers who have filed for bankruptcy after receiving such Education Loan and who may or may not have been delinquent in the payment of such Education Loan prior to such filing, but whose bankruptcy proceeding has been dismissed or terminated without such Education Loan having been discharged. The Existing Education Loan Portfolio and the 2014 Education Loan Portfolio included approximately $17,668,563 of bankruptcy repurchase loans as of the Statistical Cutoff Date.

Repayment Incentives to Borrowers and Borrower Benefits

The Corporation has offered certain borrower benefits for FFELP loans in the form of (i) interest rate reductions for prompt and regular payments and/or payments made by automatic bank draft and (ii) partial loan forgiveness for borrowers who earned educational degrees prior to December 10, 2008, and who make timely payments for their respective loan term. As of the Statistical Cutoff Date, approximately 83.49% of the Financed Education Loans were eligible for a 0.25% interest rate reduction for using automatic bank draft and 16.51% of the Financed Education Loans were eligible for a 0.50% interest rate reduction for using automatic bank draft. As of the Statistical Cutoff Date, approximately 17.80% of the Financed Education Loans were eligible for a 1.0% or 2.0% interest rate reduction if the borrowers make 36 or 48, respectively, consecutive on-time payments. As of the Statistical Cutoff Date, the weighted average interest rate reduction for all of the Financed Education Loans was 0.35%, and no more than of $633,750 of the aggregate principal balance of the Financed Education Loans may be forgiven for borrowers who earned educational degrees prior to December 10, 2008, and who make timely payments for their respective remaining loan term.

THE CORPORATION

The Corporation is a nonprofit, public benefit corporation incorporated on November 15, 1973, pursuant to the laws of the State of South Carolina. The Corporation received its final 501(c)(3) determination letter from the Internal Revenue Service ("***IRS***") on June 30, 1979, which determination letter has not been amended, revoked, withdrawn or rescinded.

Under its Restated and Amended Articles of Incorporation, the Corporation has the power to receive, invest, administer, and disburse funds for educational purposes so as to enable persons to attend eligible educational institutions beyond the secondary school level and to make, handle, service and deal with student and parent loans as provided in the Higher Education Act. The Corporation has been designated by the Authority as an "Eligible Lender" pursuant to Title IV of the Higher Education Act and, as agent of and independent contractor with the Authority, the Corporation serves as the principal servicer of FFELP loans guaranteed by the Authority.

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Management and Administration

The Corporation is governed by its Board of Directors, which may officially act by a majority of its members. The Corporation's Chairman and other Directors are as follows:

Board of Directors of the Corporation

Name of Director	Principal Occupation	Term Ends June 30
Frederick T. Himmelein, Esq., Chairman	Self Employed, Legal and Financial Consultant	2016
William M. Mackie, Jr. Vice Chairman	Retired President and CEO, South Carolina Student Loan Corporation	2016
J. Thornton Kirby, Esq., Treasurer	President and CEO, South Carolina Hospital Association	2017
Charlie C. Sanders, Jr., Secretary	President and CEO, South Carolina Student Loan Corporation	2016
Renee R. Brooks	Chief Administrative Officer and Corporate Secretary, SCBT Corporation	2015
Neil E. Grayson, Esq.	Partner, Nelson Mullins Riley & Scarborough, LLP	2017
Jeffrey R. Scott	Retired Senior Vice President and Human Resources Director, Community Resource Bank	2015
Barbara F. Weston	Retired Educator, Richland School District One	2017
D. Grant Carwile	Managing Director, Student Loan Capital Strategies	2017
Fred L. Green, III	President and CEO, South Carolina Bankers Association	2016
Harry R. Brown	Retired CFO, South Carolina Student Loan Corporation	2017

The Corporation's principal office is located at 8906 Two Notch Road, Columbia, South Carolina 29223, and its telephone number is (803) 772-9480. The Corporation employs a staff of approximately 128 people. The Corporation's Senior Management is as follows:

Senior Management

Charlie C. Sanders, Jr., *President and CEO*
Jane W. Honeycutt, *Chief Financial Officer*
David A. Simon, III, *Chief Information Officer*
Anne Harvin Gavin, *Senior Vice President - EdManage*
Cynthia G. Callaham, *Vice President - EdVantage*
Denise L. Easterling, *Vice President – Repayment Services*
Michael E. Fox, *Vice President – Guaranty Services*
Gerald I. Long, *Vice President - Repayment Services*
Selena K. Mulliken, *Director of Internal Audit and Risk Management*
David C. Roupe, *Vice President - EdVantage*
Donna E. Weathersbee, *Director of Human Resources*

Charlie C. Sanders, Jr. serves as President and CEO of the South Carolina Student Loan Corporation and is responsible for the day-to-day management and coordination of all corporate business activities. Mr. Sanders

served as Director of Investments and Debt Management for the South Carolina State Treasurer's Office from 1988 to 2001. He received his B.S. in Banking and Finance from the University of South Carolina. Mr. Sanders serves on the Board of Directors of the Greater Columbia Educational Advancement Foundation and the Board of Directors of the Education Finance Council (the "***EFC***"). He has served as Chairman of the Board of Directors of the EFC and Chairman of the Board of Trustees of Anderson University.

Jane W. Honeycutt serves as Chief Financial Officer of the South Carolina Student Loan Corporation and is responsible for the day-to-day management of all Financial Services activities, such as accounting, internal and external reporting, compliance, budgeting and internal controls. Prior to joining the Corporation in 2010, Ms. Honeycutt worked with both Price Waterhouse (now PricewaterhouseCoopers) and Elliott Davis, LLC in public accounting. She also served as the Financial Manager of the Columbia, South Carolina, office of Price Waterhouse. Her other work experience has concentrated in the financial services industry including NetBank, Inc. as a Senior Financial Analyst. She received her Bachelor of Business Administration from Augusta College and her Master of Accountancy from the University of Georgia. She has been a licensed Certified Public Accountant with the State of South Carolina since February 1983.

Origination of Education Loans

The Corporation has served as a central, statewide lender and assists students and parents in obtaining funds to attend institutions of post-secondary education within or beyond the boundaries of the State of South Carolina. Since its inception, the Corporation has originated more than 2 million loans to more than 471,000 students and parents.

Servicing of Education Loans

Since 1979, the Corporation has serviced education loans for itself, the Authority, and various commercial banks. Total servicing volume (FFELP and private loans) was $2.8 billion as of June 30, 2014 , in comparison to $5.3 billion on December 31, 2012 (which also included FDLP loans), and $3.2 billion on December 31, 2011.

The Corporation provides the personnel necessary to perform all servicing of education loans, which services include, but are not limited to: (i) verifying that all required documents for each education loan have been delivered and that each loan qualifies as a FFELP loan; (ii) maintaining and updating all loan records; (iii) performing due diligence necessary to collect loans according to standards set by the Secretary and the Authority, as applicable; (iv) taking any action necessary to collect delinquent loans; and (v) performing any other functions associated with the servicing of FFELP loans.

As of June 30, 2014, the aggregate principal amount of FFELP loans being serviced by the Corporation was approximately $2.2 billion. Since the inception of the Corporation, the cumulative aggregate principal amount of FFELP and private loans originated and serviced by the Corporation totals approximately $7.8 billion.

Shown in the table below is information with respect to guarantee claims filed by the Corporation in the last five (5) years with regard to FFELP loans serviced by the Corporation. There can be no assurance that the Corporation's experience, as reflected in the table below, will not be materially different in the future.

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Static Analysis of Guarantee Claims, Rejects, and Cures

Federal Fiscal Year	Total Claims Filed[(1)]	Gross Reject Amount[(1)]	Gross Reject Rate	Cure Amount[(2)]	Net Reject Amount	Net Reject Rate
2009	$ 52,983,776	$ 21,119	0.04%	$ 16,033	$ 5,086	0.01%
2010	66,999,771	173,336	0.26	125,454	47,882	0.07
2011	73,219,881	407,447	0.56	267,696	139,751	0.19
2012	96,726,865	117,334	0.12	54,623	62,711	0.06
2013	116,031,895	150,004	0.13	69,978	80,026	0.07
Total	405,962,189[(3)]	869,240	0.21	533,783[(3)]	335,457[(3)]	0.08

(1) Includes 100% of principal and interest, rather than only the guaranteed portion. Also includes lender-of-last-resort loan claims as well as claims for deaths, disabilities, and bankruptcies. Loans that are subsequently rehabilitated or repurchased are not netted from the claims filed.

(2) Amount of the rejects that had been cured as of June 30, 2014.

(3) Totals do not foot due to rounding.

Shown in the table below is the historical delinquency data on all FFELP loans originated and serviced by the Corporation. The delinquencies are measured as a percentage of the outstanding principal balance of all FFELP loans in repayment at the end of each of the last fourteen (14) fiscal years. There can be no assurance that the Corporation's experience, as reflected in the table below, will not be materially different in the future.

FFELP Delinquencies

As of June 30	30-60 Days	61-90 Days	91 to 120	121 to 180	181 to 270	271 or more
2000	3.0%	2.8%	1.7%	1.7%	1.8%	0.5%
2001	3.2%	2.7%	1.8%	2.1%	1.8%	0.6%
2002	3.1%	2.9%	2.0%	2.0%	1.8%	0.6%
2003	2.7%	2.3%	1.3%	1.5%	1.5%	0.5%
2004	3.1%	2.7%	1.6%	1.5%	1.3%	0.3%
2005	3.0%	2.6%	1.5%	1.6%	1.4%	0.7%
2006	3.1%	2.7%	1.7%	1.8%	1.2%	0.5%
2007	3.0%	2.3%	1.6%	1.8%	1.3%	0.7%
2008	3.1%	2.6%	1.6%	1.7%	1.4%	0.7%
2009	3.4%	2.7%	1.8%	1.8%	1.3%	0.5%
2010	3.2%	2.4%	1.6%	1.7%	1.6%	0.6%
2011	4.0%	3.1%	2.1%	2.3%	2.0%	0.8%
2012	4.2%	2.8%	2.1%	2.5%	2.6%	1.0%
2013	5.2%	3.1%	2.4%	2.8%	3.0%	1.4%
2014	4.3%	3.1%	2.0%	2.4%	2.4%	1.0%

Other Programs and Activities

Education Improvement Act. During fiscal 1984-85, the Corporation assumed responsibility for the administration of the Teacher Loan Program that was established by the Education Improvement Act of 1984 (the "***Education Improvement Act***"). In the Education Improvement Act, the Corporation was named as the administrator of this program. The funds for operations and for making loans are provided by state appropriations.

EdVantage. On January 1, 2011, the Corporation entered into an agreement with Performant Financial Corporation ("***PFC***") to provide debt collection services as a subcontractor to PFC for loans held by the U.S. Department of Education. On April 1, 2011, the Corporation formed EdVantage Corporation ("***EdVantage***"), which is a controlled affiliate of the Corporation, for the purpose of providing this subcontractor service. EdVantage filed its IRS Form 1023 "Application for Exemption Under 501(c)(3) of the Internal Revenue Code" in January of 2013 and received its determination letter dated June 25, 2014, affirming its exemption under §501(c)(3) of the Internal Revenue Code. EdVantage ceased providing subcontractor services for PFC as of April 1, 2014; however,

EdVantage has maintained the required licensing. Currently EdVantage is providing collection services for the South Carolina State Education Assistance Authority.

EdManage. On May 17, 2011, the Corporation entered into a Memorandum of Understanding with the U.S. Department of Education as a "qualified not-for-profit servicer" to provide FDLP loan servicing activities for FDLP loans held by the U.S. Department of Education. The Corporation was awarded "Authority to Operate" (ATO) status on June 25, 2012, as a "qualified not-for-profit servicer" and "go live" status on August 20, 2012, and began providing said services on September 13, 2012. These services were provided by a functional area of the Corporation that does business as EdManage ("***EdManage***"). EdManage entered this agreement with the U.S. Department of Education with the understanding that it would receive an initial allocation of 100,000 accounts to service with the expectation that additional loan allocations would be received at later dates.

On April 1, 2013, the U.S. Department of Education released guidance (the "***DOE Release***") related to the impact that budget cuts resulting from Sequestration would have on "qualified not-for-profit servicers." Sequestration budget cuts resulted from the cuts enacted by the Budget Control Act of 2011. These cuts were postponed by the American Taxpayer Relief Act of 2012, but implementation of the cuts began on March 1, 2013 (collectively, the "***Sequestration***"). The DOE Release stated that as a result of Sequestration, "qualified not-for-profit servicers" such as the Corporation will not receive additional FDLP loans to service. The DOE Release also stated that Sequestration limits spending levels in the account used to fund "qualified not-for-profit servicer" operations and that Sequestration could be a factor in implementing schedules and other decisions regarding "qualified not-for-profit servicer" activities beyond federal fiscal year 2013.

As a result of the DOE Release that indicated potentially indefinite suspension of future loan allocation, the Corporation notified the U.S. Department of Education that it was requesting that all FDLP loans serviced by the Corporation be transferred to another FDLP servicer, and the Corporation be terminated as a "qualified not-for-profit servicer" for FDLP loans in the future. On June 7, 2013, EdManage received authorization from the U.S. Department of Education to become a subcontractor instead of a prime contractor and to transfer their FDLP loans to another "qualified not-for-profit servicer," subject to several conditions. EdManage met the transfer conditions and transferred its loan portfolio on August 29, 2013, to another "qualified not-for-profit servicer."

Campus Partners. The Corporation owns Educational Loan Servicing, LLC (ELS) d/b/a Campus Partners ("***Campus Partners***"), a vendor providing a platform and servicing functionality intended to meet the requirements for servicing FDLP loans as well as providing loan servicing for Perkins Loans for over 400 colleges and universities across the country.

Financial Information

As of June 30, 2013, the Corporation had total assets of approximately $3.1 billion, total liabilities of approximately $2.6 billion, and a fund balance of approximately $494 million.

As of June 30, 2013, the Corporation had approximately $2.5 billion of bonds and notes outstanding issued under other, unrelated resolutions securing separate trust estates.

The Corporation is indebted to the Authority under a loan agreement securing a trust estate relating to the Authority and to the Authority's outstanding bonds issued under a 2009 PAL General Resolution adopted by the Board of Directors of the Corporation effective as of October 29, 2009. The obligations of the Corporation under such loan agreement are secured by, and payable only from, a pool of education loans that is not part of the Pledged Assets. As of June 30, 2014, the approximate amount of such indebtedness was $59,800,000.

AUDITED FINANCIAL STATEMENTS OF THE CORPORATION ARE GENERALLY AVAILABLE ON THE CORPORATION'S WEB SITE (WWW.SCSTUDENTLOAN.ORG). INFORMATION FOUND ON SUCH WEBSITE IS NOT PART OF THIS OFFERING MEMORANDUM.

No Prior Defaults

The Corporation has not previously experienced any defaults with respect to the payment of principal of or interest on any of its bonds, notes, or lines of credit.

Bankruptcy Status of the Corporation

Under current law the Corporation cannot be forced into an involuntary bankruptcy proceeding under the federal bankruptcy code, nor can it file a voluntary petition for bankruptcy under the federal bankruptcy code without the approval of all members of its Board of Directors entitled to vote at the time any petition is authorized.

Change to Index for Calculation of Special Allowance Payments

The Corporation made an affirmative election under Public Law 112-74 to change the index for Special Allowance Payments permanently on all of the Education Loans held by the Corporation and disbursed on or after January 1, 2000, from the three-month commercial paper rate to the one-month LIBOR index, commencing with Special Allowance Payments for the calendar quarter that began April 1, 2012. See **EXHIBIT I** attached hereto under the heading "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM – SPECIAL ALLOWANCE PAYMENTS**."

SOUTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY

The Authority is a body politic and corporate and a public instrumentality of the State of South Carolina. It was created by Act No. 433 of the Acts and Joint Resolutions of the General Assembly for the year 1971, now codified as Chapter 115, Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "***Act***"). The constitutionality of the Act was sustained in Durham v. McLeod, 259 S.C. 409,192 S.E. 2d 202 (1972), appeal dismissed 413 U.S. 902 (1973). The Authority was originally created in order to provide a means of making loans to students in order to enable them to attend institutions of higher learning, post-secondary business, trade or technical educational schools, and vocational and training schools that have been approved by the Authority. Such institutions may be located within or beyond the boundaries of the State.

The Authority is governed by its members who, under the Act, are the members of the State Budget and Control Board of South Carolina, *ex officio*. The Authority's mailing address is Office of State Treasurer, Post Office Box 11778, Columbia, South Carolina 29211.

As of the date hereof, the members of the Authority are as follows:

Members of the Authority

Name of Member	Office Held
The Honorable Nikki R. Haley	Governor of South Carolina
The Honorable Curtis M. Loftis, Jr.	State Treasurer of South Carolina
The Honorable Richard Eckstrom	Comptroller General of South Carolina
The Honorable Hugh K. Leatherman, Sr.	Chairman, South Carolina Senate Finance Committee
The Honorable W. Brian White	Chairman, South Carolina House of Representatives Ways and Means Committee

Student Loan Insurance Program

In May of 1978, the Authority initiated its student loan insurance program and commenced guaranteeing FFELP loans as the guarantee agency for the State under §428(c) of the Higher Education Act. In order to administer its student loan insurance program effectively, the Authority processes loans submitted for guarantee, issues loan guarantees, provides collection assistance for delinquent loans, pays claims for loans in default, collects loans on which default claims have been paid, and makes appropriate responses to the Secretary. The Authority is also responsible for initiating policy and performing compliance reviews as required by the Higher Education Act with respect to certain schools participating in the student loan insurance program. As of June 30, 2014, the outstanding principal amount of FFELP loans guaranteed by the Authority and originated and serviced by the Corporation was approximately $2.2 billion of which approximately $1.8 billion was in repayment status. The Authority has no employees of its own, but contracts with the Corporation for performance of its duties as a Guarantee Agency.

For a further description of the terms and conditions of these types of loans, see **EXHIBIT I** hereto entitled "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM**" herein.

Pursuant to the Authority's student loan insurance program, any eligible holder of a FFELP loan guaranteed by the Authority, including the Corporation in its capacity as an eligible holder, is currently entitled to reimbursement from the Authority for 100% of any proven loss incurred resulting from the following: (i) the default of a loan disbursed prior to October 1, 1993; (ii) the death or permanent and total disability of a borrower; (iii) the discharge of a loan due to false certification or closed school; (iv) the bankruptcy of the borrower; or (v) ineligible borrower claims for loans first disbursed on or after July 1, 2006. Subject to the foregoing circumstances, the Corporation is currently entitled to 98% reimbursement for loans made October 1, 1993, through June 30, 2006, and 97% reimbursement for loans made July 1, 2006, through September 30, 2012. See **EXHIBIT I** hereto entitled "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM**" herein.

The Authority must pay a lender for a defaulted FFELP loan prior to submitting a claim to the Secretary for reimbursement. The Authority's experience is that reimbursement from the Secretary occurs approximately forty-five (45) days from the time that a request is submitted for reimbursement. The Higher Education Act requires the Authority to submit a request for reimbursement by the Secretary within thirty (30) days from the date the claim is paid. Under present practice, after the Secretary reimburses the Authority for a default claim paid on a FFELP loan, the Authority must continue to seek repayment from the borrower. Following are the Authority's default and recovery rates for the federal fiscal years set forth below:

Federal Fiscal Year Ended September 30	Default Claims	Default Rate (Trigger Rate)[(1)]	Recoveries	Recovery Rate
2009	$16,691,818	0.82%	$29,426,392	29.99%
2010	24,601,037	1.11	27,412,391	25.29
2011	30,853,750	1.29	35,043,168	26.41
2012	37,169,984	1.50	58,096,381	35.28
2013	56,026,005	2.41	62,608,722	30.58

(1) Trigger Rate indicates the loan balances defaulted during a federal fiscal year divided by the loan balances in repayment at the beginning of such fiscal year. Under the Higher Education Act, as currently in effect, if a guarantee agency's Trigger Rate exceeds 5%, then the applicable percentage at which the Secretary reinsures loans guaranteed by that guarantee agency begins to decline below the otherwise applicable level.

If a payment on a FFELP loan is received after reimbursement by the Secretary, the Secretary is entitled to receive an equitable share of such payment. An equitable share is deemed to be the balance remaining after the Authority deducts an amount equal to (i) the complement of the reimbursement percentage in effect at the time of reimbursement and (ii) certain administrative costs, to the extent such costs do not exceed 19.58%. Under this formula, the Authority retains 16% of the borrower's payment and remits the balance to the Secretary. See **EXHIBIT I** hereto entitled "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM**."

Federal Student Loan Reserve Fund

The 1998 reauthorization of the Higher Education Act required each guarantee agency to establish a Federal Student Loan Reserve Fund (the "***Federal Fund***") into which all federal reserves are to be deposited and, subject to some transitional exceptions, such amounts deposited in the Federal Fund can only be used to pay lender claims on defaulted loans and to disburse default aversion fees to an agency operating fund ("***Agency Operating Fund***"). All loan processing and issuance fees, account maintenance fees, and default aversion fees paid by the Secretary as well as the unreinsured portion of default collections (after payment of the Secretary's equitable share and excluding required deposits in the Federal Fund) are required to be deposited in the Agency Operating Fund. Except for funds transferred from the Federal Fund, the Agency Operating Fund is considered to be the property of the respective guarantee agency. As of June 30, 2013, the balance in the Authority's Agency Operating Fund was $46,976,211.

The fund that the Authority established pursuant to the Act that satisfies such Federal Fund requirement is also referred to in the Act as the "State Education Assistance Authority Loan Guarantee Reserve Fund," which may be used by the Authority to remedy defaults on student or parent loans to the extent such defaulted loans are not covered by an existing or future program of federal guarantees or reinsurance. With the elimination of the FFELP, there is no source of funds for the replenishment of the Federal Fund other than reinsurance, and amounts therein have decreased from $19,522,696 as of September 30, 2010, to $8,853,826 as of June 30, 2013.

The Higher Education Act requires that the Authority charge a federal default fee for certain FFELP loans made on or after July 1, 2006, and deposit to the Federal Fund. Moneys in the Federal Fund may not be pledged to the repayment of any bonds. The liability of the Authority to guarantee student and parent loans does not constitute a pledge of the full faith and credit of the State of South Carolina, but is payable solely from moneys in the Federal Fund.

See also the discussion of the Federal Student Loan Reserve Fund in **EXHIBIT I** hereto under the heading "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM – GUARANTEE AND REINSURANCE FOR FFELP LOANS**."

A guarantee agency's reserve ratio is determined by dividing its Federal Fund balance by the original principal amount of outstanding loans it has agreed to guarantee. The following table sets forth the Authority's reserve ratio for the federal fiscal years set forth below:

Federal Fiscal Year Ended September 30	Original Principal Amount of Outstanding Loans	Federal Fund Balance	Reserve Ratio
2009	$3,856,635,107	$17,382,928	0.45%
2010	3,240,852,340	19,522,696	0.60
2011	2,877,664,529	16,280,065	0.57
2012	2,514,046,955	13,135,055	0.52
2013	2,224,154,831	9,695,404	0.44

See also the discussion of amendments to the Higher Education Act related to guarantee agency reserves in **EXHIBIT I** hereto entitled "**SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM**."

THE BACKUP SERVICING AGREEMENT

General

On or about the Issue Date, the Corporation and the Trustee will enter into an Amended and Restated Backup Third Party Servicing Agreement (the "***Backup Servicing Agreement***") with Nelnet Servicing, LLC (the "***Backup Servicer***"). In general, the Backup Servicing Agreement sets forth the terms and conditions under which all Financed Education Loans being serviced by the Corporation would be converted to servicing under the Backup Servicer's servicing system (a "***Portfolio Conversion***").

The Corporation has entered into a nonexclusive, perpetual license agreement with 5280 Solutions, LLC, an affiliate of the Backup Servicer, with respect to such affiliate's Student Loan Servicing System ("***SLSS***") platform to service Education Loans, which is also used by the Backup Servicer as its primary servicing platform for FFELP loans. In the Backup Servicing Agreement, the Corporation and the Backup Servicer agree to undertake the necessary actions to transfer servicing of the Financed Education Loans to the Backup Servicer if a Portfolio Conversion shall occur.

The Corporation will agree in the Backup Servicing Agreement that it will maintain all relevant computer and information systems to be reasonably consistent and compatible with the Backup Servicer's electronic conversion processes or exchange file formats in anticipation of a Portfolio Conversion (including, without limitation, utilizing the SLSS platform at all times to service all of the Financed Education Loans that it is responsible for servicing).

The Backup Servicer will be required, upon the request of the Corporation, to deliver a written notice to the Corporation (a) indicating all known inconsistencies and incompatibilities of the relevant computer and information systems of the Corporation that could materially and adversely affect the Backup Servicer's or Corporation's ability to perform their respective obligations under the Backup Servicing Agreement, and (b) specifying the exchange file formats, electronic conversion process, and procedures anticipated to be used by the Backup Servicer in a Portfolio Conversion.

Within thirty (30) days after (a) the end of each calendar quarter and current as of the weekend following the end of such calendar quarter, or (b) receipt of reasonable written request by the Trustee, the Corporation will be required to deliver to the Backup Servicer, to be held by the Backup Servicer in escrow, the data and document images (including images of promissory notes) from the Corporation's servicing system that are utilized by the Corporation to service the Financed Education Loans ("***Escrowed Servicing Data***"), current as of the last day of such quarter (after the initial delivery of Escrowed Servicing Data, the Corporation will not be required to deliver duplicate images of documents previously provided). The initial delivery will be for Escrowed Servicing Data as of June 30, 2014. Escrowed Servicing Data will be encrypted on magnetic media and sent to the Backup Servicer. The form and method of delivery of the Escrowed Servicing Data may be modified as may be mutually agreed upon by the Corporation and the Backup Servicer. Upon receipt of the Escrowed Servicing Data for the most recent quarter, the Backup Servicer will retain the Escrowed Servicing Data for the previous quarter and return to the Corporation any and all previous Escrowed Servicing Data. Upon the occurrence of a Servicer Transfer Trigger with respect to the entity then performing the servicing functions with respect to the Financed Education Loans (the "***Servicer***"), the Escrowed Servicing Data will be released to the Backup Servicer or any other entity as expressly authorized by the Corporation. Delivery of the Escrowed Servicing Data will cease at such time as there are no Bonds outstanding under the General Resolution or the Corporation is no longer a Servicer of Financed Education Loans.

Servicer Transfer Triggers

Under the Backup Servicing Agreement, the Backup Servicer will become the Servicer for the Financed Education Loans upon the occurrence of a "***Servicer Transfer Trigger***" as defined in the General Resolution. Under the General Resolution, a Servicer Transfer Trigger applies to any servicer for the Financed Education Loans, including the Corporation, as the current servicer, and means any of the following events:

(i) the Servicer determines that it will no longer service any Financed Education Loans and provides written notice to the Backup Servicer and other parties as required under the Backup Servicing Agreement and prompt written notice to the Trustee of the transfer of servicing pursuant to the Backup Servicing Agreement,

(ii) a material weakness regarding the applicable servicer has been identified in any Servicer Compliance Report related to that servicer and such weakness shall continue for a period of thirty (30) days after the Corporation's receipt of such report identifying such material weakness and the Holders of a majority in aggregate principal amount of the Bonds Outstanding (for purposes of this Offering Memorandum, a "***Majority of the Bondholders***") has directed the Trustee and the Corporation in writing to proceed with a transfer of servicing,

(iii) the Servicer is in a material violation of its duties under the General Resolution (including but not limited to, those duties with respect to Accepted Servicing Procedures) or under the Higher Education Act and such material violation shall continue for a period of thirty (30) days after such Servicer becomes aware of such material violation and a Majority of the Bondholders has directed the Trustee and the Corporation in writing to proceed with a transfer of servicing, or

(iv) the occurrence of any of the following events of insolvency of the Servicer: (a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of the Servicer; (b) the commencement by or against the Servicer of a case or other proceeding seeking liquidation, reorganization or other relief with respect to the Servicer for its debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for Servicer or any substantial part of its property; (c) the making by the Servicer of an assignment for the benefit of creditors; (d) the inability or failure of the Servicer to generally pay its debts as they become due or any admission by the Servicer in writing of its inability to pay its debts as they become due; (e) the declaration of a moratorium with respect to the payment of the debts of the Servicer; or (f) the initiation by the Servicer of any action in furtherance of or to authorize any of the foregoing.

"***Servicer Compliance Report***" means (i) any report generated by the Department of Education, Office of the Inspector General, specifically relating to any Servicer and (ii) a third party review of a Servicer conducted under the provisions of the Statements on Standards for Attestation Engagements No. 16, "Reports on the

Processing of Transactions by Service Organizations" or an A-133 Higher Education Act annual compliance audit, as applicable, in either case, performed annually by a firm of independent public accountants.

Under the Backup Servicing Agreement, in the event of a Servicer Transfer Trigger, the Servicer will be required to send written notice as soon as practicable after becoming aware of the same to the Trustee and the Backup Servicer. Upon the Backup Servicer's receipt of the notice, the Servicer and the Backup Servicer will be required to work together to achieve a Portfolio Conversion. Within one hundred fifty (150) days of receipt of the notice and in accordance with the schedule provided by the Backup Servicer, the Servicer will be required to have transmitted the necessary electronic files, copies, and/or records (or such other format acceptable to Backup Servicer) to the Backup Servicer to enable the Backup Servicer to convert each Financed Education Loan then serviced by the Servicer to the Backup Servicer's system for servicing. The Backup Servicer will be under no obligation to convert such Financed Education Loans for servicing prior to one hundred fifty (150) days after the Backup Servicer's receipt of the notice; however, the Corporation will be required to conduct the transmission of the electronic files and records within a shorter period of time upon request of the Backup Servicer, with such shorter period of time not to be less than thirty (30) days of receipt of notice of a Servicer Transfer Trigger. The Backup Servicer will be required to notify the Corporation and the Trustee that the Portfolio Conversion has been completed within two (2) Business Days after such completion. The Servicer will be responsible for the continued servicing of the Financed Education Loans until the Portfolio Conversion shall have been completed. The Backup Servicer will have no obligations with respect to any Education Loans at any time prior to conversion of such Education Loans to the Backup Servicer's system for servicing, other than to remain prepared to convert the Financed Education Loans to the Backup Servicer's system for servicing by the Backup Servicer. A Portfolio Conversion will not necessarily include delivery of all records relating to the Financed Education Loans, to the extent such records are not required for completion of the Portfolio Conversion.

In September of 2010, the Corporation and Nelnet Servicing, LLC successfully completed a transfer of servicing for over 126,000 FFELP loans being sold by the Corporation to the Department of Education. Such transfer was complete within three (3) weeks of the start of the process. There is no guarantee, however, that any future transfer will occur as quickly.

Although the Corporation and the Backup Servicer have one hundred and fifty (150) days to make the above-described transfer, the time for the Backup Servicer to begin servicing the Financed Education Loans may be in excess of one hundred and eighty (180) days from the initial occurrence of the events described above due to various cure periods and notice requirements in the General Resolution and the Backup Servicing Agreement.

Term of Backup Servicing Agreement

General. The Backup Servicing Agreement has an initial term of five (5) years; provided that the term will extend for successive one (1) year periods, unless, prior to receipt of a notice of a Servicer Transfer Trigger, any party thereto notifies the other parties of its intent to terminate the agreement by written notice provided to such other parties at least ninety (90) days prior to the next scheduled termination date. The term of the Backup Servicing Agreement will automatically extend, without any further act of the parties, until the payment in full of all the Financed Education Loans that have been the subject of a Portfolio Conversion. The Backup Servicer will agree that the servicing of the Financed Education Loans after the Portfolio Conversion will be serviced in accordance with the FFELP Servicing Standards for the amount set forth on the Fee Schedule until such time as all of the Financed Education Loans subject to a Portfolio Conversion are paid in full.

Termination by the Corporation. The Backup Servicing Agreement may be terminated at the option of the Corporation upon the occurrence of any of the following (each a "***Backup Servicer Termination Event***"):

(i) The Backup Servicer shall fail to perform or observe any of the material provisions or covenants of the Backup Servicing Agreement and such failure shall materially and adversely affect the Corporation's ability to perform its obligations thereunder;

(ii) If the Backup Servicer (a) shall discontinue business, **or** (b) generally shall not pay its debts as such debts shall become due, **or** (c) shall make a general assignment for the benefit of creditors, **or** (d) shall admit by answer, default, or otherwise the material allegations of petitions filed against it in any bankruptcy, reorganization, insolvency, or other proceedings (whether federal or state) relating to relief of debtors, **or** (e) shall suffer or permit to continue unstayed and in effect for thirty (30) consecutive days, any

judgment, decree, or order, entered by a court of competent jurisdiction, that approves a petition seeking its reorganization or appoints a receiver, custodian, trustee, interim trustee, or liquidator for itself or all or a substantial part of its assets or shall take or omit any action in order thereby to affect any of the foregoing;

(iii) The occurrence of an event or a change in circumstances that would have a material adverse effect on the ability of the Backup Servicer to perform its obligations under Backup Servicing Agreement;

(iv) The Backup Servicer shall fail to remain eligible to service FFELP loans under the Higher Education Act, the related regulations, any applicable state and federal law, or the terms and conditions of Backup Servicing Agreement; or

(v) The Corporation shall terminate the Backup Servicing Agreement in accordance with the provisions thereof described under "*General*" above.

In the event of the occurrence of an event set forth in (i) or (iii) above, the Backup Servicer will have the right to cure any such breach or error to the full satisfaction of the Corporation or the Trustee within sixty (60) days of the earlier of (i) receipt by the Backup Servicer of written notice of such breach or error or (ii) actual discovery of such breach or error by Backup Servicer.

Upon the occurrence of a Backup Servicer Termination Event, the Corporation will have the right, in its discretion, to direct the Backup Servicer to convert the Financed Education Loans to another backup servicer's system in a commercially reasonable manner. The cost of this conversion will be required to be borne by the Backup Servicer.

Termination by the Backup Servicer. The Backup Servicing Agreement may be terminated at the option of the Backup Servicer upon the occurrence of any of the following (each, a "***Termination Event***"):

(i) The Corporation shall fail to perform or observe any of the material provisions or covenants of the Backup Servicing Agreement and such failure shall materially and adversely affect the Backup Servicer's ability to perform its obligations thereunder;

(ii) The Backup Servicer shall determine that it is no longer able to perform its obligations as a backup third party servicer and shall give one hundred eighty (180) days' written notice to the Corporation and the Trustee;

(iii) The Corporation shall discontinue utilizing the SLSS platform or another reasonably compatible system, as set forth in the Backup Servicing Agreement; or

(iv) The Backup Servicer shall terminate the Backup Servicing Agreement in accordance with the provisions thereof described under "*General*" or "*Failure to Pay for Backup Servicer's Services*" above.

In the event of the occurrence of an event set forth in (i) above, the Corporation shall have the right to cure any such breach or error to the Backup Servicer's full satisfaction within sixty (60) days of written notice of such breach or error. In the event such breach shall not be cured within the cure period, the Backup Servicer will be permitted to terminate the Backup Servicing Agreement.

Upon the occurrence of a Termination Event, the Corporation will have the right, in its discretion, to direct the Backup Servicer to convert the Financed Education Loans to another backup servicer's system in a commercially reasonable manner. The cost of this conversion will be required to be borne by the Corporation.

Payment of the 2014 Bonds and/or the Financed Education Loans. The Backup Servicing Agreement will also terminate upon the payment of the 2014 Bonds in full and the satisfaction of the General Resolution. Notwithstanding the foregoing, the provisions of the Backup Servicing Agreement relating to Financed Education Loans subject to a Portfolio Conversion will remain in effect until such Financed Education Loans are paid in full, unless otherwise terminated as described in "*Termination by the Corporation*" or "*Termination by the Backup Servicer*" above.

Backup Servicer's Limited Liability

If Backup Servicer shall take or fail to take any action in connection with servicing the Financed Education Loans (whether or not such action or inaction amounts to negligence) that causes any Financed Education Loan to be denied the benefit of any applicable interest subsidy payment, special allowance payment, or guarantee, the Backup Servicer will be permitted a reasonable time to cause such benefits to be reinstated. If such benefits shall not be reinstated within twelve (12) months of such denial, the Backup Servicer will be obligated to purchase the applicable Financed Education Loans at an amount equal to the amount the guarantee agency would otherwise have paid but for the Backup Servicer's error or omission.

The Trustee's and the Corporation's remedies for breach of the Backup Servicing Agreement by the Backup Servicer will be limited as described in the immediately preceding paragraph. In no event will the Backup Servicer be liable under any theory of tort, contract, strict liability, or other legal or equitable theory for any lost profits or exemplary, punitive, special, incidental, indirect or consequential damages, each of which is excluded regardless of whether or not the Backup Servicer has been advised of the possibility of such damages. Any action for the breach of any provisions of the Backup Servicing Agreement will be required to be commenced within one (1) year after the Financed Education Loans leave the Backup Servicer's servicing system.

Notwithstanding the foregoing, if either party is rendered unable, in whole or in part, by a force not reasonably within the control of that party (including acts of God, acts of war, riots, insurrections, illegality of performance, strikes, or other industrial disturbances, breakage, or accident to machinery or equipment, fires, earthquakes, hurricanes, floods, and other disasters) to satisfy its obligations under the Backup Servicing Agreement, such party will not be deemed to have breached any such obligation upon delivery of written notice of such event to the other party hereto, for so long as such party remains unable to perform such obligation as a result of such event.

THE TRUSTEE

The following information has been furnished by the Trustee for use in this Offering Memorandum. The Corporation does not guarantee or make any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of the Trustee subsequent to the date hereof. Wells Fargo Bank, National Association is a national banking association and a wholly-owned subsidiary of Wells Fargo & Company. Its corporate trust office is located at 625 Marquette Avenue, Minneapolis, Minnesota 55402, Attention: Asset Backed Securities Department. A diversified financial services company, Wells Fargo & Company provides banking, insurance, trust, mortgage, and consumer finance services throughout the United States and internationally. Wells Fargo Bank, National Association provides retail and commercial banking services and corporate trust, custody, securities lending, securities transfer, cash management, investment management, and other financial and fiduciary services. Wells Fargo Bank, National Association has provided corporate trust services since 1934.

On June 18, 2014, a group of institutional investors filed a civil complaint in the Supreme Court of the State of New York, New York County, against Wells Fargo Bank, N.A., in its capacity as trustee under 276 residential mortgage backed securities (for purposes of this heading, "***RMBS***") trusts. The complaint is one of six similar complaints filed contemporaneously against RMBS trustees (Deutsche Bank, Citibank, HSBC, Bank of New York Mellon, and US Bank) by certain of the institutional investor plaintiffs. The complaint against Wells Fargo Bank, N.A. alleges the trustee caused losses to investors and asserts causes of action based upon, among other things, the trustee's purported failure to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties concerning loan quality, failure to notify securityholders of purported events of default allegedly caused by breaches by mortgage loan servicers and purported failure to abide by appropriate standards of care following events of default. Relief sought includes money damages in an unspecified amount, reimbursement of certain expenses and equitable relief. Other cases alleging similar causes of action have previously been filed against Wells Fargo Bank, N.A. and other trustees by RMBS investors in other transactions.

There can be no assurances as to the outcome of the litigation, or the possible impact of the litigation on the trustee or the RMBS trusts. However, Wells Fargo Bank, N.A. denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors and that it has meritorious defenses, and it intends to contest the plaintiffs' claims vigorously.

ACCOUNTING CONSIDERATIONS

Various factors may influence the accounting treatment application to an investor's acquisition and holding of securities such as the 2014 Bonds. Accounting standards, and the application and interpretation of such standards, are subject to change from time to time. Before making an investment in the 2014 Bonds, potential investors are strongly encouraged to consult their own accountants for advice as to the appropriate accounting treatment for the 2014 Bonds.

REPORTS TO BONDHOLDERS

The Corporation will post its Periodic Reporting Certificates on its website (www.scstudentloan.org/investor) on or prior to the fifth (5^{th}) Business Day of each month, commencing on October 7, 2014. The Periodic Reporting Certificates will be dated as of the immediately preceding Distribution Date and contain the information described below.

All of the Periodic Reporting Certificates posted by the Corporation will be required to contain or incorporate by reference loan data for Financed Education Loans and contain, at a minimum: summary information about the Financed Education Loans, the Outstanding principal balances of the 2014 Bonds, the interest rates on the 2014 Bonds, the principal and interest to be paid to Bondholders on such Distribution Date, funds reconciliation and activity, waterfall transfers and interest rates on the 2014 Bonds for the upcoming month. Additionally, the Periodic Reporting Certificates filed in March, June, September, and December will also include the following information: loan type distribution, loan status distribution, school type distribution, delinquency distribution, collection activity on the Financed Education Loans, CPR prepayment experience of the Financed Education Loans, the Pool Balance, defaults, recoveries, gross and net rejects and the parity percentages.

The Corporation will also cause the Servicer to provide it with its Servicer Compliance Report, and the Corporation will, within three (3) Business Days of receipt thereof, and make such Servicer Compliance Report available on the Corporation's website (www.scstudentloan.org) to all Beneficial Owners at no cost to the Beneficial Owners.

Loan-level data relating to the Financed Education Loans, including all material loan characteristics, in a format acceptable to the Corporation and the Servicer will be made available to all Beneficial Owners quarterly upon email request directed to the Corporation.

Within one hundred twenty (120) days from the end of each fiscal year of the Corporation, the Corporation will post its annual audited financial statements on the website of the Corporation.

ERISA CONSIDERATIONS

General

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***"). §4975 of the Code imposes substantially similar prohibited transaction restrictions on certain employee benefit plans, including tax-qualified retirement plans described in §401(a) of the Code ("***Qualified Retirement Plans***") and on individual retirement accounts and annuities described in §§408(a) and (b) of the Code ("***IRAs***," collectively, with Qualified Retirement Plans, "***Tax-Favored Plans***"). Certain employee benefit plans, such as governmental plans (as defined in §3(32) of ERISA), and, if no election has been made under §410(d) of the Code, church plans (as defined in §3(33) of ERISA) ("***Non-ERISA Plans***"), are not subject to the requirements set forth in ERISA or the prohibited transaction restrictions under §4975 of the Code. Accordingly, the assets of such Non-ERISA Plans may be invested in the 2014 Bonds without regard to the ERISA or Code considerations described below, provided that such investment is not otherwise subject to the provisions of other applicable federal and state law ("***Similar Laws***"). Any governmental plan or church plan that is qualified under §401(a) and exempt from taxation under §501(a) of the Code is, nevertheless, subject to the prohibited transaction rules set forth in §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, §406 of ERISA and §4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans ("***Plan***" or 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 §502(i) of ERISA or §4975 of the Code unless a statutory, class or administrative exemption is available. §502(l) of ERISA requires the Secretary of the 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 §408(e) of the Code, the IRA will 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 Corporation. Certain transactions involving the purchase, holding or transfer of the 2014 Bonds may be deemed to constitute prohibited transactions if assets of the Corporation are deemed to be assets of a Plan. These concepts are discussed in greater detail below.

Plan Assets Regulation

The DOL has promulgated a regulation set forth at 29 C.F.R. §2510.3-101 (the "***Plan Assets Regulation***") concerning whether or not the assets of an ERISA Plan would be deemed to include an interest in the underlying assets of an entity (such as the Corporation) for purposes of the general fiduciary responsibility provisions of ERISA and for the prohibited transaction provisions of ERISA and §4975 of the Code, when a Plan acquires an "equity interest" in such entity. 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 Corporation) in which it holds an equity interest or merely to include its interest in the instrument evidencing such "equity interest." For purposes of this heading, the terms "plan assets" ("***Plan Assets***") and the "assets of a Plan" have the meaning specified in the Plan Asset Regulation 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 Corporation would be treated as Plan Assets if a Plan acquires an "equity interest" in the Corporation and none of the exceptions contained in the Plan Assets Regulation are 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. While not free from doubt, on the basis of the 2014 Bonds as described herein, it appears that the 2014 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation.

Significant Participation Exception

In the event that the 2014 Bonds 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 twenty-five percent (25%) or more of the value of any class of equity interests in such entity, as calculated under §3(42) of ERISA and the Plan Assets Regulation.

Because the availability of this exception depends upon the identity of the U.S. Holders of the 2014 Bonds at any time, there can be no assurance that the 2014 Bonds will qualify for this exception and that the Corporation'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 the 2014 Bonds in reliance upon the availability of this exception under the Plan Assets Regulation.

Prohibited Transactions

The acquisition or holding of the 2014 Bonds by or on behalf of a Plan could give rise to a prohibited transaction if the Corporation or any of its respective affiliates is or becomes a Party in Interest or Disqualified Person with respect to such Plan, or in the event that a 2014 Bond 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

Corporation or any of its respective affiliates will not be or become a Party in Interest or a Disqualified Person with respect to a Plan that acquires the 2014 Bonds.

The Underwriter, the Trustee, the Corporation, 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 2014 Bonds, the acquisition of the 2014 Bonds 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 §4975 of the Code. Accordingly, the 2014 Bonds may not be acquired using the assets of any Plan if any of the Underwriter, the Trustee, the Corporation, or their affiliates have investment authority for those assets, or is an employer maintaining or contributing to the plan, unless an applicable prohibited transaction exemption is available to cover such acquisition.

Prohibited Transaction Exemptions

Any such prohibited transaction could be treated as exempt under ERISA and the Code if the 2014 Bonds 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***") 75-1 (an exemption for certain transactions involving employee benefit plans and broker dealers, reporting dealers and banks), 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).

Purchaser's/Transferee's Representations and Warranties

Each U.S. Holder of a 2014 Bond (including a Plan's fiduciary, as applicable) shall be deemed to represent and warrant that (i) it is not a Plan and is not acquiring the 2014 Bond directly or indirectly for, or on behalf of, a Plan or with Plan Assets, Plan Asset Entity or any entity whose underlying assets are deemed to be plan assets of such Plan or (ii) the acquisition and holding of 2014 Bonds 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 §406 of ERISA or §4975 of the Code or similar law and will not subject the Corporation or Dealer-Manager 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 the 2014 Bonds on behalf of or with Plan Assets of any Plan or Plan Asset Entity, and any insurance company that proposes to acquire or hold the 2014 Bonds, should consult with its counsel with respect to the potential applicability of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of §406 of ERISA and §4975 of the Code with respect to the proposed investment and the availability of any prohibited transaction exemption. A fiduciary with respect to a Non-ERISA Plan which is a "qualified retirement plan" that proposes to acquire or hold the 2014 Bonds should consult with counsel with respect to the applicable federal, state, and local laws.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

This summary is included for general information only and may not be applicable depending on a Holder's particular situation. Holders are strongly urged to consult their tax advisor as to the specific tax consequences to them of the ownership of the 2014 Bonds, including the applicability and effect of federal, state, local, and foreign income and other tax laws in their particular circumstances.

The following is a summary of certain United States federal income tax consequences resulting from the ownership and disposition of the 2014 Bonds, for the Holders described below. This summary does not consider all the possible United States federal income tax consequences of the ownership or disposition of the 2014 Bonds, and is not intended to reflect the particular tax situation of any Beneficial Owner. Moreover, this summary addresses only Holders who acquire the 2014 Bonds and who hold the 2014 Bonds as capital assets within the meaning of

§1221 of the Code. It does not address Holders that may be subject to special tax rules, including, but not limited to financial institutions, insurance companies, dealers in securities or currencies, tax-exempt entities, persons who hold the 2014 Bonds as a part of a straddle, conversion or integrated transaction, and persons that have a "functional currency" other than the U.S. dollar.

This summary is based upon the United States federal tax laws and Treasury regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or the interpretations of tax laws, any of which may be applied retroactively. The Corporation has not sought any ruling from the Internal Revenue Service with respect to statements made and conclusions reached in this discussion, and there can be no assurance that the Internal Revenue Service will agree with these statements and conclusions. This summary does not discuss the tax laws of any state, local or foreign governments.

As used herein, the term "***U.S. Holder***" means a Beneficial Owner of the 2014 Bonds that is for United States federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, including an entity taxable as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States or any state thereof (including, the District of Columbia); (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or (iv) a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

The tax treatment of a partner in a partnership (including an entity treated as a partnership for United States federal income tax purposes) will generally depend upon the status of the partner and the activities of the partnership. A beneficial owner that is a partnership and partners in such a partnership should consult their tax advisors about the United States federal income tax consequences of the ownership and disposition of the 2014 Bonds.

The purchasers of the 2014 Bonds are expected to be to U.S. Holders and the remainder of this discussion assumes that the sole Holders of the 2014 Bonds will be U.S. Holders.

Tax Characterization of the Corporation, the 2014 Bonds and the Trust Created by the Resolution

Characterization of the Corporation. The Corporation has been determined by the Internal Revenue Service to be an organization exempt from tax under §501(c)(3) of the Code. The Corporation is listed in the July 14, 2014, update of Exempt Organizations Select Check which is the electronic successor to Internal Revenue Service Publication 78, Cumulative List of Organizations described in §170(c) of the Code. The Corporation believes that it has not taken any action or omitted to take an action that would result in the Internal Revenue Service revoking the Corporation's status as an organization described in §501(c)(3) of the Code. The Corporation has determined that it will not have unrelated business taxable income with respect to the student loans that are part of the trust estate created by the Resolution. It is possible that the Internal Revenue Service and the courts may disagree with such determinations.

Characterization of the 2014 Bonds as Debt. Although there is no authority directly on point, the 2014 Bonds should be treated as debt for federal income tax purposes, rather than as an interest in the student loans and other assets of the trust estate created under the Resolution. This determination is based on the representations, warranties and covenants set forth in the Resolution and upon an assumption that the terms of the Resolution will be complied with, that the terms and characteristics of the 2014 Bonds will be as described in this Offering Memorandum and that the financial information and projections set forth in this Offering Memorandum are accurate and complete in all material respects. The determination that the 2014 Bonds constitute debt for federal income tax purposes will also be based upon certain representations and certifications of the Corporation, relating to certain factual matters, including, but not limited to, a management expected case cash flows. The determination that the 2014 Bonds constitute debt for federal income tax purposes will not be binding on the courts or the Internal Revenue Service. There is no assurance that the Internal Revenue Service will not assert a contrary position or that a court would not agree with such contrary position. The Corporation will treat the 2014 Bonds as debt for all federal income tax purposes. The U.S. Holders by acceptance of the 2014 Bonds agree to treat the 2014 Bonds as debt for federal income tax purposes and to take no action inconsistent with that treatment.

In general, the characterization of a transaction as a sale of property or a secured loan, for federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction,

rather than its form or the manner in which it is characterized for state law or other purposes. While the Internal Revenue Service and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured indebtedness, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form. The Corporation believes that it has retained the preponderance of the primary benefits and burdens associated with ownership of the Financed Education Loans and that as a result, the Corporation should be treated as the owner of the Financed Education Loans for federal income tax purposes. If, however, the Internal Revenue Service were successfully to assert that this transaction should be treated as a sale of the Financed Education Loans, the Internal Revenue Service could further assert that the trust estate created pursuant to the Resolution, as the owner of the Financed Education Loans for federal income tax purposes, should be deemed engaged in a business and, therefore, characterized as a publicly traded partnership taxable as a corporation. See discussion under heading "*Tax Characterization of the Trust Estate Created by Resolution*" below.

The Corporation has not requested, nor does the Corporation intend to request, a ruling from the Internal Revenue Service regarding the characterization of the 2014 Bonds. The Internal Revenue Service could assert that, for federal income tax purposes, the issuance of the 2014 Bonds contemplated by this Offering Memorandum constitutes a sale of the assets comprising the trust estate (or an interest therein) to the U.S. Holders of the 2014 Bonds or that the relationship which will result from the issuance of 2014 Bonds is that of a partnership between Corporation and the U.S. Holders of the 2014 Bonds or as an equity interest in the Corporation. U.S. Holders should consult their own tax advisors regarding the tax consequences to them if the 2014 Bonds are held to constitute interests in the assets comprising the trust estate or partnership interests, including material adverse effects to U.S. Holders who are tax-exempt persons.

Except as noted herein, the remainder of this discussion assumes that the 2014 Bonds will be treated as debt for federal income tax purposes.

Tax Characterization of the Trust Estate Created by the Resolution. The Corporation is treating the trust estate created by the Resolution as assets of the Corporation and the 2014 Bonds as debt of the Corporation. If the 2014 Bonds are not treated as debt of the Corporation for federal income tax purposes, the Corporation intends to treat the trust estate created under the Resolution as a partnership, and not as an association taxable as a corporation. If the trust estate is deemed to be a partnership for federal income tax purposes, the Corporation intends to take the position that the trust estate is not treated as a publicly traded partnership by reason of §7704(c) of the Code (dealing with the exemption for partnerships with passive-type income). The foregoing exemption does not apply to passive income derived by certain financial companies. If this position is upheld, the resulting partnership would not be subject to federal income tax. Rather, the Corporation and each U.S. Holder of the 2014 Bonds would be taxed individually on their respective distributive shares of the partnership's income, gain, loss, deductions and credits, regardless of any cash distributions on the 2014 Bonds. If the Internal Revenue Service holds that the 2014 Bonds constitute partnership interests, or interests in the assets comprising the trust estate, rather than debt, the amount and timing of items of income and deduction of U.S. Holders of the 2014 Bonds could differ materially from the tax consequences set forth in the following summary and U.S. Holders (especially tax-exempt entities) may suffer adverse consequences in such event. Further, such entity could be treated as a corporation and subject to entity level tax.

The Corporation has not requested, nor does it intend to request a ruling from the Internal Revenue Service regarding the classification of the trust estate created by the Resolution for federal income tax purposes. If the Internal Revenue Service were to successfully assert that the trust estate created by the Resolution was properly classified as an association, or a publicly traded partnership, taxable as a corporation, that entity would be subject to United States federal income tax on the income derived from the Financed Education Loans which could materially reduce cash available to make payments on the 2014 Bonds. Cash payments to the U.S. Holders of the 2014 Bonds treated as equity owners generally would be treated as dividends for tax purposes to the extent of such corporation's accumulated and current earnings and profits. A similar result would apply if the U.S. Holders of the 2014 Bonds were deemed to have acquired stock or other equity interests in the Corporation.

Purchase of 2014 Bonds

Acquisition of 2014 Bonds from the Underwriter. A U.S. Holder that acquires the 2014 Bonds from the Underwriter will have a tax basis in the 2014 Bonds generally equal to the amount the U.S. Holder paid for the 2014 Bonds reduced by any payments on the 2014 Bonds that are not payments of stated interest, increased by any original issue discount included in the U.S. Holder's income with respect to the 2014 Bonds, and reduced by any premium the U.S. Holder elected to amortize during its holding period.

Tax Consequences of Ownership of the 2014 Bonds.

Treatment as Variable Rate Debt Instruments. The Corporation intends to treat the 2014 Bonds as variable rate debt instruments governed by §1.1275-5 of the Treasury regulations (the "***VRDI Regulations***").

The Corporation's determination that the 2014 Bonds will be treated as variable rate debt instruments is binding on all U.S. Holders unless a U.S. Holder expressly discloses its differing position in a statement attached to its timely filed United States federal income tax return for the taxable year during which the 2014 Bonds were acquired. The Corporation's determination is not, however, binding on the Internal Revenue Service, and it is possible that the Internal Revenue Service could assert a contrary position.

If the 2014 Bonds were treated as contingent payment debt instruments, the timing, amount and character of income recognized may be materially different from the consequences described below. U.S. Holders should consult their own tax advisor regarding the tax consequences that would apply if the 2014 Bonds were treated as contingent payment debt instruments. The remainder of this discussion assumes that the 2014 Bonds will be treated as variable rate debt instruments.

2014 Bonds—Stated Interest. Stated interest on the 2014 Bonds will constitute qualified stated interest under the VRDI Regulations, and will generally be taxable as ordinary income at the time it is paid or accrued, in accordance with the U.S. Holder's usual method of accounting for tax purposes.

*Issue Price and Original Issue Discount ("**OID**")*. Stated interest other than qualified stated interest must be accrued under the rules applicable to OID. Qualified stated interest must be unconditionally payable at least annually. Unless otherwise stated herein, the discussion below assumes that all payments on the 2014 Bonds are denominated in U.S. Dollars, and that the interest formula for the 2014 Bonds meets the requirements for "qualified stated interest" under Treasury regulations relating to OID, except as described below.

A 2014 Bond will be treated as issued with OID if the excess of the 2014 Bond's "stated redemption price at maturity" over its issue price equals or exceeds a *de minimis* amount equal to 0.25% of the 2014 Bond's stated redemption price at maturity multiplied by the number of years to its maturity, based on the anticipated weighted average life of the 2014 Bonds, calculated using the "prepayment assumption," if any, used in pricing the 2014 Bonds and weighing 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 2014 Bonds should be the first price at which a substantial amount of the 2014 Bonds is sold to persons other than placement agents, underwriters, brokers or wholesalers. The stated redemption price at maturity of a 2014 Bond is generally equal to all payments on a 2014 Bond other than payments of "qualified stated interest." Assuming that interest is qualified stated interest, the stated redemption price is generally expected to equal the principal amount of the 2014 Bond. Any *de minimis* OID must be included in income as principal payments are received on the 2014 Bonds in the proportion that each such payment bears to the original principal balance of the 2014 Bonds. The treatment of the resulting gain is subject to the general rules discussed under "*Sale, Redemption, Exchange or Other Taxable Disposition*" below.

If the 2014 Bonds are 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 a 2014 Bond for each day during the taxable year or portion of the taxable year in which the U.S. Holder holds the 2014 Bond. Special provisions apply to debt instruments on which payments may be accelerated due to prepayments of other obligations securing those debt instruments. Under these provisions, the computation of OID on such debt instruments must be determined by taking into account both the prepayment assumption, if any, used in pricing the debt instrument and the actual prepayment experience. As a result of these special provisions, the amount of OID on the 2014 Bonds issued with

OID that will accrue in any given accrual period may either increase or decrease depending upon the actual prepayment rate.

The rules regarding OID are complex and the rules described above may not apply in all cases. Accordingly, U.S. Holders should consult their own tax advisors regarding their application. The Trustee will not be responsible for the preparation or delivery of any information required by the applicable Treasury Regulations with respect to any OID accruing on the 2014 Bonds.

Market Discount. If a U.S. Holder that purchases a 2014 Bond from the Underwriter at a price that is less than the issue price of such 2014 Bond, such U.S. Holder will be treated as having purchase such 2014 Bond at a "market discount," unless the amount of such market discount is less than a specified *de minimis* amount. For purposes of the *de minimis* test referenced in the preceding sentence, market discount is less than a specified *de minimis* amount (and treated as zero) if (a) with respect to a 2014 Bond issued with OID, the difference between the purchase and the issue price of such 2014 Bond is less than 0.25% of the issue price of such 2014 Bond multiplied by the weighted average maturity of such 2014 Bond (b) with respect to a 2014 Bond issued without OID, the difference between the purchase price and the stated redemption price and the stated redemption price at maturity of such 2014 Bond is less than 0.25% of the stated redemption price at maturity of such 2014 Bond multiplied by the weighted average maturity of such 2014 Bond.

In general terms, market discount is treated as accruing ratably over the term of the bond, or, at the election of the U.S. Holder, under a constant yield method. A U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis). Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent to the Internal Revenue Service. In general, the market discount rules treat principal payments and gain on the disposition of a debt instrument as ordinary income to the extent of the accrued market discount.

Premium. A U.S. Holder that purchases a 2014 Bond from the Underwriter at a cost greater than its remaining redemption amount (generally, the total of all future payments to be made with respect to such bond other than payments of qualified stated interest) will be considered to have purchased such bond at a premium and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of such bond. Such election, once made, generally applies to all bonds held or subsequently acquired by the U.S. Holder on or after the first taxable year to which the election applies and may not be revoked without consent of the Internal Revenue Service.

Sale, Redemption, Exchange or Other Taxable Disposition. A U.S. Holder generally will recognize gain or loss on the sale, exchange or retirement of the 2014 Bonds equal to the difference between the amount realized on the sale or retirement and the U.S. Holder's adjusted tax basis in the 2014 Bonds. Amounts attributable to accrued interest will be taxable as interest at ordinary income rates.

Except to the extent attributable to accrued interest not previously included in income, and subject to the market discount rules discussed under the heading "*Market Discount*" above, gain or loss recognized on the sale, exchange or retirement of the 2014 Bonds will be capital gain or loss and will be long-term capital gain or loss if the holding period of the 2014 Bonds is more than one year. Under current United States federal income tax law, net long-term capital gains of non-corporate U.S. Holders (including individuals) are eligible for taxation at preferential rates. The deductibility of capital losses is subject to certain limitations.

Medicare Tax on Unearned Income. For taxable years beginning after December 31, 2012, certain non-corporate U.S. Holders will be subject to a 3.8% tax, in addition to regular tax on income and gains, on some or all of their "net investment income" which would generally include interest and OID realized on the 2014 Bonds and the net gain from the sale, exchange, redemption, retirement or other taxable disposition of the 2014 Bonds, less certain deductions. U.S. Holders should consult their own tax advisors regarding the applicability of this tax.

Information Reporting and Back-up Withholding

For each calendar year in which the 2014 Bonds are outstanding, the Corporation is required to provide the Internal Revenue Service with information regarding the U.S. Holder, including the Holder's name, address and taxpayer identification number, the aggregate amount of principal and interest paid to that U.S. Holder during the

calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to some U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts and individual retirement accounts.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under reports its tax liability, each payment of interest and principal on the 2014 Bonds may be subject to backup withholding tax at the rates specified in the Code. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the Holder furnishes the required information to the Internal Revenue Service.

Payment of the proceeds from a sale of 2014 Bonds through a broker is subject to information reporting and backup withholding unless the U.S. Holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a U.S. Holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the acquisition, ownership and disposition of the 2014 Bonds, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in federal or other tax laws.

Tax Disclaimer

THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATION IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE, NOR DOES IT PURPORT TO CONTAIN OR DISCUSS ALL OF THE TAX MATTERS THAT SHOULD BE CONSIDERED BY A PROSPECTIVE INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR FEDERAL, STATE, LOCAL, OR FOREIGN TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF THE 2014 BONDS, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGES IN APPLICABLE LAWS AND THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

STATE TAX CONSIDERATIONS

In addition to the federal income tax consequences described under the heading "**CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES**" herein, potential U.S. Holders of the 2014 Bonds should consider the state income tax consequences of the acquisition, ownership, and disposition of the 2014 Bonds. State income tax law may differ substantially from the corresponding federal law, and this discussion does not describe any aspect of the income tax laws of any state. We strongly encourage you to consult your own tax advisors with respect to the various state tax consequences of the acquisition, ownership and disposition of the 2014 Bonds.

COMPLIANCE WITH FOREIGN ACCOUNT TAX COMPLIANCE ACT

BY PURCHASING THE 2014 BONDS AND BECOMING A BENEFICIAL OWNER, EACH BENEFICIAL OWNER AGREES TO COLLECT AND PROVIDE THE BONDHOLDER TAX IDENTIFICATION INFORMATION AND BONDHOLDER FATCA INFORMATION (BOTH AS DEFINED AND DESCRIBED HEREIN) TO THE TRUSTEE UPON REQUEST. EACH BENEFICIAL OWNER OF A 2014 BOND OR AN INTEREST THEREIN, BY ACCEPTANCEOF SUCH 2014 BOND OR SUCH INTEREST IN SUCH 2014 BOND, WILL BE DEEMED TO HAVE AGREED TO PROVIDE SUCH INFORMATION TO THE TRUSTEE. IN ADDITION, EACH BENEFICIAL OWNER OF A 2014 BOND WILL BE DEEMED TO UNDERSTAND THAT THE TRUSTEE HAS THE RIGHT TO WITHHOLD INTEREST PAYABLE WITH RESPECT TO THE 2014 BOND (WITHOUT ANY CORRESPONDING GROSS UP) ON ANY BENEFICIAL OWNER OF AN INTERESTIN A 2014 BOND THAT FAILS TO COMPLY WITH THESE PROVISIONS.

PLAN OF DISTRIBUTION

The Underwriter shown on the cover page hereof (the "***Underwriter***") has agreed, subject to certain conditions set forth in a Bond Purchase Agreement (the "***Bond Purchase Agreement***") with the Corporation, to

purchase the 2014 Series A-1 Bonds at a price equal to $326,688,000.00 (being $328,000,000.00, the principal amount thereof, less $1,312,000.00 of Underwriter's discount), to purchase the 2014 Series A-2 Bonds at a price equal to $99,628,373.55 (being $100,500,000.00, the principal amount thereof, less $469,626.45 of original issue discount and $402,000.00 of Underwriter's discount), and to purchase the 2014 Subordinate Bonds at a price equal to $68,493,658.90 (being $73,000,000.00, the principal amount thereof, less $4,214,341.10 of original issue discount and $292,000.00 of Underwriter's discount). The Underwriter is committed to take and pay for all of the 2014 Bonds if any are taken.

The 2014 Bonds are being offered for sale to the public at the prices shown on the cover page hereof. The Underwriter reserves the right to lower such initial offering prices as it deems necessary in connection with the marketing of the 2014 Bonds. The Underwriter may offer and sell the 2014 Bonds to certain dealers (including dealers depositing the 2014 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices shown on the cover page hereof. The Underwriter reserves the right to join with dealers and other underwriters in offering the 2014 Bonds to the public. The obligation of the Underwriter to accept delivery of the 2014 Bonds is subject to the terms and conditions set forth in the Bond Purchase Agreement, the approval of legal matters by counsel, and other conditions. The Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the 2014 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Corporation, for which they received or will receive customary fees and expenses.

The Corporation intends to use a portion of the proceeds of the 2014 Bonds to pay Targeted Amortization Payments due with respect to the Prior Bonds. To the extent the Underwriter or an affiliate thereof is an owner of Prior Bonds, the Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the 2014 Bonds contemplated herein in connection with the payment of such Targeted Amortization Payments by the Corporation.

In the ordinary course of its various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) 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 securities and instruments of the Corporation.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color, or trading ideas and/or publish or express independent research views in respect of such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

The Underwriter or its affiliates may retain a material percentage of the 2014 Bonds for their own accounts. The retained 2014 Bonds may be resold by the Underwriter or such affiliate at any time in one or more negotiated transactions at varying prices to be determined at the time of sale.

No action has been or will be taken by the Corporation or the Underwriter that would permit a public offering of the 2014 Bonds in any country or jurisdiction other than in the United States, where action for that purpose is required. Accordingly, the 2014 Bonds may not be offered or sold, directly or indirectly, and neither this Offering Memorandum, nor any circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements presented in this Offering Memorandum constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary materially from such expectations. Investors should not place undue reliance on those forward-looking statements. When used in this

Offering Memorandum, the words "estimate," "intend," "expect," "assume," and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, prospective investors in the 2014 Bonds should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material. Please review the factors described in this Offering Memorandum under "**RISK FACTORS – Experience May Vary from Assumptions**" which could cause the actual results to differ from expectations.

RATINGS

It is a condition precedent to the issuance of the 2014 Bonds that the Corporation obtain a confirmation of ratings on the Prior Bonds. The Corporation has applied for ratings of the 2014 Bonds by Moody's Investors Service, Inc. ("***Moody's***"), Fitch Ratings ("***Fitch***"), and Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("***S&P***"). The Corporation expects to receive rating confirmations with respect to the Prior Bonds from the Ratings Agencies, and it is expected that that the 2014 Senior Bonds will be rated "Aaa" by Moody's, "AAAsf" by Fitch, and "AA+(sf)" by S&P and that the 2014 Subordinate Bonds will be rated "Aa1" by Moody's, "AAsf" by Fitch, and "AA(sf)" by S&P. Such ratings reflect only the respective views of Fitch, Standard & Poor's and Moody's at the time such ratings are assigned. An explanation of any such respective ratings can only be obtained from Fitch, Standard & Poor's and Moody's as appropriate. There can be no assurance that such ratings will continue for any given period of time or that any or all will not be revised downward, limited or withdrawn entirely. Any such downward revision, limitation or withdrawal may adversely affect the market price of the 2014 Bonds.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or threatened or, to the knowledge or information of the Corporation, any basis therefor, to restrain or enjoin the issuance, sale, execution or delivery of the 2014 Bonds, or in any way contesting or affecting the validity of the 2014 Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the 2014 Bonds or the due existence or powers of the Corporation or the Authority.

APPROVAL OF LEGALITY

The legality of the authorization, issuance and sale of the 2014 Bonds is subject to the approving legal opinion of Bond Counsel, McNair Law Firm, P.A., Charleston, South Carolina. Certain legal matters will be passed on for the Corporation by McNair Law Firm, P.A., Charleston, South Carolina and for the Underwriter by its counsel, Haynsworth Sinkler Boyd, P.A., Charleston, South Carolina.

MISCELLANEOUS

All quotations from, and summaries and explanations of, the Higher Education Act, the Act, the General Resolution and the Series Resolution contained herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. The Exhibits attached hereto are a part of this Offering Memorandum.

Any statements in this Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Offering Memorandum is not to be construed as a contract or agreement between the Corporation and the purchasers or registered owners of any of the 2014 Bonds.

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EXHIBIT I

SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

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SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

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INTRODUCTION

Generally

The Federal Family Education Loan Program ("***FFELP***"), formerly known as the Guaranteed Student Loan Program, is part of a number of federal education programs contained in the Higher Education Act of 1965, as amended (the "***Higher Education Act***") and was originally enacted by the U.S. Congress and signed into law as Public Law 89-329. FFELP provisions are presently contained in Title IV, Part B of the Higher Education Act and are codified at 20 United States Code, §§1071 *et seq*.

FFELP included:

the Federal Stafford Loan Program,

the Federal Supplemental Loans for Students (SLS) Program, (repealed in 1994)

the Federal PLUS Program, and

the Federal Consolidation Loan Program.

FFELP attempted to assure access of students and their parents to loans for postsecondary educational endeavors by providing lenders with certain federal incentives to make what otherwise would be unsecured higher risk loans. Toward that end, qualifying loans under FFELP are either (i) guaranteed by a state guarantee agency or authorized private guarantee agency and reinsured by the U.S. Government or (ii) insured directly by the U.S. Secretary of Education (the "***Secretary***"). One type of FFELP loan made to need-qualified students is subject to special treatment under which the Secretary pays interest on the loan while the student is in school and prior to the time the student is scheduled to begin loan repayment. Several types of FFELP loans are subject to so-called "Special Allowance Payments" where the Secretary makes periodic payments to loan holders to make up the difference between the interest rate paid by the borrower and the calculated market interest rates or where the Secretary recaptures excess interest on certain FFELP loans.

A federal direct student loan program ("***FDLP***") was created by the Student Loan Reform Act of 1993 and became operational for the 1994-1995 academic year. Unlike the FFELP, which relied on a national network of private for-profit and nonprofit lenders as well as state and local governmental and quasi-governmental lenders for the origination and funding of loans, the FDLP utilizes direct federal funding of student loans through participating educational institutions.

Currently, interest rate information for FFELP loans can be found in §427A of the Higher Education Act (20 U.S.C. 1077a); insurance and guarantee/reinsurance information for FFELP loans can be found in §§429 through 432 of the Higher Education Act (20 U.S.C. 1079 through 1082); and, information on student borrower and parent borrower eligibility for FFELP loans can currently be found in §§427 and 428B of the Higher Education Act (20 U.S.C. 1077 and 1078-2).

The following summary of certain provisions of FFELP is not intended to be complete and is qualified in its entirety by reference to the complete provisions of the Higher Education Act and the regulations thereunder. This summary is intended as a general description of FFELP and speaks only as of the date on the front cover of this Offering Memorandum. Neither the Corporation, the Underwriter, nor their respective counsel is under any obligation to update or supplement the information herein contained after the date hereof.

Legislative and Administrative Matters

Since original enactment, both the Higher Education Act and the regulations promulgated thereunder have been the subject of extensive amendments, and there can be no assurance that further amendments or modifications will not adversely impact the programs described below and FFELP loans made thereunder. The Higher Education Act is currently subject to reauthorization. During that process, which is ongoing, proposed amendments to the Higher Education Act are more commonplace and a number of proposals have been introduced in Congress. No representation is made as to the effect, if any, of recent or future federal budgetary appropriation, legislation, or

regulatory actions upon expenditures by the U.S. Department of Education or upon the financial condition of the Corporation.

Elimination of the Federal Family Education Loan Program

The Health Care and Education Reconciliation Act of 2010 was signed into law on March 30, 2010, and, among other things, requires that all new federal student loans be originated through the FDLP effective July 1, 2010. The Corporation's ability to originate new FFELP loans terminated on June 30, 2010.

The Bill also allows borrowers having loans in both FFELP and FDLP to consolidate during in-school and grace periods from July 1, 2010, to June 30, 2011, which is earlier than is currently allowed by law.

THE FEDERAL STAFFORD LOAN PROGRAM

Generally. FFELP currently provides for (a) a Stafford Loan Program, which includes (i) federal insurance or separate guarantee and federal reinsurance (described below), (ii) interest subsidy payments ("***Interest Subsidy Payments***") to eligible lenders for certain eligible borrowers with "subsidized" loans, and (iii) in some circumstances, special allowance payments ("***Special Allowance Payments***") paid by the Secretary to holders of certain eligible loans or paid by holders to the Secretary; and (b) an unsubsidized Stafford Loan Program, which includes federal insurance or separate guarantee and federal reinsurance and Special Allowance Payments in some circumstances. The authority to originate new Stafford Loans has expired for loans that were not first disbursed before July 1, 2010.

Both subsidized and unsubsidized Stafford Loans are eligible for federal insurance or separate guarantee and federal reinsurance if made to eligible students (see below). In connection with eligible Stafford Loans, there are limits as to the maximum amount which may have been borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study. These aggregate limitations exclude loans made under the PLUS Program. The Secretary may have authorized higher limits to accommodate students undertaking specialized training requiring exceptionally high costs of education. Subject to these limits, Stafford Loans were available to eligible students in amounts not exceeding their unmet need for financing determined in accordance with applicable FFELP need analysis. As used in this summary, a "new borrower" was an individual who, at the time of determination, has no outstanding principal or interest due on prior loans under FFELP.

Eligible Student. Generally, a loan was made only to a United States citizen or national or otherwise eligible individual under federal regulations who:

(a) had been accepted for enrollment or was enrolled and maintaining satisfactory progress at an eligible institution,

(b) was carrying at least one-half of the normal full-time academic workload for the course of study the student was pursuing, as determined by such institution,

(c) had agreed to notify promptly the holder of the loan of any address change,

(d) met the applicable "need" requirements,

(e) if he or she was an undergraduate enrolled in an institution participating in the Pell Grant Program, then his or her eligibility or ineligibility for the Pell Grant Program had been determined,

(f) was not in default on any other federal education loan nor owed an overpayment on any other Title IV program (or had made satisfactory arrangements with the holder to repay such debt),

(g) had not been convicted of or pled guilty or nolo contendere to a crime involving fraud in obtaining Title IV Assistance unless the funds that were obtained fraudulently had been repaid in full, and

(h) was in compliance with Selective Service System registration requirements.

Eligible institutions include higher educational institutions and vocational schools that comply with certain federal regulations.

Promissory Notes. Each loan, whether subsidized or unsubsidized, was to be evidenced by an unsecured unendorsed promissory note. Beginning on July 1, 2000, and continuing through June 30, 2010, all such loans were evidenced by a "Master Promissory Note." A Master Promissory Note was designed to be used as both a single year and as a multi-year note. Under the Master Promissory Note process, most borrowers signed a promissory note once, at the time they first borrowed. They may have obtained additional loans, based on that same note, during the same year or in subsequent years. Generally, a lender's ability to make subsequent loans to a borrower, based on the Master Promissory Note, expires upon the earliest of (i) twelve (12) months after the original Master Promissory Note is signed if no disbursements have been made using that Master Promissory Note, (ii) ten (10) years from the date the Master Promissory Note is signed, or (iii) the date the lender receives written notice from the borrower that the Master Promissory Note may no longer be used as the basis for making additional loans.

Maximum Loan Amounts. Prior to July 1, 2010, the annual Stafford Loan limit for an academic year were as follows:

$3,500 for the first year of undergraduate study,

$4,500 for the second year of undergraduate study,

$5,500 per year for the remainder of undergraduate study, and

$8,500 per year for graduate and professional students.

The aggregate limit on total Stafford Loans was generally $23,000 for undergraduates (excluding PLUS and SLS loans) and $65,500 for graduate and professional students. These loan limits may have been increased substantially in some circumstances. See "**SLS AND UNSUBSIDIZED STAFFORD LOAN PROGRAMS – Loan Amounts**."

Applicable Interest Rates. The interest rates applicable to Stafford Loans vary significantly depending, among other things, on the time period during which the loan or its first disbursement was made and whether the loan was to a new borrower or an existing borrower.

Historical Fixed Rates. Prior to October of 1992, all Stafford Loans to new borrowers bore interest at fixed rates which varied depending on the period of instruction the loan was to cover. For example, Stafford Loans made prior to January 1, 1981 (and subsequent loans to the same borrowers) bore interest at a fixed rate not in excess of 7% per annum. On and after January 1, 1981, the fixed interest rate for new borrowers was 9% per annum unless the Secretary of the Treasury determined that the average of the bond equivalent rates of 91-day Treasury Bills auctioned for any twelve (12) month period beginning on or after January 1, 1981, was equal to or less than 9% in which case the fixed interest rate was 8% for any period of enrollment beginning on or after the date which was three (3) months after such determination. For loans first disbursed to new borrowers on or after July 1, 1988, the fixed interest rate was 8% from the date of loan disbursement through the fourth year of repayment and then converted in the fifth year of repayment to a fixed rate of 10% for the remainder of the repayment period.

Required Conversion Of Older Fixed Rate Loans To Annual Variable Rates. Pursuant to the Higher Education Technical Amendments of 1993, which was signed into law on December 20, 1993, lenders were required to convert all fixed rate loans disbursed on or after July 23, 1993, to an annual variable rate by January 1, 1995. The annual variable rate to which such loans were converted is adjusted each July 1 to a rate equal to the bond equivalent rate of the 91-day Treasury Bill, determined at the final auction held prior to the immediately preceding June 1, plus a spread of 3.25% for loans first disbursed to new borrowers on or after July 1, 1988, for which the otherwise applicable fixed interest rate was 10%; or, in the case of a loan made on or after October 1, 1992, to a borrower with outstanding loans under FFELP, the bond equivalent rate of the 91-day Treasury Bill, determined as described above, plus 3.10%.

Variable Interest Rates. Loans first disbursed to new borrowers on or after October 1, 1992, and before July 1, 1994, bear interest at an annual variable rate which is reset each July 1 and which is equal to the bond equivalent rate of the 91-day Treasury Bill, determined at the final auction held prior to the immediately preceding

June 1, plus a spread of 3.10% with a cap on the rate of 9%. For loans first disbursed (whether to a new or existing borrower) on or after July 1, 1994, the cap on the rate is reduced to 8.25%. For loans first disbursed on or after July 1, 1995, and before July 1, 1998, the permitted spread above the bond equivalent rate of the 91-day Treasury Bill is reduced to 2.50% during the period of the loan prior to the commencement of repayment and during the deferment of repayment and the rate is capped at 8.25%. For loans first disbursed on or after July 1, 1998, and before July 1, 2006, the permitted spread is 1.7% during the in-school period, the grace period and certain deferment periods and 2.3% during the repayment period and any periods of forbearance, in each case with the maximum rate capped at 8.25%. FFELP specifically provides that the foregoing interest rates are maximum rates only and that lenders may charge interest rates that are lower than the applicable FFELP rates.

Fixed Interest Rates. All Stafford Loans disbursed on or after July 1, 2006, and before July 1, 2010, bear a fixed interest rate of not greater than 6.8%, except that subsidized Stafford Loans to undergraduate students having first disbursement dates as follows will have the following permitted fixed interest rates:

Date of First Disbursement	Permitted Interest Rate
On or after July 1, 2008 and before July 1, 2009	6.0%
On or after July 1, 2009 and before July 1, 2010	5.6%

Interest Subsidy Payments. Interest Subsidy Payments are interest payments made by the Secretary on behalf of certain student borrowers during the period prior to the commencement of the obligation to begin repayment and also during deferment of repayment of their subsidized Stafford Loans. With respect to loans for which the eligible institution has completed its portion of the loan application after September 30, 1981, Interest Subsidy Payments are available only if certain income and need criteria are met by the borrower. Factors in this need analysis include the student's estimated cost of attendance, estimated financial assistance and expected family contribution. Interest Subsidy Payments will be paid:

(a) during a period which the borrower is enrolled at least half-time in an eligible institution,

(b) during a six (6) month grace period pending commencement of repayment of the loans,

(c) during certain deferment periods,

(d) in the case of loans initially disbursed prior to October 1, 1981, during a six (6) month grace period following any authorized deferment period before repayment is required to resume, and

(e) for a period not to exceed three (3) consecutive years from the established repayment period start date on each subsidized Stafford Loan or the subsidized portion of the borrower's Federal Consolidation loan repaid under the Income-Based repayment plan if the borrower's monthly payment amount is not sufficient to pay the accrued interest, except for any period during which the borrower receives an economic hardship deferment.

The Secretary makes Interest Subsidy Payments quarterly on behalf of the borrower to the holder of the loan in an amount equal to the interest accruing on the unpaid principal amount of the loan during the applicable period. The Higher Education Act provides that the holder of a loan meeting the specified criteria has a contractual right, as against the United States, to receive Interest Subsidy Payments from the Secretary. Receipt of Interest Subsidy Payments is conditioned on compliance with the Higher Education Act, including continued eligibility of the loan for insurance or guarantee/reinsurance benefits. Such eligibility may be lost if the requirements of the Higher Education Act or applicable guarantee agreements relating to the servicing and collection of the loans are not met. If Interest Subsidy Payments have not been paid within thirty (30) days after the Secretary receives an accurate, timely, and complete request therefore, the Secretary must pay daily interest on the amounts due beginning on the 31st day at a rate equal to the sum of the daily equivalent loan interest rate and the daily equivalent Special Allowance rate, both as applicable to the affected loans.

FFELP limits the Secretary's authority to make Interest Subsidy Payments to the period ending at the close of business on September 30, 2012, for eligible loans to new borrowers and September 30, 2016, for eligible loans to existing borrowers.

Grace Period, Deferment Periods, Forbearance. Repayment of principal of a FFELP loan (other than a PLUS or Consolidation Loan) must generally commence following a period of (a) not less than nine (9) months or more than twelve (12) months with respect to loans for which the applicable interest rate is 7% per annum, and (b) not more than six (6) months with respect to loans for which the applicable interest rate is other than 7% after the student borrower ceases to pursue at least a half-time course of study (a "***Grace Period***"). However, during certain other periods and subject to certain conditions, no principal repayments need be made, including periods when the student has returned to an eligible educational institution on at least a half-time basis, is pursuing a full-time course of study in an approved graduate fellowship program, is in a full-time rehabilitation training program, is in an approved internship or residency program, or is teaching in a designated teacher shortage area, or when the student is a member of the Armed Forces, the Public Health Service, or the National Oceanic and Atmospheric Administration, or a volunteer under the Peace Corps Act, the Domestic Volunteer Service Act of 1973, or for an approved tax-exempt organization, or when the borrower is temporarily totally disabled, or during which the borrower is unable to secure employment, or when the borrower is experiencing economic hardship (the "***Deferment Periods***"). The lender may also, and in some cases must, allow periods of forbearance during which the borrower may defer principal and/or interest payments because of temporary financial hardship. The 1992 Reauthorization Bill simplified the deferment categories for new loans and expanded the opportunities for students to obtain forbearance from lenders due to temporary financial hardship, medical or dental residency programs, National Guard duty and for periods during which the borrower is performing qualifying service pursuant to teacher loan forgiveness or Department of Defense loan forgiveness programs.

Repayment. Repayment of principal on a Stafford Loan does not commence while a student remains a qualified student in school, but generally begins on the day following the sixth (6^{th}) month after the qualified student ceases to carry the required course load at an eligible institution. In general, each such loan must be scheduled for repayment over a period of not more than ten (10) years after the commencement of repayment (excluding any Deferment Period or Forbearance Period as defined in the Higher Education Act).

FFELP currently requires that not less than thirty (30) nor more than one hundred fifty (150) days prior to the date on which a borrower's first payment is due, the lender must offer Stafford Loan borrowers the option of repaying the loan in accordance with

(i) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time, not to exceed ten (10) years, except that the borrower must repay annually a minimum amount equal to the lesser of $600 or the borrower's loan balance;

(ii) a graduated repayment plan paid over a fixed period of time, not to exceed ten (10) years;

(iii) an income-sensitive repayment plan, with income-sensitive repayment amounts paid over a fixed period of time, not to exceed ten (10) years, except that the borrower's scheduled payments cannot be less than the amount of interest due;

(iv) for new borrowers on or after October 7, 1998, who accumulate (after such date) outstanding Stafford Loans (subsidized and unsubsidized) totaling more than $30,000, an extended repayment plan, with a fixed annual or graduated repayment amount paid over an extended period of time, not to exceed twenty-five (25) years; and

(v) an income-based repayment plan, effective July 1, 2009,

except that with respect to plans described in (ii) through (iv) above, in no instance may the payment be less than the amount of interest due and payable, and with respect to the plan described in (v) above, the payment may be less than the amount of interest due and payable.

If a borrower fails to select from among the offered repayment plans, the lender is required to provide the borrower with the standard repayment plan.

Loan Forgiveness. §428J of the Higher Education Act authorizes the U.S. Department of Education to repay a maximum of $5,000 (combined total for loans obtained under both the FFELP and the FDLP of a qualified borrower's Stafford loan obligations, and Consolidation loan obligations to the extent that a Consolidation loan repaid a borrower's qualifying Stafford loan(s) for qualifying teaching service. No borrower may receive benefit for

the same teaching service under both the Teacher Loan Forgiveness Program and subtitle D of Title I of the National and Community Service Act of 1990 (AmeriCorps). The Taxpayer-Teacher Protection Act of 2004 increased the maximum repayment to $17,500 for certain qualified borrowers.

To be eligible for loan forgiveness under this program, a borrower must be a "new borrower" and have had no outstanding balance on a FFELP or FDLP loan on October 1, 1998, or had no outstanding balance on a FFELP or a FDLP loan on the date he or she obtained a loan after October 1, 1998.

Effective July 1, 2010, a FFELP borrower may obtain a consolidation loan under the FDLP to consolidate FFELP loans and/or other FDLP loans for the purposes of using the FDLP Public Service Loan Forgiveness Program.

THE FEDERAL SLS AND UNSUBSIDIZED STAFFORD LOAN PROGRAMS

History. The 1981 amendments to the Higher Education Act included a new program to provide unsubsidized loans to graduate and professional students and independent undergraduate students similar to PLUS Loans (see "**PLUS LOAN PROGRAM**" below). Loans under this new program were designated "Auxiliary Loans for Students" or "ALAS" and subsequently renamed "Supplemental Loans to Students" or "SLS" by the October 1986 amendments. The 1992 amendments to the Higher Education Act added specific provisions for an unsubsidized Stafford Loan Program for independent undergraduate students and graduate/professional students which addressed most of the same financing needs of students as were addressed by the SLS Program. Hence, the Omnibus Budget Reconciliation Act of 1993 eliminated the SLS Program as a separate program and, effective for periods of enrollment beginning on or after July 1, 1994, the SLS Program was merged into the unsubsidized Stafford Loan Program. Therefore, unsubsidized Stafford Loans made for periods of enrollment before July 1, 1994, may have benefits and conditions different from unsubsidized Stafford Loans made after that date.

Loan Amounts. Both the SLS and unsubsidized Stafford Loan Programs were designed to facilitate borrowing for students who do not qualify for the full subsidized Stafford Loan after application of the required need analysis methodology. Such students were entitled to borrow the difference between the unsubsidized Stafford Loan maximum and their subsidized Stafford eligibility through the new program so long as the total loan does not exceed their cost of attendance. The amount of an unsubsidized Stafford Loan was determined by subtracting from the student's estimated cost of attendance any estimated financial assistance reasonably available to such student. Annual loan limits were those applicable to subsidized Stafford Loans but were increased by $2,000 for dependent students, excluding those whose parent is unable to borrow under the FFELP PLUS Program or the FDLP PLUS Program, or by the amounts indicated below for independent students or students whose parents were unable to borrow under the FFELP PLUS Program or the FDLP PLUS Program:

(i) $6,000 during the first and second years of undergraduate study,

(ii) $7,000 for undergraduate study after the first and second years,

(iii) $7,000 for those borrowers who either have a baccalaureate degree and must take preparatory courses prior to entering a graduate program, or who are in a teacher certification program; and

(iv) $12,000 for graduate or professional study.

Aggregate loan limits were generally the same as for subsidized Stafford Loans but were increased to reflect any applicable increases in annual limits for the unsubsidized Stafford Loans and do not include any capitalized interest. Aggregate limits of $31,000 for a dependent undergraduate, $57,500 for an independent undergraduate and certain dependent undergraduates if the parent was denied a PLUS loan, and $138,500 for a graduate student (may be increased to $224,000 for a graduate and professional student enrolled in certain health profession programs), include the total of outstanding loans under the Stafford Loan Program, SLS Loan Program and loans under the FDLP.

Insurance and Interest Subsidy. The basic provisions for federal insurance and separate guarantee/federal reinsurance applicable to SLS are similar to those of unsubsidized Stafford Loans. Interest Subsidy Payments are not available for SLS and unsubsidized Stafford Loans.

Interest Rates.

Unsubsidized Stafford Loans. Interest rates on unsubsidized Stafford Loans, like subsidized Stafford Loans, vary significantly depending, among other things, on the time period during which the loan or its first disbursement was made. Interest accruing on an unsubsidized Stafford Loan while the borrower is in school or in grace or deferment is either capitalized and added to the principal amount of the loan when it enters repayment or paid monthly or quarterly by the student. Amortization of unsubsidized Stafford Loans is established by assuming an interest rate equal to the applicable rate at the time the repayment of the principal amount of the loan commences. At the option of the lender, the periodic payment amount may be adjusted annually or the period of repayment of principal may be lengthened or shortened in order to reflect adjustments in applicable interest rates.

SLS Loans. Interest rates on SLS Loans are higher than those on Stafford Loans. The applicable interest rate depends upon the date of the loan and the period of enrollment for which the loan is to apply. For SLS Loans issued on or after October 1, 1981, but for periods of educational enrollment beginning prior to July 1, 1987, the applicable rate of interest was either 12% or 14% per annum.

An annual variable interest rate applies to SLS Loans made and disbursed on or after July 1, 1987, or those made prior to such time that are reissued at a variable rate. The applicable annual variable rate is determined on the basis of any twelve (12) month period beginning on July 1 and ending on the following June 30, and is equal to the sum of the bond equivalent rate of 52-week Treasury Bills auctioned at the final auction held prior to the June 1 immediately preceding the applicable twelve (12) month period, plus a permitted spread.

For SLS Loans made and disbursed on or after July 1, 1987, the permitted spread is 3.25% and the maximum rate is 12% per annum. For SLS Loans first disbursed on or after October 1, 1992, the permitted spread is 3.10% and the maximum rate is 11% per annum. Since the SLS Program was eliminated as a separate program in 1993, no new SLS Loans have been originated since June 30, 1994. On or after July 1, 2001, the interest rate on outstanding SLS Loans will be based on the weekly average one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, in substitution for the bond equivalent rate of auctioned 52-week Treasury Bills.

Repayment. See information above under "**THE FEDERAL STAFFORD LOAN PROGRAM – Repayment**."

Refinancing of SLS Loans. A lender was authorized to refinance multiple outstanding SLS Loans to the same borrower under a single repayment schedule for principal and interest, with a new repayment period calculated from the date of repayment of the most recent included loan. Unless the borrower elected a variable interest rate, the interest rate of such a consolidated SLS Loan was the weighted average of the rates of all loans being refinanced.

A lender was also authorized to refinance a SLS Loan which was initially originated at a fixed rate prior to July 1, 1987, in order to permit the borrower to obtain the variable interest rate available on SLS Loans on and after July 1, 1987. If a lender was unwilling to reissue the original SLS Loan, the borrower may have elected to obtain a loan from another lender for the purpose of discharging the loan and obtaining a variable interest rate.

A lender was not authorized to refinance SLS and PLUS Loans together to obtain a single repayment schedule.

THE FEDERAL PLUS LOAN PROGRAM

History. Under the 1980 amendments to the Higher Education Act (which became effective, with respect to Part B of Title IV of the Higher Education Act, on January 1, 1981), the U.S. Congress established a program to provide educational loans to parents of eligible dependent undergraduate students, and for loans certified on or after July 1, 2006, eligible graduate and professional students. Loans under this program were designated Parent Loans for Undergraduate Students or "PLUS Loans." To be eligible for a PLUS Loan, borrowers or a loan endorser, as applicable, could not have an adverse credit history. With Parent PLUS Loans, the student's parents may have elected to borrow jointly or separately for the student. If they borrowed separately, the loan limits on behalf of dependent students applied to the total of both loans, not to each loan individually. If the parents borrowed jointly, both are liable for repayment of the loan as co-makers. The authority to originate new Federal PLUS Loans has expired for loans that were not first disbursed before July 1, 2010.

Loan Amounts. Originally, loans under the Federal PLUS Loan Program were limited to the lesser of $4,000 per academic year or the estimated cost of attendance less other financial aid for which the student was eligible, with a maximum aggregate amount of $20,000. However, for PLUS Loans for which the first disbursement was made on or after July 1, 1993, annual and aggregate loan limits were repealed. However, a PLUS Loan could not exceed the student's estimated cost of attendance minus other available financial assistance during the period of enrollment.

Insurance and Interest Subsidy. The basic provisions for federal insurance and separate guarantee/federal reinsurance applicable to PLUS Loans are similar to those of unsubsidized Stafford Loans. Like unsubsidized Stafford Loans, federal Interest Subsidy Payments are not available for PLUS Loans. Special Allowance Payments, however, are made for PLUS Loans under certain limited conditions.

Interest Rates. Interest rates on PLUS Loans are higher than those on Stafford Loans. The applicable interest rate depends upon the date of the loan and the period of enrollment for which the loan is to apply. For PLUS Loans issued on or after October 1, 1981, but for periods of educational enrollment beginning prior to July 1, 1987, the applicable rate of interest was either 12% or 14% per annum.

An annual variable interest rate applies to PLUS Loans made and disbursed on or after July 1, 1987. The annual variable interest rate also applies to PLUS Loans that are refinanced on or after July 1, 1987 (as discussed below). The applicable annual variable rate is determined on the basis of any twelve (12) month period beginning on July 1 and ending on the following June 30, and is equal to the sum of the bond equivalent rate of 52-week Treasury Bills auctioned at the final auction held prior to the June 1 immediately preceding the applicable twelve (12) month period, plus a permitted spread.

For PLUS Loans made and disbursed on or after July 1, 1987, the permitted spread is 3.25% and the maximum rate is 12% per annum. For PLUS Loans first disbursed on or after October 1, 1992, the permitted spread is 3.10% and the maximum rate is 10%. For PLUS Loans first disbursed on or after July 1, 1994, the permitted spread is 3.10% and the maximum rate is 9%. For PLUS Loans first disbursed on or after July 1, 1998, but before July 1, 2006, the interest rate for any twelve (12) month period beginning on July 1 and ending on June 30 will be determined at the final auction held prior to the immediately preceding June 1 and will be equal to the lesser of (i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to June 1 plus 3.1% or (ii) 9%. On or after July 1, 2001, the interest rate on outstanding PLUS Loans disbursed on or after July 1, 1987, but before July 1, 1998, will be based on the weekly average one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, in substitution for the bond equivalent rate of auctioned 52-week Treasury Bills.

All new PLUS Loans disbursed on or after July 1, 2006, but before July 1, 2010, bear a fixed interest rate of not greater than 8.5%.

Repayment. Repayment of principal of PLUS Loans is required to commence no later than sixty (60) days after the date of the last disbursement of such loan, subject to certain deferral provisions. The deferral provisions which apply are more limited than those which apply to Stafford Loans. Interest on PLUS Loans for which principal payments are deferred may be paid monthly or quarterly if agreed by the borrower and the lender, or may be capitalized and added to the principal amount of the loan not more frequently than quarterly by the lender. PLUS Loan borrowers must be offered the same repayment options as Stafford borrowers, except that an income-based repayment plan is not available to PLUS Loan borrowers who are parents or to Consolidation borrowers if their Consolidation Loans were used to pay off Parent PLUS Loans. See "**THE FEDERAL STAFFORD LOAN PROGRAM – Repayment**" above.

Refinancing of PLUS Loans. A lender was authorized to refinance multiple outstanding PLUS Loans to the same borrower under a single repayment schedule for principal and interest, with a new repayment period calculated from the date of repayment of the most recent included loan. Unless the borrower elected a variable interest rate, the interest rate of such a consolidated PLUS Loan was the weighted average of the rates of all loans being refinanced.

A lender was also authorized to refinance a PLUS Loan which was initially originated at a fixed rate prior to July 1, 1987, in order to permit the borrower to obtain the variable interest rate available on PLUS Loans on and

after July 1, 1987. If a lender was unwilling to reissue the original PLUS Loan, the borrower may have elected to obtain a loan from another lender for the purpose of discharging the loan and obtaining a variable interest rate.

A lender was not authorized to refinance PLUS and SLS Loans together to obtain a single repayment schedule.

THE FEDERAL CONSOLIDATION LOAN PROGRAM

History. In 1986, the U.S. Congress established a program to provide loans to eligible borrowers for consolidating their FFELP loans. Amendments to the Consolidation Loan Program were made in 1992, 1993 and 1998. The authority to originate new FFELP Consolidation Loans has expired for loans that were not first disbursed before July 1, 2010. The Corporation suspended originations under the Federal Consolidation Loan Program on April 1, 2008.

Eligibility. Under the Consolidation Loan Program, an eligible borrower means a borrower with outstanding FFELP indebtedness who, at the time of application, was in repayment status or in a grace period preceding repayment, or was a delinquent or defaulted borrower who would reenter repayment through loan consolidation. An eligible borrower also could not be subject to a judgment or a wage garnishment with respect to FFELP loans. Prior to July 1, 1994, a borrower also had to have an outstanding balance of at least $7,500 in FFELP loans to be eligible for consolidation. This $7,500 threshold was eliminated for loans consolidated on or after July 1, 1994. A lender was authorized to make a Consolidation Loan to an eligible borrower at the request of the borrower. An eligible borrower could also obtain a Consolidation Loan from the Secretary under the FDLP if the borrower was unable to obtain a FFELP Consolidation Loan or was unable to obtain a FFELP Consolidation Loan having income-sensitive repayment terms acceptable to such borrower. Title IV loans (NDSL/Perkins) and loans made under Subpart I of Part A of Title VII of the Public Health Service Act were also eligible to be consolidated with FFELP loans.

Interest Rates. Consolidation Loans made before July 1, 1994, bear interest at a rate equal to the weighted average of the interest rates on the loans consolidated, rounded to the nearest whole percent subject to a floor rate of 9% per annum. Consolidation Loans made on or after July 1, 1994, for which the application was received prior to November 13, 1997, bear interest at the same weighted average rate but are not subject to a floor rate. Consolidation Loans for which the loan application was received on or after November 13, 1997, but prior to October 1, 1998, bear interest at the annual variable rate applicable to Stafford Loans. Consolidation Loans for which the application is received on or after October 1, 1998, bear interest at a rate equal to the lesser of (i) the weighted average interest rate of the loans consolidated, rounded up to the nearest $1/8^{th}$ of a percent, or (ii) 8.25 percent. For Consolidation Loans discharging HEAL Loans for which an application was received by an "eligible lender" on or after November 13, 1997, the interest rate is based on the average of bond equivalent rates on the 91-day Treasury Bills auctioned for the quarter ending June 30 of each year plus a spread. Such rate is variable and adjusted each July 1. There is no maximum rate of interest for a HEAL Loan portion of a Consolidation Loan.

Repayment. For Consolidation Loans made on or after January 1, 1993, lenders are required to offer borrowers graduated or income-sensitive repayment schedules with a minimum payment of accrued and unpaid interest. Absent some other permissible arrangement with the lender, repayment periods for Consolidation Loans may vary from up to ten (10) years to not more than thirty (30) years, depending on the sum of the balance on the Consolidation Loan and any other FFELP and education loans of the borrower, but the outstanding balance of such other FFELP and education loans counted may not exceed the balance of the Consolidation Loan for purposes of determining the repayment term pursuant to §428C (2)(A) of the Higher Education Act. The different repayment periods required to be offered for Consolidation Loans, based on the sum of the principal balances of the Consolidation Loan and other student loans (up to but not in excess of the balance of the Consolidation Loan), are as follows:

Principal Balance	Repayment Term	Principal Balance	Repayment Term
Less than $7,500	Not more than 10 years	$20,000 to $39,999	Not more than 20 years
$7,500 to $9,999	Not more than 12 years	$40,000 to $59,999	Not more than 25 years
$10,000 to $19,999	Not more than 15 years	$60,000 or more	Not more than 30 years

New borrowers on or after October 7, 1998, who accumulated (after such date) outstanding Consolidation Loans (subsidized and unsubsidized) totaling more than $30,000 qualified for an extended repayment plan, with a fixed annual or graduated repayment amount paid over an extended period of time, not to exceed twenty-five (25) years, except that in no instance may the payment be less than the amount of interest due and payable.

Repayment must commence within sixty (60) days after all holders have discharged the liability of the borrower on the loans selected for consolidation. The minimum repayment installment cannot be less than the accrued and unpaid interest.

Insurance and Interest Subsidy. For Consolidation Loan applications received by lenders on or after August 10, 1993, and before November 13, 1997, the Secretary will not make Interest Subsidy Payments on Consolidation Loans unless they consolidate only subsidized Stafford Loans. For Consolidation Loan applications received by lenders on or after November 13, 1997, the Secretary will make Interest Subsidy Payments on only the portion of the Consolidation Loan that repays subsidized Stafford Loans. No interest subsidy is payable with respect to the portion of a Consolidation Loan representing loans made under Subpart I of Part A of Title VII of the Public Health Service Act or Perkins Loans.

Further, no insurance premium may be charged to a borrower and no insurance premium may be charged to a lender in connection with a Consolidation Loan. However, a fee may be charged to the lender by the guarantee agency to cover the costs of increased or extended liability with respect to a Consolidation Loan.

Holder Rebate to Federal Government. Each holder of a Consolidation Loan first disbursed on or after October 1, 1993, is required to pay to the Secretary a rebate fee calculated on an annual basis and equal to 1.05% of the principal plus accrued and unpaid interest on the Consolidation Loan, such fee to be paid in monthly installments. The 1998 Reauthorization Bill made a temporary reduction in the Consolidation Loan Rebate Fee from 1.05% to 0.62% per annum for loans on which applications are received between October 1, 1998, and January 31, 1999.

Federal Direct Student Loan Program Loans. If, before July 1, 2010, a borrower was unable to obtain a Consolidation Loan with income-sensitive repayment terms acceptable to the borrower from the holders of the borrower's outstanding loans (which were selected for consolidation), or from any other lender, the Secretary was required to offer the borrower, if the borrower so requested, a direct Consolidation Loan under the FDLP. Such FDLP Consolidation Loan was required to be repaid either pursuant to income-contingent repayment or any other repayment provisions under the Consolidation Loan provisions.

SPECIAL ALLOWANCE PAYMENTS

FFELP provides, subject to certain conditions, for Special Allowance Payments ("***SAP***") to be made for quarterly periods by the Secretary to holders of qualifying FFELP loans. In addition, loan revenue is subject to quarterly recapture by the U.S. Department of Education for any loan re FFELP loans venue in excess of the special allowance support level for loans disbursed on or after April 1, 2006.

The rate of Special Allowance Payments for a particular loan is dependent on a number of factors including when the loan was disbursed and for what period of enrollment the loan covers. Generally, on older loans, the sum of the stated interest on the loan and the applicable Special Allowance Payment is between 3.1 and 3.5 percentage points above the average of bond equivalent rates of 91-day Treasury Bills auctioned for that quarter (the "***T-Bill Basis***"). For loans made on or after October 1, 1992, the Special Allowance Payment is calculated based on the T-Bill Basis plus 3.1%, except that Stafford Loans made on or after July 1, 1995, and before July 1, 1998, qualify for Special Allowance Payments based on the T-Bill Basis plus 2.5% while the borrower is in school, grace or deferment status.

For Stafford Loans disbursed on or after July 1, 1998, and before January 1, 2000, Special Allowance Payments are based on the T-Bill Basis plus 2.2% while borrowers are in school, grace or deferment status, or 2.8% while borrowers are in repayment periods. For PLUS Loans disbursed on or after July 1, 1998, and before January 1, 2000, Special Allowance Payments are based on the T-Bill Basis plus 3.1% to the extent such computation exceeds 9%. The rate of Special Allowance Payments is subject to reduction by the amount of certain

origination fees charged to borrowers and may be reduced as a result of certain federal budget deficit reduction measures.

Special Allowance Payments are made on Consolidation Loans whenever the rate charged the borrower is limited by the 9%/8.25% cap. However, for applications received on or after October 1, 1998, Special Allowance Payments are paid in order to afford the lender a yield equal to the 91-day Treasury Bill plus 3.1% whenever the formula exceeds the borrower's interest rate. For Consolidation Loans based upon consolidation applications received on or after October 1, 1998, and before January 1, 2000, there would be no Special Allowance Payments for such loans during any three (3) month period ending March 31, June 30, September 30, or December 31 unless the T-Bill Basis for the applicable quarter plus 3.1% exceeds the interest determined for such loans. Notwithstanding the foregoing, no Special Allowance Payments are made with respect to the portion of a Consolidation Loan representing loans made under Subpart I of Part A of Title VII of the Public Health Service Act.

For eligible loans first disbursed on or after January 1, 2000 (or in the case of Consolidation Loans, applications received on or after January 1, 2000), but before July 1, 2010, the Special Allowance Payment is calculated based on the average of the bond equivalent rates of the quotes of the three (3) month commercial paper (financial) rates in effect for each of the days in such quarter as reported by the Federal Reserve in Publication H-15 (or its successor) (the "***CP Rate***") plus the following rates:

Loan Type	Loans Made January 1, 2000, through September 30, 2007	Loans Made on or after October 1, 2007, but before July 1, 2010, and Held by For-Profit Holder	Loans Made on or after October 1, 2007, but before July 1, 2010, and Held by Eligible Not-For-Profit Holder
Stafford Loan[(1)]	1.74%/2.34%	1.19%/1.79%	1.34%/1.94%
PLUS Loan	2.64%	1.79%	1.94%
Consolidation Loan	2.64%	2.09%	2.24%

(1) The lower figures listed in each category for Stafford Loans indicate the applicable spread to the CP Rate during the in-school period, the grace period, and deferment periods, while the higher figures indicate the applicable spread to the CP Rate during repayment and forbearance periods.

The Consolidated Appropriations Act, 2012 (P.L. 112-74), signed into law on December 23, 2011, amended the Higher Education Act to allow FFELP lenders and beneficial holders to make an affirmative election to change the index for Special Allowance Payments on FFELP loans disbursed on or after January 1, 2000, permanently from the CP Rate to the one-month London Interbank Offered Rate for United States dollars in effect for each of the days in such quarter as compiled and released by the British Bankers Association (the "***One-Month LIBOR Rate***"), commencing with the Special Allowance Payments for the calendar quarter that began on April 1, 2012. Such election to change the index for Special Allowance Payments permanently must have been made by April 1, 2012 and included a waiver of all contractual, statutory or other legal rights to have the Special Allowance Payments calculated using the formula in effect at the time the loans were first disbursed.

No Special Allowance Payment will be made on a loan for any quarterly period in which the applicable interest rate on the loan exceeds the CP Rate plus the applicable spread.

The foregoing table and the paragraph preceding it describe the "special allowance support level." For loans disbursed prior to April 1, 2006, but before July 1, 2010, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the federal government on a quarterly basis. This modification effectively limits lenders' returns to the special allowance support level.

The Higher Education Act provides that a holder of a qualifying loan who is entitled to receive Special Allowance Payments has a contractual right against the United States, during the life of the loan, to receive those Special Allowance Payments. Receipt of Special Allowance Payments, however, is conditioned on compliance with the Higher Education Act, including continued eligibility of the loan for federal insurance or reinsurance benefits.

Such eligibility may be lost due to violations of the Higher Education Act or applicable guarantee agreements specifying servicing and collection of the loan in the event of delinquency. The Higher Education Act also provides that if Special Allowance Payments have not been made within thirty (30) days after the Secretary receives an accurate, timely and complete request therefor, the Secretary must pay interest on the amounts due beginning on the 31st day at a rate equal to the sum of the daily equivalent loan interest rate and the daily equivalent Special Allowance Payment rate, both as applicable to the affected loans.

GUARANTEE AND REINSURANCE FOR FFELP LOANS

Guarantee Payments To Lenders. The lender or holder is entitled to be reimbursed by the guarantee agency based on a specific guarantee percentage of the unpaid principal balance of the loan plus accrued unpaid interest on any loan defaulted so long as such loan has been properly serviced. Such guarantee percentages vary based on the date of the first disbursement on the loan and certain other factors, as detailed in the table below:

	Guarantee Percentage
Loans made (i) prior to October 1, 1993; (ii) pursuant to a lender of last resort program; or (iii) pursuant to any agreement resulting from a guarantee agency insolvency	100%
Any non-default claim as a result of the death, disability or bankruptcy of the borrower, false certification claim, or closed school claim	100%
Loans made October 1, 1993 through June 30, 2006	98%
Loans made July 1, 2006 through June 30, 2010	97%

Federalization and Recall of Guarantee Agency Reserves.

1993 Amendments to the Higher Education Act. §422 of the Higher Education Act (particularly the amendment by Public Law 103-66 effective on August 10, 1993), provides that the reserve funds of all guarantee agencies under the Higher Education Act shall be considered the property of the United States to be used in connection with the Federal Family Education Loan Programs and Consolidation Loan Programs under Parts B and C of Title IV of the Higher Education Act. (United States Code, Title 20, §1072(g)). The Higher Education Act further provides that the Secretary may direct a guarantee agency to return to the Secretary a portion of its reserve fund which the Secretary determines is unnecessary to pay the program expenses and contingent liabilities of the guarantee agency.

Higher Education Act Amendments of 1998. The Higher Education Act Amendments of 1998 add new §§422A and 422B to the Higher Education Act. §422A requires each guarantee agency to establish a Federal Student Loan Reserve Fund (the "***Federal Fund***") into which all federal reserves must be deposited. Additionally, all reinsurance payments from the Secretary and the reinsurance percentage of all default collections must be deposited in the Federal Fund. Subject to some transitional exceptions, amounts in the Federal Fund may only be used to pay lender claims on defaulted loans and to disburse default prevention fees to an Agency Operating Fund required to be established under new §422B. Earnings on the Federal Fund would be the sole property of the federal government.

§422B requires each guarantee agency to establish an Agency Operating Fund within forty-five (45) days of enactment of the proposed reauthorization legislation. All loan processing and issuance fees, portfolio maintenance fees and default prevention fees paid by the Secretary as well as the unreinsured portion of default collections (after payment of the Secretary's equitable share and excluding required deposits in the Federal Fund) must be deposited in the Agency Operating Fund. Funds in the Agency Operating Fund may only be used for application processing, loan disbursement, enrollment and repayment status management, permitted default prevention activities, default collection activities, school and lender training, compliance monitoring and other student financial aid related activities as determined by the Secretary and for voluntary irrevocable transfers to the Federal Fund. Except for funds transferred from the Federal Fund, the Agency Operating Fund may be considered to be the property of the guarantee agency.

Payment by Secretary Upon Guarantee Agency Insolvency. Under §432(o) of the Higher Education Act, in the event that the Secretary determines that a guarantee agency is unable to meet its insurance obligations with respect to payment of default claims, the holder of loans insured by the guarantee agency may submit insurance claims directly to the Secretary and the Secretary shall pay to the holder the full insurance obligation of the guarantee agency, in accordance with insurance requirements no more stringent than those of the guarantee agency. However, the Secretary's obligation to pay guarantee claims directly in this fashion is contingent upon the Secretary making the determination referred to above. There can be no assurance that the Secretary would ever make such a determination with respect to any specific guarantee agency or, if such a determination was made, whether such determination or the ultimate payment of such guarantee claims would be made in a timely manner.

Federal Reinsurance Payments to Guarantee Agencies.

Generally. The Secretary enters into a guarantee agreement with each guarantee agency, which provides for federal reinsurance for amounts paid to eligible lenders by the guarantee agency with respect to defaulted loans. Pursuant to such agreements, the Secretary is to reimburse a guarantee agency for 100% of the amounts owed on a loan made prior to October 1, 1993, and 98% of the amounts owed on a loan made on or after October 1, 1993, and before October 1, 1998, and 95% of the amounts owed on a loan made on or after October 1, 1998, for losses upon notice and determination of such amounts subject to reduction based on the guarantee agency's claims rate (as described below). The Secretary is also authorized to acquire the loans of borrowers who are at high risk of default and who request an alternative repayment option from the Secretary.

Reductions in Reinsurance Payments Based on Claims Rate. The amount of such reinsurance payments is subject to reduction based upon the annual claims rate of the guarantee agency calculated to equal the amount of federal reinsurance received as a percentage of the original principal amount of FFELP loans in repayment on the last day of the prior fiscal year. The original principal amount of loans guaranteed by a guarantee agency that are in repayment for purposes of computing reimbursement payments to a guarantee agency means the original principal amount of all loans guaranteed by a guarantee agency less: (1) the original principal amount of such loans that have been fully repaid either by borrowers or by guarantee payments, and (2) the original amount of such loans for which the first principal installment payment has not become due. Claims resulting from the death, bankruptcy, total and permanent disability of a borrower, the death of a student whose parent is the borrower of a PLUS Loan, or claims by borrowers who received loans on or after January 1, 1986, and who are unable to complete the programs in which they are enrolled due to a school closure or borrowers whose borrowing eligibility was falsely certified by the eligible institution are not included in calculating a guarantee agency's claims rate experience for federal reinsurance purposes and are reimbursed at 100%. The first trigger for a reduction in reinsurance payments is when the amount of the defaulted loan reimbursements exceeds 5% of the amount of all loans guaranteed by the guarantee agency in repayment status at the beginning of the federal fiscal year. The second trigger is when the amount of defaults exceeds 9% of the loans in repayment. The claims experience is not accumulated from year to year, but is determined solely on the basis of claims paid in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year. Guarantee reinsurance rates are presented in the following table:

Claims Paid Date	Maximum	5% Trigger	9% Trigger
Before October 1, 1993	100%	90%	80%
October 1, 1993 – September 30, 1998[(1)]	98%	88%	78%
On or after October 1, 1998[(1)]	95%	85%	75%

(1) Other than loans made pursuant to the lender-of-last resort program or student loans transferred by an insolvent guarantee agency or loans that meet the definition of exempt claim, both of which are reinsured at 100%.

After a federal reinsurance claim is paid, the guarantee agency is, however, entitled to deduct from payments received from a borrower an amount equal to the amount of the borrower payment multiplied by the complement of the reinsurance percentage.

Guarantee Agency Insolvency. In addition, if a guarantee agency is unable to meet its guarantee obligations, holders of loans may submit insurance claims directly to the Secretary until such time as the obligations are transferred to a new guarantee agency capable of meeting such obligations or until a successor guarantee agency assumes such obligations. Federal reinsurance and insurance payments for defaulted loans are paid from the Student Loan Insurance Fund established under the Higher Education Act. The Secretary is authorized, to the extent

provided in advance by appropriations acts, to issue obligations to the Secretary of the Treasury to provide funds to make such federal payments.

Timing of Default Claims and Payment. A Federal Family Education Loan is generally considered to be in default upon the borrower's failure to make an installment payment when due or to comply with other terms of a note or agreement under circumstances in which the holder of the loan may reasonably conclude that the borrower no longer intends to honor the repayment obligation and for which the failure persists for 270 days in the case of a loan payable in monthly installments or for 330 days in the case of a loan payable in less frequent installments. When a loan becomes sixty (60) or more days past due, the holder is required to request default aversion assistance from the applicable guarantee agency before the 120th day of delinquency in order to attempt to cure the delinquency. The holder is required to continue collection efforts until the loan is past due for the applicable time period. At the time of payment of the claim, the holder must assign to the applicable guarantee agency all rights accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a guarantee agency from filing a claim for reimbursement with respect to losses prior to 270 days after the loan becomes delinquent with respect to any installment thereon or later than forty-five (45) days after the guarantee agency's discharge of its obligation on the loan.

A holder of a loan is required to exercise due care and diligence in the making, servicing, and collecting of the loan as specified in federal regulations and to utilize practices that are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a guarantee agency has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its guarantee agreement, the guarantee agency may take reasonable action including withholding of payments or requiring reimbursement of funds from the holder. The guarantee agency may also terminate the guarantee agreement for cause upon notice and hearing.

The Secretary 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 or applicable federal law. A supplemental guarantee agreement between a guarantee agency and the Secretary is subject to termination for cause by the Secretary. All guarantee agencies are required to comply with certain due diligence requirements established pursuant to the Secretary's regulations regarding collection procedures to be exercised on loans for which the guarantee agency pays a default claim. In particular, since March 1987, guarantee agencies have been required to institute civil litigation against certain borrowers within a specified time period, unless: (i) the cost of litigation would exceed the likelihood of recovery or (ii) the borrower has insufficient means to satisfy a substantial portion of a judgment on the debt. Noncompliance with this requirement may result in a guarantee agency being required to repay reinsurance payments received on such loans. In addition, the Secretary may, among other remedial actions available to it, elect to withhold payments to the guarantee agency and suspend or terminate all agreements with the guarantee agency.

Federal Administrative Cost Allowances, Insurance Fees and Reinsurance Fees. For loans originated during federal fiscal years beginning on or after October 1, 2003, the Secretary pays each guarantee agency a loan processing and issuance fee equal to 0.40% of the total principal amount of the loans on which insurance was issued during such fiscal year. A guarantee agency is also currently paid an account maintenance fee of 0.06% of the original principal amount of outstanding loans under the FFELP insured by such guarantee agency.

Under the guarantee agreements and the supplemental guarantee agreements, if a payment on an eligible loan guaranteed by a guarantee agency is received after reimbursement by the Secretary, the guarantee agency is entitled to receive a share of the payment. Guarantee agency retention on such collections was reduced to 16% for payments received on or after October 1, 2007.

For Federal Stafford and PLUS Loans guaranteed on or after July 1, 2006, the guarantee agency is required to charge a federal default fee equal to 1% of the principal amount of each loan. The federal default fee is to be deposited by the guarantee agency into the Federal Fund. The fee may be deducted from the proceeds of each loan or paid on the borrower's behalf from non-federal sources.

REHABILITATION OF DEFAULTED LOANS

Under the Higher Education Act, the Secretary of Education is authorized to enter into an agreement with a guarantee agency pursuant to which the guarantee agency sells defaulted loans that are eligible for rehabilitation to

an eligible lender. For a defaulted loan to be rehabilitated, the borrower must request rehabilitation and the guarantee agency must receive an on-time, voluntary, full payment each month for twelve (12) consecutive months. However, effective July 1, 2006, for a loan to be eligible for rehabilitation, the guarantee agency must receive nine (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. In the case of a sale to the lender on or after July 1, 2014, the guarantee agency is required to repay the Secretary of Education 100% of the amount of the principal balance outstanding at the time of sale to the lender multiplied by the reimbursement percentage in effect at the time the loan was reimbursed.

Effective July 1, 2006, the guarantee agency may charge the borrower and retain collection costs in an amount not to exceed 18.5% of the outstanding principal and interest balance at the time of sale of the rehabilitated loan. Effective July 1, 2014, the guarantee agency may charge the borrower and retain collection costs in an amount not to exceed 16% of the outstanding principal and interest balance at the time of the sale of the rehabilitated loan.

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EXHIBIT II

GLOSSARY OF CERTAIN DEFINED TERMS FROM THE GENERAL AND 2014 SERIES RESOLUTIONS

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GLOSSARY OF CERTAIN DEFINED TERMS FROM THE GENERAL AND 2014 SERIES RESOLUTIONS

The following are some of the terms defined in the Corporation's General Resolution and 2014 Series Resolution pursuant to which the 2014 Bonds are issued. Where appropriate or necessary for a clearer indication of meaning for purposes of this Offering Memorandum, some of the following definitions have been slightly modified. For purposes of such definitions, unless the context otherwise requires:

(i) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities including public bodies, as well as natural persons.

(ii) The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in this Resolution, refer to this Resolution or sections or subsections of this Resolution and the term "hereafter" means after the date of adoption of the General Resolution.

Some of these terms are used in this Offering Memorandum and, unless the context in which such terms are herein used clearly indicates some other meaning, such terms used herein shall have the same meanings ascribed to them in the General Resolution or the 2014 Series Resolution, as appropriate.

Defined Terms

"***2014 Bonds***" means the 2014 Senior Bonds and the 2014 Subordinate Bonds.

"***2014 Senior Bonds***" means the 2014 Series A-1 Bonds and the 2014 Series A-2 Bonds.

"***2014 Series A-1 Bonds***" means $328,000,000 Education Loan Revenue Bonds issued as Senior Lien Bonds entitled to Pass-Through Payments of Principal under the General Resolution.

"***2014 Series A-2 Bonds***" means $100,500,000 Education Loan Revenue Bonds issued as Senior Lien Bonds entitled to Pass-Through Payments of Principal under the General Resolution.

"***2014 Series B Bonds***" means $73,000,000 Education Loan Revenue Bonds issued as Subordinate Lien Bonds entitled to Pass-Through Payments of Principal Under the General Resolution.

"***2014 Series Resolution***" means "A SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING FIVE HUNDRED FIFTY MILLION DOLLARS ($550,000,000) SOUTH CAROLINA STUDENT LOAN CORPORATION EDUCATION LOAN REVENUE BONDS, 2014 SERIES; AND OTHER MATTERS RELATING THERETO" effective as of August 13, 2014.

"***2014 Subordinate Bonds***" means the 2014 Series B Bonds.

"***Accepted Servicing Procedures***" means, with respect to any Education Loans securing Bonds Outstanding, servicing procedures (including collection procedures) that comply with applicable federal (including but not limited to the Higher Education Act), state, and local law, that are in accordance with standards set by the Secretary and the accepted student loan servicing practices of prudent lending institutions that service student loans of the same type in the United States.

"***Account or Accounts***" means one or more of the separate accounts which are established within Funds created pursuant to the General Resolution.

"***Accountant's Certificate***" means an opinion signed by an independent certified public accountant or firm of certified public accountants of recognized standing (who may be the certified public accountant or firm of certified public accountants who regularly audit the books and accounts of the Corporation) selected from time to time by the Corporation.

"***Act***" means Chapter 115 of Title 59 of the Code of Laws of South Carolina, 1976, as amended, as existing at the date of adoption of the General Resolution, or as thereafter amended.

"***Administrator***" means the Corporation or any other organization with which the Corporation has entered into an administration agreement with respect to the Student Loan Finance Program and, in any case, so long as such party acts as administrator with respect to Education Loans securing Bonds Outstanding.

"***Alternative Loan***" means an obligation acquired or to be acquired by the Corporation with funds made available pursuant to the General Resolution which represents advances of money made to or on behalf of a student evidenced by one or more promissory notes, the payment of principal of and interest on which is not insured by a Guarantee Agency nor reinsured by the Secretary under the Higher Education Act; provided, that such Alternative Loans may be made only upon confirmation of ratings on the Bonds by each Rating Agency.

"***Annual Budget***" means the annual budget, as amended or supplemented, for a particular Fiscal Year adopted by the Corporation under the General Resolution and filed with the Trustee.

"***Applicable Rating Criteria for Investment Obligations***" means:

(i) for as long as Fitch Ratings is a Rating Agency, a rating by a Nationally Recognized Rating Service no lower than AA (or the equivalent) or F-1+ (or the equivalent), as appropriate;

(ii) for as long as Moody's Investors Service is a Rating Agency, a rating by Moody's Investors Service no lower than Aa2 (or the equivalent) or P-1 (or the equivalent), as appropriate; provided that, if such Investment Obligations consist of money market funds as described in the General Resolution, such Investment Obligations must bear a rating by Moody's Investors Service of Aaa; and

(iii) for as long as Standard & Poor's is a Rating Agency, a rating by Standard & Poor's no lower than AA (or the equivalent) or A-1, AAAm or AAAm-G, as appropriate.

"***Authority***" means the South Carolina State Education Assistance Authority, a body politic and corporate and a public instrumentality of the State of South Carolina.

"***Authorized Denomination***" means $100,000 and multiples of $1,000 in excess of such amount.

"***Authorized Newspaper***" means a financial journal, printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five (5) days in each calendar week, of general circulation in the Borough of Manhattan, City and State of New York or a newspaper of general statewide circulation in the State.

"***Authorized Officer***" means (i) in the case of the Authority, the Chairman or other designated officer, and (ii) in the case of the Corporation, the Chairman of its Board of Directors, its President or any other officer designated by the Chairman or the President.

"***Backup Servicer***" means Nelnet Servicing, LLC or any other organization with which the Corporation has entered into the Backup Servicing Agreement with respect to the Student Loan Finance Program.

"***Backup Servicing Agreement***" means an agreement that the Corporation has with a Backup Servicer relating to the servicing of the Financed Education Loans after a Servicer Transfer Trigger.

"***Bankruptcy Code***" means the United States Bankruptcy Code, as amended from time to time, or any successor law.

"***Beneficial Owners***" means a Person who has an ownership interest in the 2014 Bonds Outstanding in book-entry form.

"***Board***" means the Board of Directors of the Corporation.

"***Bond***" or "***Bonds***" means any South Carolina Student Loan Corporation Education Loan Revenue Bonds of any Series authorized by an applicable Series Resolution and issued under the General Resolution.

"***Bond Purchase Agreement***" means the agreement pursuant to which the 2014 Bonds may be sold to Merrill Lynch, Pierce Fenner & Smith Inc.

"***Bondholder***," or "***Bondowner***," or "***Holder***," or "***Holders of Bonds***," or any similar term (when used with reference to the Bonds) means any person who shall be the registered owner of any Outstanding Bond.

"***Bondholder FATCA Information***" means information sufficient to eliminate the imposition of, or determine the amount of, U.S. withholding tax under FATCA.

"***Bondholder Tax Identification Information***" means properly completed and signed tax certifications (generally, in the case of U.S. Federal Income Tax, IRS Form W-9 (or applicable successor form) in the case of a person that is a "United States Person," within the meaning of §7701(a)(30) of the Code or the appropriate IRS Form W-8 (or applicable successor form) in the case of a person that is not a "United States Person," within the meaning of §7701(a)(30) of the Code).

"***Business Day***" means (i) for purposes of determining the LIBOR Rate, any day on which banks in New York, New York and London, England are open for the transaction of international business; and (ii) for all other purposes, any day other than a Saturday, Sunday, legal holiday or any other day on which banks located in New York, New York or the city in which the designated corporate trust office of the Trustee is located are authorized or permitted by law or executive order to close.

"***Cash Flow Certificate***" means a certificate prepared by or on behalf of the Corporation setting forth, for the period extending from the date of such certificate to the latest maturity of the Bonds then Outstanding, (i) all Revenues Available for Debt Service expected to be received during such period; (ii) the application of all such Revenues Available for Debt Service in accordance with the General Resolution; (iii) the resulting balances and parity ratio; and establishing under all assumptions and scenarios requested by each Rating Agency and used for a cash flow analysis to accompany such certificate, that anticipated Revenues Available for Debt Service will be at least sufficient to pay the principal of and interest on the Bonds when due, to pay all other amounts payable under the General Resolution when due and to meet any required parity ratio.

"***Certificate***" means a document signed by an Authorized Officer attesting to or acknowledging the circumstances or other matters therein stated.

"***Chairman***" means the Chairman of the Board of Directors of the Corporation.

"***Class***" means a class of Bonds all sharing the same lien priority.

"***Code***" means the Internal Revenue Code of 1986, as amended from time to time or the Internal Revenue Code of 1954, as amended, as applicable. Each reference to a Section of the Code, shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such sections which are applicable to the Bonds or the use of the proceeds thereof.

"***Corporation***" means the South Carolina Student Loan Corporation, a private, not-for-profit corporation established in 1973 under Title 33, Chapter 31, Code of Laws of South Carolina, 1976, as amended, acting in its capacity as an Eligible Lender or as agent of the Authority in administering certain components of the Student Loan Insurance Program, and its successors and assigns.

"***Costs of Issuance***" means the costs of issuing any Series of Bonds.

"***Cost of Issuance Account***" means the account so designated which is established pursuant to the General Resolution.

"***Counsel's Opinion***" means an opinion in writing, including supplemental opinions thereto, signed by such attorney or firm of attorneys of recognized national standing in the field of law relating to public finance as may be selected by the Corporation.

"***Debt Service***" means, with respect to any particular Fiscal Year and any particular Series of Bonds, an amount equal to the sum of all interest payable on such Bonds and any Principal Installment in respect of such Bonds which shall be due and payable at any time from the second day of such Fiscal Year to the first day of the ensuing Fiscal Year, inclusive.

"***Debt Service Reserve Fund***" means the Fund so designated which is created by the General Resolution.

"***Debt Service Reserve Requirement***" means, as of any particular date of calculation, the greatest of (i) the sum of the amounts designated for each Series of Bonds in the Series Resolution related thereto as the "Debt Service Reserve Requirement" in respect of such Series, (ii) 0.1% of the original principal amount of all Tranches Outstanding as of such date, or (iii) $750,000. The Debt Service Reserve Requirement may be composed of cash or Investment Obligations or any combination of the foregoing, as the Corporation may determine.

"***Debt Service Fund***" means the Fund so designated which is created by the General Resolution.

"***Default Payment***" means moneys received, realized or recovered through proceedings taken by the Corporation in the event of default in respect of any Education Loan or in respect of any insurance on or guarantee with respect to any Education Loan, including moneys received pursuant to a contract of insurance in respect of any Education Loan.

"***Defeasance Obligations***" means and include any of the following securities, if and to the extent they are at the time legal for investment of funds of the Corporation: non-callable direct obligations of, or obligations the timely payment of principal and interest on which is fully and unconditionally guaranteed by, the United States of America.

"***Depository***" means any bank, trust company, national banking association or savings and loan association selected by the Corporation or the Trustee as a depository of moneys or securities held under the provisions of the General Resolution and may include the Trustee or any Paying Agent.

"***Distribution Date***" means, with respect to a Class and Tranches within a Class, October 1, 2014 and the first (1st) day of each month thereafter, or the next Business Day if such day is not a Business Day. Distribution Dates constitute Interest Payment Dates under the General Resolution.

"***Electronic Means***" means telecopy, facsimile transmissions, email transmissions or other similar electronic means of communication capable of producing a written record, including a telephonic communication confirmed by any method set forth in this definition.

"***Education Loans***" means, collectively, Guaranteed Loans and Alternative Loans.

"***Eligible Institution***" means any educational institution which is an eligible institution as described in the Higher Education Act of 1965, as amended, and also so described in the Act.

"***Eligible Lender***" means the Servicer and all other entities that are eligible lenders as described in the Higher Education Act (including but not limited to "eligible lender trustees") that have in force a contract with a Guarantee Agency providing for loan guarantees to be issued by such Guarantee Agency to such entity under the Higher Education Act and the Act.

"***Ending Balance Factor***" means, with respect to a Class and Tranches within a Class, for any given day, the number calculated by the Trustee by dividing the unpaid principal balance of the Outstanding Class or Tranches within a Class of 2014 Bonds (after any payments of principal are made) by the original principal balance of such Class or Tranches within a Class of the 2014 Bonds and rounding the result to nine decimal places.

"***FATCA***" means the Foreign Account Tax Compliance Act, as amended.

"***FATCA Withholding Tax***" means any withholding or deduction pursuant to an agreement described in §1471(b) of the Code or otherwise imposed pursuant to §§1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof.

"***Federal Agency***" means the United States of America, or any agency, department or instrumentality of the United States of America.

"***Fiduciary or Fiduciaries***" means the Trustee and any successor, the Registrar, any Depository, any Paying Agent, or any of or all of them, as may be appropriate.

"***Financed Education Loans***," as of the Issue Date and thereafter, means Education Loans securing any Bonds issued and Outstanding under the General Resolution.

"***Fiscal Year***" means each annual period which begins on July 1 in any calendar year and ends on June 30 in the following calendar year.

"***Fund***" or "***Funds***" means one or more of the special trust funds which are created hereby.

"**General Resolution**" means "A GENERAL RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SOUTH CAROLINA STUDENT LOAN CORPORATION EDUCATION LOAN REVENUE BONDS, AND OTHER MATTERS RELATING THERETO" adopted June 7, 1996, as amended.

"***General Revenue Fund***" means the fund so designated which is created by the General Resolution.

"***Guarantee Agency***" means the Authority acting in its capacity as a state guarantee agency under the Higher Education Act or other authorized guarantee agency under the Higher Education Act approved by each Rating Agency.

"***Guaranteed Loan***" means an obligation acquired or to be acquired by the Corporation with funds made available pursuant to the General Resolution which represents advances of money made by an Eligible Lender to or on behalf of a student attending or enrolled at an Eligible Institution, evidenced by one or more promissory notes, the payment of principal of and interest on which is guaranteed by a Guarantee Agency and reinsured as to principal amount and interest by the Secretary to the maximum extent then authorized under the Higher Education Act and agreements entered into by a Guarantee Agency and the Secretary pursuant to the Higher Education Act; or such an obligation for which there is a commitment by the Secretary to so insure or by the Guarantee Agency and the Secretary to so insure and reinsure.

"***Higher Education Act***" means the United States Higher Education Act of 1965, as amended, or any successor legislation pursuant to which programs are established for the direct federal insurance of student loans, reinsurance of loans (including Guaranteed Loans) guaranteed by state guarantee agencies, and other purposes.

"***Initial LIBOR Indexed Rate***" means, with respect to each Class and Tranches within a Class of the 2014 Bonds, the rate equal to the applicable LIBOR rate, calculated in accordance with the procedures described in the Offering Memorandum under the heading "**DESCRIPTION OF THE 2014 BONDS – Interest Payments**" plus the Spread Factor.

"***Initial Period***" means the period beginning on the Issue Date and ending on the day before the first Distribution Date for the respective Class and Tranches within a Class of 2014 Bonds.

"***Initial Pool Balance***" means $928,789,580, which was the Pool Balance as of the Statistical Cutoff Date, of the Education Loans securing Bonds Outstanding on the Issue Date.

"***Interest Account***" means the account so established within the Debt Service Fund by the General Resolution.

"***Interest Payment Date***" means any date upon which interest on the Bonds of any Series, Class, or Tranche shall be payable as specified in the applicable Series Resolution.

"***Interest Period***" means, with respect to a Class and Tranches within a Class, the Initial Period and thereafter, the period commencing on a Distribution Date and ending on the day prior to the next Distribution Date.

"***Interest Rate Determination Date***" means the second (2nd) Business Day immediately preceding the commencement of an Interest Period.

"***Interest Subsidy Payments***" means interest subsidy payments payable in respect to any Guaranteed Loans by the Secretary under §428 of the Higher Education Act.

"***Investment Obligations***" means any of the following securities, if and to the extent the same are at the time legal for investment of moneys and funds held under the General Resolution:

(i) Direct obligations of the United States or obligations guaranteed as to full and timely payment both as to principal and interest by the United States;

(ii) General obligations of the State or other states of the United States provided that such obligations meet the Applicable Rating Criteria for Investment Obligations;

(iii) General obligations of cities, counties and special purpose districts in the State provided that such obligations meet the Applicable Rating Criteria for Investment Obligations;

(iv) Obligations of any company, other organization or legal entity incorporated or otherwise created or located within or without the United States if such obligations meet the Applicable Rating Criteria for Investment Obligations;

(v) To the extent that the following meet the Applicable Rating Criteria for Investment Obligations and the full and timely payment thereof are guaranteed by the United States, obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, the Rural Economic and Community Development Administration, the United States Postal Service, the Export-Import Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the Student Loan Marketing Association.

(vi) Repurchase Agreements with respect to securities issued or guaranteed by the United States government or its agencies as well as debt obligations issued by the Student Loan Marketing Association, Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation which may include mortgage-backed and mortgage pass through securities but may not include derivative instruments, which Repurchase Agreements are executed by a bank or trust company or by primary or other reporting dealers to the Federal Reserve Bank of New York which transferor of such securities continuously meets the Applicable Rating Criteria for Investment Obligations, if:

(a) the obligations that are subject to such repurchase agreement are delivered (in physical or in book-entry form) to the Trustee, or any financial institution serving as custodian for the Trustee, provided that such repurchase agreement must provide that the value of the underlying obligations shall be maintained at a current market value, calculated at least daily, of not less than one hundred and two percent (102%) of the repurchase price, and, provided further, that the financial institution serving either as Trustee or as custodian shall not be the provider of the repurchase agreement;

(b) a valid and perfected first security interest in the obligations which are the subject of such repurchase agreement has been granted to the Trustee;

(c) such securities are free and clear of any adverse third party claims; and

(d) a Counsel's Opinion is delivered to the Corporation providing that the repurchase agreement complies with applicable provisions of State law regarding the investment of funds.

The Rating Agencies shall be given prior written notice describing such Repurchase Agreements.

(vii) To the extent that the following continuously meet the Applicable Rating Criteria for Investment Obligations, savings certificates issued by any savings and loan association organized under the laws of the State or by any federal savings and loan association having its principal office in the State; provided that the rate of return or investment yield may not be less than that available in the market on United States government or agency obligations of comparable maturity;

(viii) To the extent that the following continuously meet the Applicable Rating Criteria for Investment Obligations, certificates of deposit issued by banks organized under the laws of the State, or by any national bank having its principal office in the State; provided that the rate of return or investment yield may not be less than that available in the market on United States government or agency obligations of comparable maturity;

(ix) To the extent that the following continuously meet the Applicable Rating Criteria for Investment Obligations, deposits in any savings and loan association organized under the laws of the State or any federal savings and loan association having its principal office in the State; provided that any moneys invested in such deposits in excess of the amount insured by the federal government or any agency thereof be fully secured by surety bonds, or be fully collateralized;

(x) Prime quality commercial paper meeting the Applicable Rating Criteria for Investment Obligations;

(xi) Bills of exchange or time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company (a) meets the Applicable Rating Criteria for Investment Obligations and (b) is incorporated in the State;

(xii) Asset-backed securities (whether considered debt or equity) provided they bear the highest rating of each Rating Agency;

(xiii) Guaranteed Investment Contracts with a financial institution whose long term debt obligations continuously meet the Applicable Rating Criteria for Investment Obligations and for which the Rating Agencies shall have been given prior written notice describing such Guaranteed Investment Contracts; and

(xiv) Investments in a money market fund which bears a rating which continuously meets the Applicable Rating Criteria for Investment Obligations.

"***Issue Date***" means with respect to Bonds of a particular Series, the date specified and determined by the Series Resolution authorizing such Bonds. With respect to the 2014 Bonds, "***Issue Date***" means August 20, 2014.

"***Joint Sharing Agreement***" means an agreement which sets forth the terms and provisions for proper allocation and reallocation of payments made by the U.S. Department of Education (pursuant to a shared or common lender identification number) with respect to Financed Education Loans credited to the Pledged Assets and with respect to student loans credited to different trust estates.

"***LIBOR Indexed Rate***" means the interest rate established and communicated in accordance with the General Resolution with respect to a Class and Tranches within a Class on each Interest Rate Determination Date and equal to the LIBOR Rate plus the applicable Spread Factor.

"***LIBOR Rate***" means, for any given day, the rate per annum fixed at 11:00 a.m., London time, on such day relating to quotations for London Interbank Offered Rates on U.S. dollar deposits for a one month period. If such a day is not a business day in London, then the rate most recently fixed as the London Interbank Offered Rate for a one month period shall be used. Such rate may be available on the following Bloomberg screen: US0001M<Index>HP or another page of this or any other financial reporting service in general use in the financial services industry (or any successor thereto). If the rate is no longer available from Bloomberg or its successor, the Corporation shall direct the Trustee in writing to the new source for the determination of LIBOR Rate.

"***Loan Account***" means the account of that name established in the Program Fund.

"***Majority of the Bondholders***" means the Holders of more than fifty percent (50%) in aggregate principal amount of the Bond Outstanding.

"***Mandatory Sinking Fund Installment***" means the principal amount of Bonds of all Series which pursuant to the applicable Series Resolutions the Corporation is unconditionally required (except as provided in the General Resolution) to redeem on any particular date (such that failure to redeem such principal amount is, regardless of the availability of moneys therefor, an Event of Default).

"***Nationally Recognized Rating Service***" means any of Standard & Poor's, Moody's Investors Service, Inc. or Fitch Ratings or the successor to any.

"***Operating Costs***" means, all of the Corporation's expenses in carrying out and administering the Student Loan Finance Program under the General Resolution and shall include, without limiting the generality of the foregoing, auction agent fees, Servicing Fees, salaries, acquisition and servicing fees (other than Servicing Fees), supplies, utilities, mailing, labor, materials, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, legal, accounting, management, consulting and banking services and expenses, Rating Agency fees, any credit or liquidity facility fees and expenses, fees and expenses, if any, incurred in remarketing the Bonds, fees and expenses of the Fiduciaries, Costs of Issuance not otherwise paid or provided for from the proceeds of Bonds, travel, payments for pension, thrift savings, retirement, health and hospitalization, and life and disability insurance benefits, all to the extent properly allocable to a financing under the General Resolution.

"***Operating Fund***" means the fund so designated which is created by the General Resolution.

"***Operating Fund Requirement***" means as of any date, an amount equal to the Operating Costs of the Corporation for the current month and such additional amount as the Corporation deems appropriate, but in no event, more than four (4) months of Operating Costs in total as reflected by the Annual Budget.

"***Other Federal Benefits***" means all payments (including interest payments) now or hereafter provided by law, other than Default Payments, to be paid by the Secretary or any other Federal Agency to a holder of student loans, less any repayments thereof that may be required under contracts for such payments or as a condition for their receipt.

"***Outstanding***" when used with reference to any Bonds, means, as of any date, all Bonds theretofore or then being authenticated and delivered under the General Resolution except:

(i) any Bonds canceled by the Trustee at or prior to such date;

(ii) Bonds (or portions thereof) for the payment of which there shall be held in trust under the General Resolution (whether at or prior to maturity) (a) cash, equal to the principal amount or Redemption Price thereof, with interest to the date of maturity, or (b) Defeasance Obligations in amounts sufficient to pay the Redemption Price on such Bonds when due;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III of the General Resolution; and

(iv) Bonds deemed to have been paid as provided in the General Resolution.

"***Participant***," "***Direct Participant***," or "***Indirect Participant***" means a participant in the electronic, computerized book-entry system of transferring beneficial ownership interest in any of the 2014 Bonds administered by the Securities Depository.

"***Pass-Through Payments of Principal***" means a payment of principal known as a Pass-Through Payment of Principal for Bonds designated for such payments in accordance with a Series Resolution.

"***Paying Agent***" means, (i) with respect to the 2014 Bonds, the Trustee, as well as any Co-Paying Agent appointed by the Corporation under the General Resolution, and (ii) generally, any bank with trust powers or trust company so designated pursuant to the General Resolution, and its successor or successors hereafter appointed, as paying agent for any Series of Bonds.

"***Periodic Reporting Certificate***" means the certificate executed by the Corporation on the Issue Date which sets forth the obligations of the Corporation on providing certain information to the Beneficial Owners while the 2014 Bonds are Outstanding.

"***Person***" means any individual, corporation, partnership, joint venture, association, joint stock company, incorporated organization or government or any agency or political subdivision thereof.

"***Pledged Assets***" means (i) the Education Loans; (ii) interest payments with respect to Education Loans made by or on behalf of borrowers; (iii) Recoveries of Principal; (iv) any applicable Special Allowance Payments; (v) any applicable Interest Subsidy Payments; (vi) all moneys and securities from time to time held by the Trustee under the terms of the General Resolution and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the General Resolution.

"***Principal Account***" means the account of that name established within the Debt Service Fund.

"***Principal Installment***" means, as of the date of calculation and with respect to any Series of Bonds Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date (whether at a stated maturity date or a date fixed for redemption prior to a stated maturity date) for which no Mandatory Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the General Resolution) of any Mandatory Sinking Fund Installments in a principal amount equal to such unsatisfied balance of such Mandatory Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Mandatory Sinking Fund Installments due on such future date, plus such applicable redemption premiums, if any.

"***Principal Installment Date***" means any date upon which any Principal Installment on Bonds of any Series shall be due and payable pursuant to the applicable Series Resolution.

"***Principal Reduction Payment***" means a *pro rata* reduction of Principal for a designated Series of Bonds in accordance with an applicable Targeted Amortization Schedule for such Series.

"***Principal Reduction Payment Date***" means the date established for a pro rata reduction of Principal for a designated Series of Bonds in accordance with an applicable Targeted Amortization Schedule for such Series.

"Purchase Price" means an amount equal to the amount that the applicable Guarantee Agency would reimburse a holder for a defaulted student loan under the Higher Education Act.

"***Program Fund***" means the fund established by the General Resolution.

"***Rating Agency***" or "***Rating Agencies***" means any of Standard & Poor's, Moody's Investors Service, Inc., Fitch Ratings (or the successor to any) or any other generally recognized rating agency to the extent any such agency has been requested in writing by the Corporation to issue a rating on one or more Series of the Bonds and such agency has issued and continues to apply a rating on such Bonds at the time in question.

"***Record Date***" means, (i) with respect to any installment of interest or principal to be paid with respect to the 2014 Bonds on a Distribution Date, the Business Day prior to such Distribution Date, and (ii) generally, such date as shall be determined in the applicable Series Resolution with respect to payments to be made thereunder.

"***Recoveries of Principal***" means all amounts received in respect of payment of principal on Education Loans held by the Corporation, including scheduled, delinquent and advance payments, payouts or prepayments, proceeds from the guarantee, or from the sale, assignment or other disposition of an Education Loan.

"***Redemption Date***" means a date fixed for the payment of principal prior to maturity pursuant to any applicable redemption provision of the General Resolution and any Series Resolution.

"***Redemption Price***" means the total of principal, premium (if any) and interest due on any Bond redeemed pursuant to any applicable redemption provision of the General Resolution and any Series Resolution.

"***Refunding Bonds***" means all Bonds, whether issued in one or more Series, authenticated and delivered pursuant to the General Resolution to refund all or any bonds Outstanding under the General Resolution or under another resolution of the Corporation.

"***Registrar***" means the Trustee, as well as any Co-Registrar appointed by the Corporation and the Trustee under the General Resolution.

"***Repurchase Obligation***" means the Corporation's obligation to purchase certain Financed Education Loans pursuant to the terms and conditions set forth in the 1996 General Resolution Repurchase Obligation given as of August 20, 2014.

"***Reserve Alternative Instrument***" means an insurance policy or surety bond or irrevocable letter of credit or guaranty deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for the deposit of cash and Investment Obligations in satisfaction of the Debt Service Reserve Requirement. The Reserve Alternative Instrument shall be payable (upon the giving of notice as required thereunder) to remedy any deficiency in the appropriate subaccounts in the Interest Account and the Principal Account in order to provide for the timely payment of interest and principal (whether at maturity or to pay a Mandatory Sinking Fund Installment therefor). The provider of a Reserve Alternative Instrument shall be (a) an insurer that has been assigned a rating which continuously meets the Applicable Rating Criteria for Investment Obligations, or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been assigned a rating which continuously meets the Applicable Rating Criteria for Investment Obligations. The Rating Agencies shall be given prior written notice describing such Reserve Alternative Instrument.

"***Resolution***" means, collectively, the General Resolution and the 2014 Series Resolution.

"***Revenues Available for Debt Service***" means (i) interest payments with respect to Education Loans made by or on behalf of borrowers; (ii) Recoveries of Principal; (iii) any applicable Special Allowance Payments; (iv) any applicable Interest Subsidy Payments; and (v) all moneys and securities from time to time held by the Trustee under the terms of the General Resolution.

"***Secretary***" means the United States Secretary of Education, or any other officer, board, body, commissioner or agency succeeding to the functions thereof under the Higher Education Act.

"***Securities Depository***" means The Depository Trust Company, New York, New York or any additional or successor securities depository for the 2014 Bonds.

"***Senior Lien Bonds***" means any Bonds so designated in the applicable Series Resolution authorizing such Senior Lien Bonds. With respect to the 2014 Bonds, "***Senior Lien Bonds***" means all 2014 Senior Bonds.

"***Series***" means all of the Bonds authenticated and delivered on original issuance authorized by a given Series Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as herein provided, regardless of variations in maturity, interest rate, Mandatory Sinking Fund Installments, or other provisions.

"***Series Resolution***" means a resolution of the Corporation authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof, adopted by the Corporation in accordance with the General Resolution.

"***Servicer***" means the Corporation and any other organization whose regular business includes the servicing of loans for post-secondary education with which the Corporation has entered into a servicing agreement and, in any case, so long as such party acts as servicer of Financed Education Loans.

"***Servicer Compliance Report***" means (i) any report generated by the U.S. Department of Education, Office of the Inspector General, specifically relating to any Servicer and (ii) a third party review of each Servicer conducted under the provisions of the Statements on Standards for Attestation Engagements No. 16 (or any other successor standards) or an A-133 Higher Education Act annual compliance audit, as applicable, in either case, performed annually by a firm of independent public accountants.

"***Servicer Transfer Trigger***" means one of the following events:

(i) the Servicer determines that it will no longer service any Financed Education Loans and provides written notice to the Backup Servicer and other parties as required under the Backup Servicing Agreement and prompt written notice to the Trustee of the transfer of servicing pursuant to the Backup Servicing Agreement,

(ii) a material weakness regarding the applicable Servicer has been identified in any Servicer Compliance Report related to that Servicer and such material weakness shall continue for a period of thirty (30) days after the Corporation's receipt of such report identifying such material weakness and a Majority of the Bondholders has directed the Trustee and the Corporation in writing to proceed with a transfer of servicing,

(iii) the Servicer is in a material violation of its duties under the General Resolution (including but not limited to, those with respect to Accepted Servicing Procedures) or under the Higher Education Act and such material violation shall continue for a period of thirty (30) days after such Servicer becomes aware of such material violation and a Majority of the Bondholders has directed the Trustee and the Corporation in writing to proceed with a transfer of servicing, or

(iv) the occurrence of any of the following events of insolvency of the Servicer: (a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of the Servicer; (b) the commencement by or against the Servicer of a case or other proceeding seeking liquidation, reorganization or other relief with respect to the Servicer for its debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for Servicer or any substantial part of its property; (c) the making by the Servicer of an assignment for the benefit of creditors; (d) the inability or failure of the Servicer to generally pay its debts as they become due or any admission by the Servicer in writing of its inability to pay its debts as they become due; (e) the declaration of a moratorium with respect to the payment of the debts of the Servicer; or (f) the initiation by the Servicer of any action in furtherance of or to authorize any of the foregoing.

"***Servicing Fees***" means the fees payable to the Corporation to cover, inter alia, the Corporation's reasonable and necessary expenses for operation and administration of the Student Loan Finance Program. The fees shall cover, but are not limited to, the Corporation's reasonable and necessary expenses for operation and administration of the Student Loan Finance Program including those expenditures made for the purchase of furniture and equipment as well as those expenditures associated with the operation and maintenance of the Corporation's facilities.

"***Special Allowance Payments***" means special allowance payments authorized to be made by the Secretary in respect of the Guaranteed Loans pursuant to §438 of the Higher Education Act or similar allowances authorized from time to time by federal law or regulation.

"***Spread Factor***" means, with respect to the 2014 Series A-1 Bonds, 0.75% per annum, with respect to the 2014 Series A-2 Series Bonds, 1.00% per annum, and, with respect to the 2014 Series B Bonds, 1.50% per annum.

"***State***" means the State of South Carolina.

"***Statistical Cutoff Date***" means June 30, 2014.

"***Stated Maturity Date***" means the date on which an applicable Class and Tranches within a Class of the 2014 Series Bonds mature (May 1, 2030, with respect to the 2014 Series A-1 Bonds, January 3, 2033, with respect to the 2014 Series A-2 Bonds and August 1, 2035, with respect to the 2014 Series B Bonds).

"***Student Loan Finance Program***" means and include any acts or things done by the Authority or the Corporation pursuant to the Act and the General Resolution for the purpose of making available Guaranteed Loans pursuant to the Act and Alternative Loans as provided in the General Resolution.

"***Student Loan Insurance Program***" means the guarantee program of the Authority authorized by the Act.

"***Subordinate Lien Bonds***" means any Bonds that are so designated in the Series Resolution authorizing such Bonds.

"***Supplemental Resolution***" means any resolution supplemental to or amendatory of the General Resolution approved by the Corporation in accordance with the General Resolution.

"***Targeted Amortization Payment***" means a *pro rata* reduction of Principal for a designated Series of Bonds in accordance with an applicable Targeted Amortization Schedule for such Series.

"***Targeted Amortization Payment Date***" means the date established for a pro rata reduction of Principal for a designated Series of Bonds in accordance with an applicable Targeted Amortization Schedule for such Series.

"***Tranche***" means Bonds identified as such in a Series Resolution and having the same Class, stated maturity and interest rate methodology.

"***Trustee***" means Wells Fargo Bank, N.A., as Trustee and the successor or successors of such bank or trust company and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

EXHIBIT III

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The 2014 Bonds are issued by the Corporation under the General Resolution and the 2014 Series Resolution adopted pursuant to the authority of the General Resolution which contains various covenants and security provisions, certain of which are summarized below. Reference should be made to the General Resolution for a full and complete statement of its provisions.

PLEDGE EFFECTED; ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PLEDGED ASSETS

Pledge of the Pledged Assets *(Section 501)*

Under the General Resolution, the Corporation has pledged for the payment of the principal (or, if the Bonds shall have been duly called for redemption, the Redemption Price) of and interest on Bonds, in accordance with their terms and the provisions of the General Resolution and the applicable Series Resolution, subject only to the provisions of the General Resolution permitting the application thereof for or to the purposes and on the terms and conditions set forth in the General Resolution, the Pledged Assets. It is expressly understood that there will be released from the lien of such pledge such Education Loans as may be sold by the Corporation to the extent that such sale shall authorized under the General Resolution.

All Pledged Assets are subject to the lien of the pledge of the General Resolution without any physical delivery thereof or further act, and the lien of said pledge is required to be a valid, binding and first perfected priority pledge as against all parties having claims of any kind in tort, contract, or otherwise against the Corporation. The security interest granted in the General Resolution with respect to the Guaranteed Loans is required has been perfected by the filing of appropriate UCC-1 financing statements as authorized by 20 U.S.C.A. §1087-2(d)(3).

Establishment of Funds and Accounts *(Section 502)*

The Corporation has established the following funds and accounts under the General Resolution to be maintained by the Trustee:

(1) Program Fund

- Loan Account
- Tax Exempt Bond Subaccount
- Taxable Bond Subaccount
- Cost of Issuance Account

(2) General Revenue Fund

(3) Debt Service Fund

- Interest Account
- Principal Account

(4) Debt Service Reserve Fund

- Senior Lien Account
- Subordinate Lien Account

(5) Operating Fund

(6) Supplemental Reserve Fund

Each of the above Funds and Accounts, in addition to other Accounts from time to time established at the direction of the Corporation, will be required to be held in a segregated trust account in the corporate trust division of the Trustee and maintained by the Trustee pursuant to the provisions of the General Resolution.

General Revenue Fund *(Section 504)*

(a) All moneys received by or on behalf of the Corporation as Pledged Assets will be required to be deposited within two (2) Business Days after the receipt thereof to the credit of the General Revenue Fund. There is also permitted to be paid into the General Revenue Fund, at the option of the Corporation, any moneys received by the Corporation from any other source, unless required to be otherwise applied.

(b) As of the first day of each calendar month, and not later than the tenth (10^{th}) day of such calendar month, unless specifically provided to the contrary in a Series Resolution, the Trustee will be required to withdraw from the General Revenue Fund and, to the extent that there are amounts in the General Revenue Fund available therefor, deposit the amounts to the credit of the following Funds and Accounts the following amounts in the following order of priority:

(i) First, to the Interest Account, and segregated therein for Senior Lien Bonds an amount such that, if the same amounts are so paid and credited to the Interest Account from the same source on the same day of each succeeding calendar month thereafter prior to the next Interest Payment Date, the aggregate of the amounts so paid and credited to the Interest Account, when added to any amount on deposit in the Interest Account on the day of the calculation and segregated therein for such purpose, would on such Interest Payment Date be equal to the interest on all Outstanding Senior Lien Bonds accrued and unpaid as of such date; provided, however, that in order to ensure that the Interest Account is neither over funded nor under funded for all Bonds Outstanding (giving due regard to the different payment intervals for the various Series of Bonds), the Trustee will be required, not later than the tenth (10^{th}) day of each calendar month, to ensure that the amount so transferred to the Interest Account reflects the amount of interest actually accrued in the prior calendar month for each Series of Senior Lien Bonds. In the event that different Interest Payment Dates are established in respect of different Series of Senior Lien Bonds, deposits in the Interest Account will be made in accordance with the foregoing calculation applied separately to each such different Series. In the event that amounts representing capitalized interest have been deposited in the Interest Account from the proceeds of a Series of Senior Lien Bonds, such deposit will be deemed to be in lieu of deposits otherwise required to be made into the Interest Account from the General Revenue Fund for the succeeding calendar months in order to provide for the payment of interest on Senior Lien Bonds of such Series, to the extent that such amount representing capitalized interest equals the aggregate of such deposits otherwise required to be made from the General Revenue Fund.

(ii) Second, to the Principal Account, whenever a Principal Installment of Senior Lien Bonds is to fall due within one year of the date of transfer (other than Targeted Amortization Payments), an amount such that, if the same amounts are so paid and credited to the Principal Account from the same source on the same day of each succeeding calendar month thereafter prior to the next day upon which a Principal Installment is due, the aggregate of the amounts so paid and credited to the Principal Account, when added to any amount on deposit in the Principal Account on the day of the calculation and segregated therein for such purpose, would on such Principal Installment Date be equal to the amount of all accrued and unpaid Principal Installments of Senior Lien Bonds as of such date. In the event that different dates (within one year of the date of transfer) on which Principal Installments fall due are established in respect of different Series of Senior Lien Bonds, deposits in the Principal Account will be made in accordance with the foregoing calculation applied separately to each such different Series. There will also be deposited to the Principal Account, whenever Senior Lien Bonds have been duly called for redemption and such redemption is to occur within thirty (30) days, an amount equal to the principal amount of Senior Lien Bonds to be redeemed on such redemption date.

(iii) Third, to the Interest Account, and segregated therein for Subordinate Lien Bonds an amount such that, if the same amounts are so paid and credited to the Interest Account from the same source on the same day of each succeeding calendar month thereafter prior to the next Interest Payment Date, the aggregate of the amounts so paid and credited to the Interest Account, when added to any amount on deposit in the Interest Account on the day of the calculation and segregated therein for such purpose, would on such Interest Payment Date be equal to the interest on all Outstanding Subordinate Lien Bonds accrued and unpaid as of such date. In the event that different Interest Payment Dates are established in respect of different Series of Subordinate Lien Bonds, deposits in the Interest Account will be required to be made in accordance with the foregoing calculation applied separately to each such different Series. In the event that amounts representing capitalized interest have been deposited in the Interest Account from the proceeds of a Series of Subordinate Lien Bonds, such deposit will be deemed to be in lieu of deposits otherwise required to be made into the Interest Account from the General Revenue Fund for the succeeding calendar months in order to provide for the payment of interest on Subordinate Lien Bonds of such Series, to the

extent that such amount representing capitalized interest equals the aggregate of such deposits otherwise required to be made from the General Revenue Fund.

(iv) Fourth, to the Principal Account, whenever a Principal Installment of Subordinate Lien Bonds is to fall due within one year of the date of transfer (other than Targeted Amortization Payments), an amount such that, if the same amounts are so paid and credited to the Principal Account from the same source on the same day of each succeeding calendar month thereafter prior to the next day upon which a Principal Installment is due, the aggregate of the amounts so paid and credited to the Principal Account, when added to any amount on deposit in the Principal Account on the day of the calculation, would on such Principal Installment Date be equal to the amount of all accrued and unpaid Principal Installments as of such date. In the event that different dates (within one year of the date of transfer) on which Principal Installments fall due are established in respect of different Series of Subordinate Lien Bonds, deposits in the Principal Account will be required to be made in accordance with the foregoing calculation applied separately to each such different Series. There will also be required to be deposited to the Principal Account, whenever Subordinate Lien Bonds have been duly called for redemption and such redemption is to occur within thirty days, an amount equal to the principal amount of Subordinate Lien Bonds to be redeemed on such redemption date.

(v) Fifth, to the Operating Fund, an amount that, when added to the amount therein will equal the Operating Fund Requirement as directed by the Corporation.

(vi) Sixth, to the Debt Service Reserve Fund–Senior Lien Account, so much as may be required so that the amount therein shall equal the Debt Service Reserve Requirement for all Senior Lien Bonds then Outstanding.

(vii) Seventh, to the Debt Service Reserve Fund–Subordinate Lien Account, so much as may be required so that the amount therein shall equal the Debt Service Reserve Requirement for all Subordinate Lien Bonds then Outstanding.

(viii) Eighth, to the Principal Account, an amount such that, if available amounts are so paid and credited to the Principal Account from the same source on the same day of each succeeding calendar month thereafter, then prior to the next day upon which a Targeted Amortization Payment for Prior Bonds is due, the aggregate of the amounts so paid and credited to the Principal Account, when added to any amount on deposit in the Principal Account on the day of the calculation and segregated therein for such purpose, would on such Targeted Amortization Payment Date be equal to (but not exceed) the amount of all accrued and unpaid Targeted Amortization Payment amounts for such Prior Bonds as of such date; provided, that, if Revenues Available for Debt Service are not sufficient to pay Targeted Amortization Payments with respect to each Class and Series, then payments will be required to be made in the order of issuance by Series and to the earliest maturities within a Series; provided further, that such payments with respect to Bonds issued after May 4, 1999, will be made on a *pro rata* basis among Series based upon the amount of the Targeted Amortization Payments due, as adjusted, all in accordance with the applicable Series Resolution. The amount of such insufficiency will be added to the next payment or date, as applicable, contemplated by such Targeted Amortization Schedule.

(ix) Ninth, on or prior to September 3, 2014, to the extent that (A) the sum of (1) the outstanding principal amount of, and accrued interest on, the Education Loans (as certified by the Corporation on the first day of each calendar month) and (2) all amounts held in the funds and accounts under the General Resolution, the value of which will be calculated in accordance with the provisions of the General Resolution described in paragraph (b) under the heading "**Investment of Funds and Accounts**" below, other than the Operating Fund, shall exceed both (B) one hundred twelve percent (112%) of the principal amount of all Outstanding Senior Lien Bonds (including all accrued, but unpaid interest) and (C) one hundred four percent (104%) of the principal amount of all Outstanding Bonds (including all accrued, but unpaid interest) after such withdrawal, such excess will be required to be paid to the Corporation.

(x) Tenth, after payment in full of the Prior Bonds, to the Principal Account to pay Pass-Through Payments of Principal until all Senior Lien Bonds designated for such payments in accordance with a Series Resolution have been paid in full and then to pay Pass-Through Payments of Principal until all Subordinate Lien Bonds designated for such payments in accordance with a Series Resolution have been paid in full.

(xi) Eleventh, the balance, if any, shall be transferred at the direction of the Corporation, to the Loan Account (up to the amount authorized in an applicable Series Resolution) or to the Principal Account to effect a redemption of Bonds or to make Targeted Amortization Payments (as directed in an applicable Series Resolution).

Application of Moneys in Other Funds and Accounts *(Section 505)*

(a) Moneys in the Interest Account will be required to be applied to pay interest on the Bonds.

(b) Moneys in the Principal Account will be required to be applied to pay Principal Installments and Targeted Amortization Payments.

(c) If, on any date that principal of or interest on Senior Lien Bonds shall be due and payable there shall be insufficient moneys in the Principal Account or Interest Account, as the case may be, to make the required payment, then moneys in the Senior Lien Account and the Subordinate Lien Account of the Debt Service Reserve Fund will be required to be applied to pay the principal of and interest on Senior Lien Bonds then due and payable. If, on any date that principal of or interest on Subordinate Lien Bonds shall be due and payable there shall be insufficient moneys in the Principal Account or Interest Account, as the case may be, to make the required payment, then moneys in the Subordinate Lien Account of the Debt Service Reserve Fund will be required to be applied to pay the principal of and interest on Subordinate Lien Bonds then due and payable.

(d) Moneys in the Operating Fund will be required to be applied as directed by the Corporation to pay Operating Costs in accordance with the Annual Budget of the Corporation or as otherwise required by the General Resolution. Such Operating Costs will not be permitted to be increased beyond the level reflected in a closing Cash Flow Certificate provided to each Rating Agency prior to the issuance of a Series of Bonds under the General Resolution unless the Trustee shall first receive a confirmation of the rating on all Bonds Outstanding from Moody's Investor Service and Fitch Ratings and a Cash Flow Certificate. The Corporation will be required to provide thirty (30) days' prior written notice to Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business of any increase in Operating Costs.

(e) Notwithstanding any provision of the General Resolution pertaining to the application of moneys in any Fund or Account, amounts deposited in all Funds and Accounts will be required to be used for the payment of principal of and interest on the Bonds if there would otherwise be a default in payment. The order of Funds and Accounts from which moneys are to be transferred in the event that deposits of moneys in the General Revenue Fund to the Interest Account and Principal Account are insufficient to avoid a default in payment of principal of or interest on the Bonds shall be as follows: the Debt Service Reserve Fund, the Supplemental Reserve Fund, the Loan Account, and then the Operating Fund.

(f) Moneys will in no event be transferred to or maintained in the Debt Service Reserve Fund or the Operating Fund in excess of, respectively, the Debt Service Reserve Requirement (as valued on at least a quarterly basis) or the Operating Fund Requirement. Any moneys therein in excess of the amounts prescribed in the General Resolution will be required to be transferred following such valuation to the General Revenue Fund. If at any time the balance in the Debt Service Reserve Fund, together with other available funds of the Corporation on deposit with the Trustee, shall be sufficient to retire all Bonds Outstanding, such balance may be applied at the direction of the Corporation to retire all Bonds Outstanding.

(g) Amounts on deposit in the Supplemental Reserve Fund will not be counted towards amounts otherwise required to be on deposit in the Debt Service Reserve Fund. The Supplemental Reserve Fund will be required to be used to pay Targeted Amortization Payments in accordance with any applicable Targeted Amortization Schedule to the extent that funds are not available for that purpose in the Principal Account. If, on any date that principal of or interest on Senior Lien Bonds is due and payable there are insufficient moneys in the Principal Account or Interest Account, as the case may be, or the Debt Service Reserve Fund to make the required payment, then moneys in the Supplemental Reserve Fund will be required to be applied to pay the principal of and interest on Senior Lien Bonds then due and payable. Upon payment on full of the Prior Bonds, all amounts remaining in the Supplemental Reserve Fund will be required to be deposited to the General Revenue Fund on such date.

Investment of Funds and Accounts *(Section 507)*

(a) Moneys in each Fund and Account will be required to be invested at the direction of the Corporation, consistent with the required uses of such moneys, in Investment Obligations. Investment Obligations are deemed to be part of the Fund or Account for which purchased, and gains and losses on Investment Obligations will be credited or charged to the Fund or Account for which the Investment Obligations were purchased. Interest earned on Investment Obligations in all Funds and Accounts, however, constitutes Pledged Assets and will be deposited, as earned, in the General Revenue Fund.

(b) In computing the amount in any Fund or Account held by the Trustee under the provisions of the General Resolution, obligations purchased as an investment of moneys therein will be valued at par if such obligations will mature within thirty (30) days at their par amount; otherwise such obligations will be valued at their market value. Valuation made on any particular date will include the amount of interest then earned or accrued to such date on any such moneys or investments. Accrued income for all funds and accounts will be deemed to be attributable to the General Revenue Fund as described in paragraph (a) above. All such valuations will be required to be made on at least a quarterly basis unless otherwise provided in a Series Resolution.

(c) Except as otherwise provided in the General Resolution, the Trustee will be required to sell at a commercially reasonable price, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer of the Corporation so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account held by it.

(d) It will not be necessary for any Paying Agent to give security for the deposit of any moneys with it held in trust for the payment of principal of or Redemption Price, if any, or interest on any Bonds.

PARTICULAR COVENANTS OF THE CORPORATION

Covenant to Administer All Aspects of the Student Loan Finance Program *(Section 603)*

The Corporation, as agent of the Authority, will administer, operate, and diligently perform all acts and things required to administer, operate, and maintain the Student Loan Finance Program in strict compliance with the Act and in such manner as to assure that such Program and the Guaranteed Loans made thereunder will continue to benefit from the federal programs of insurance and reinsurance of Guaranteed Loans, pursuant to the Higher Education Act, or from any other federal statute providing for any such federal program of insurance or reinsurance, and to assure continued entitlement to receive Interest Subsidy Payments and Special Allowance Payments, with respect to all Guaranteed Loans.

Covenant to Make Only Education Loans; to Make Collections; to Comply at all Times with the Act *(Section 604)*

Under the General Resolution, only Education Loans eligible to be made or purchased pursuant to the General Resolution are permitted to be made or purchased from Bond proceeds, or from funds replaced by Bond proceeds. The Corporation is required to collect all principal and interest payments on all Education Loans and all grants, subsidies, donations, insurance payments, Special Allowance Payments, and all Default Payments from the Secretary or the Guarantee Agency which relate to Guaranteed Loans. The Corporation is also required to use due diligence in perfecting all claims for payment related to such Guaranteed Loans from the Secretary and the Guarantee Agency as rapidly as possible. The Corporation is required to assign to the Guarantee Agency such Guaranteed Loans for payment of guarantee or insurance benefits and to comply with all United States statutes, rules and, regulations which apply to the Student Loan Finance Program and to Guaranteed Loans.

Enforcement of Education Loans *(Section 605)*

The Corporation is required, diligently, directly or through agents, to enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants, and conditions of all Education Loans and all agreements and guarantee and insurance contracts in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due thereunder. The Corporation is not permitted to release the obligations of any student borrower under any Education Loan and is required at all times, to the extent permitted by law, to defend, enforce, preserve, and protect the rights and privileges of the Bondholders under or with respect to each Education Loan and all agreements in connection therewith. The Corporation is not permitted to consent or agree to or permit any amendment or modification of any Education Loan or agreement in connection therewith which will in any

manner materially adversely affect the rights or security of the Bondholders under the General Resolution. The Corporation is permitted, however, to settle a default or cure a delinquency on any Education Loan on such terms as shall be determined by the Corporation to be prudent or to grant forbearance or forgiveness of an Education Loan.

Accounts and Reports *(Section 609)*

The Corporation is required to keep proper books and accounts in which complete and accurate entries are required to be made of all transactions relating to the Student Loan Finance Program, and all Funds and Accounts established by the General Resolution, which are required, at all reasonable times, to be subject to the inspection of the Trustee and the Holders of an aggregate of not less than five percent (5%) in principal amount of Bonds of any Series then Outstanding or their representatives duly authorized in writing. The Corporation is also required to make an annual report to the Authority, and a copy of each such annual report is required to be mailed promptly thereafter to each Bondholder who shall have filed his, her, or its name and address with the Corporation for such purpose.

Personnel and Servicing of Student Loan Finance Program *(Section 611)*

The Corporation is required at all times to cause to be appointed, retained, and utilized competent and qualified personnel for the purpose of carrying out the Student Loan Finance Program and to establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees, and charges and all persons so employed are required to be qualified for their respective positions. The Corporation is permitted to engage Independent contractors o perform any such duties upon notice to the Rating Agencies.

Waiver of Laws *(Section 613)*

The Corporation is not permitted at any time to insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may affect the covenants and agreements contained in the General Resolution, any Series or Supplemental Resolution, or the Bonds, and all benefit or advantage of any such law or laws has been expressly waived by the Corporation.

Student Loan Finance Program *(Section 614)*

(a) The Corporation is not permitted to make or purchase with proceeds of Bonds issued under the General Resolution any student loan unless (i) such origination or purchase is authorized by the Series Resolution authorizing the Bonds, the proceeds of which are to be so applied, and (ii) such student loan is an Education Loan. All Education Loans pledged under the General Resolution will be held by the Corporation.

(b) Effective as of the day after the Issue Date of the 2014 Bonds, the Corporation will not be permitted, and will not be permitted to permit the Eligible Lender, to sell, transfer or otherwise dispose of Financed Education Loans unless (i) the Corporation has been directed to make any such sale pursuant to the provisions of the General Resolution described under the headings "**DEFAULTS AND REMEDIES – Events of Default**," "**– Remedies**," "**– Limitation on Action**," "**– Priority of Payments After Default**," "**– Termination of Proceedings**," "**– Remedies Not Exclusive**," "**– No Waiver of Default**," and "**– Notice of Event of Default**" below, (ii) such sale, transfer, or disposition is authorized in a Series Resolution for the payment of all Bonds Outstanding, or (iii) such sale, transfer, or disposition is related to the Repurchase Obligation and the Corporation will be required to fund the sale, transfer, or disposition of the applicable Education Loan(s) using available cash at the Purchase Price and be obligated to calculate such Purchase Price.

(c) Effective as of the day after the Issue Date of the 2014 Bonds and subject to the limitations set forth in the General Resolution, in any Series Resolution, or in any Supplemental Resolution, there will be released from the lien of the General Resolution such Pledged Assets as may be sold, disposed of, or transferred by the Corporation, to the extent that such sale, disposition, or transfer is authorized in a Series Resolution for the payment of all Bonds Outstanding or such sale, disposition or transfer is related to the Repurchase Obligation as directed by a Certificate of an Authorized Officer of the Corporation. The Trustee will be required, upon receipt of a Certificate from such Authorized Officer and subject to the provisions of the General Resolution, any Series Resolution, or any Supplemental Resolution, to take all actions reasonably necessary to effect the release of any Pledged Assets from the lien of the General Resolution as directed by such Certificate to permit the sale, disposition, or transfer of such Pledged Assets, but only as authorized in a Series Resolution for the payment of all Bonds Outstanding, or if such sale, disposition or transfer is related to the Repurchase Obligation.

(d) Subject to the limitations described in (c) above and elsewhere in the General Resolution, upon receipt of a Certificate of an Authorized Officer described in (c) above, the Trustee will be required to execute instruments provided by such Authorized Officer to release such Pledged Assets from the lien of the General Resolution, or to convey the Trustee's interest in the same, in a manner and under circumstances that are not inconsistent with the provisions of the General Resolution. No party relying upon an instrument executed by the Trustee as provided in the provisions of the General Resolution described under this heading will be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent, or see to the application of any moneys.

(e) The Trustee will be required, at such time as there are no Bonds Outstanding and all amounts due and owing under the General Resolution shall have been paid, to release at the request of the Corporation any remaining portion of the Pledged Assets from the lien of the General Resolution and to release to the Corporation or its assigns any funds then on deposit in the Funds and Accounts; provided, however, all such releases will be required to be prepared by the Corporation.

Status as Eligible Lender and Administrator Requirement *(Section 619)*

All Financed Education Loans will be required to be held by the Corporation, as an Eligible Lender, and the Corporation will be required to maintain its status as an "eligible lender" under the Higher Education Act. To the extent that the Corporation shall no longer qualify or shall no longer serve as Eligible Lender, the Corporation will be required to appoint another entity as an Eligible Lender. To the extent that the Corporation shall no longer qualify or shall no longer serve as Administrator, the Corporation will be required to appoint another entity as Administrator.

Backup Servicer *(Section 620)*

The Corporation will be required to maintain a Backup Servicing Agreement. Any and all Financed Education Loans serviced by a Servicer will be required to be transferred for servicing to the Backup Servicer promptly upon the occurrence of a Servicer Transfer Trigger with respect to that Servicer in accordance with the requirements contained in the Backup Servicing Agreement.

Perfection and Priority of Security Interest *(Section 621)*

The Corporation will be required to take all steps necessary (including the preparation and filing of all UCC financing and continuation statements) and will be required to cause any Administrator, the Servicer, or the Trustee to take all steps necessary and appropriate to maintain the perfection and priority of the Trustee's security interest in the Pledged Assets.

Borrower Benefits *(Section 622)*

The Corporation will not be permitted to increase borrower benefits on Financed Education Loans, or begin or increase the funding with Pledged Assets of borrower benefits, origination fees, or other fees.

Joint Sharing Agreement *(Section 623)*

If the Corporation shall share the U.S. Department of Education lender identification number associated with the Financed Education Loans with other student loans securing different trust estates, the Corporation will not be permitted to share such lender identification number unless it shall have implemented and executed a Joint Sharing Agreement.

Servicing Covenants *(Section 624)*

Until all of the obligations of the Corporation under the General Resolution shall have been paid in full, the Corporation will be required to cause the Financed Education Loans to be serviced, administered, and collected in accordance in all material respects with Accepted Servicing Procedures. The Corporation will be required to send notice to the Rating Agencies of any change in Servicer.

DEFAULTS AND REMEDIES

Events of Default *(Section 801)*

Each of the following events has been declared to be an "Event of Default":

(a) default by the Corporation in the payment of any installment of interest on the Bonds, when due;

(b) default by the Corporation in the payment of principal of Bonds as they mature, or the Redemption Price thereof if Bonds have been duly called for redemption;

provided however, that, while there are any Senior Lien Bonds Outstanding under the General Resolution, with respect to both (a) and (b) above, failure to pay any installment of interest or principal on any Subordinate Lien Bonds (after the Trustee shall have drawn upon the Debt Service Reserve Fund--Subordinate Lien Account with respect to any interest or principal then due), will constitute an Event of Default, but such failure will not give rise to the remedy of acceleration unless there shall be a corresponding failure to make timely payment of interest or principal on a Senior Lien Bond; provided further, that, if (i) on any Interest Payment Date moneys in the Interest Account shall be sufficient to pay an installment of interest, or (ii) if on any Principal Installment Date moneys in the Principal Account shall be sufficient to pay a Principal Installment, then in either such event the Trustee will be required to make the respective payment then due and failure by the Trustee to make such payment will constitute an Event of Default; provided further that failure to make a Targeted Amortization Payment will not constitute an Event of Default;

(c) failure or refusal by the Corporation to comply with the provisions of the Act or default in the performance or observance of any other of the covenants, agreements, or conditions contained in the General Resolution, any Series or Supplemental Resolution, or the Bonds, and such failure, refusal, or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Holders of not less than five percent (5%) in principal amount of the Outstanding Bonds; provided, however, if any such default shall be such that it can be corrected, but cannot be corrected within such period, it will not constitute an Event of Default if corrective action shall be instituted by the Corporation within such period and diligently pursued until such default shall be corrected. The Rating Agencies will be required to be notified of such event by the Trustee following such forty-five (45) day period and each forty-five (45) days thereafter until such default shall be corrected.

Remedies *(Section 802)*

(a) Upon the happening and continuance of any event described in the paragraph (a) or (b) of the immediately preceding heading "**Events of Defaults**," the Trustee, independently, or the Holders of twenty-five percent (25%) or more in principal amount of Outstanding Bonds are permitted to proceed jointly, in their own names, to protect and enforce their rights by such of the following remedies as they deem most effectual:

(i) enforce, by mandamus or other suit, action, or proceedings at law or in equity, all rights of the Bondholders, including the right to require the Corporation to receive and collect the revenues and other assets, including Pledged Assets, adequate to carry out the covenants and agreements as to, and pledge of, such revenues and assets, and to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform duties under the Act;

(ii) bring suit upon the Bonds;

(iii) require the Corporation by action or suit to account as if it were the trustee of an express trust for the Bondholders;

(iv) enjoin by action or suit any acts or things which may be unlawful or in violation of the rights of the Bondholders;

(v) except as limited with respect to Subordinate Lien Bonds, declare all Bonds due and payable, and if all defaults shall be cured, then, with the written consent of not less than twenty-five percent (25%) in principal amount of the Holders of Outstanding Bonds, to annul such declaration and its consequences; and

(vi) in the event that all Bonds shall be declared due and payable, to sell all Education Loans, Investment Obligations, and all other Pledged Assets to the extent necessary to effect their payment.

(b) Upon the happening and continuance of any Event of Default described in the paragraph (c) of the immediately preceding heading "**Events of Defaults**," the Trustee shall have the discretion to do any of the following:

(i) sell Education Loans if it is determined prior to such sale that the proceeds of such sale are sufficient to pay Bondholders the entire amount of principal of, premium, if any, and interest due; provided however that no acceleration of payment will be permitted to be declared until the Trustee shall hold sufficient funds to effect such payment;

(ii) sell Education Loans without regard to the sufficiency of proceeds if one hundred percent (100%) of the Bondholders direct such sale; or

(iii) continue to pay Debt Service in accordance with the terms of this General Resolution.

(c) The Trustee will be required to give immediate notice to each Rating Agency of any Event of Default.

Limitation on Action *(Section 803)*

No Bondholder will have any right to institute any action except as authorized by the provisions of the General Resolution described under this heading, under the headings "**Events of Default**" and "**Remedies**" above, and under the headings "**Priority of Payments After Default**," "**Termination of Proceedings**," "**Remedies Not Exclusive**," "**No Waiver of Default**," and "**Notice of Event of Default**" below. Nothing in the General Resolution contained will impair the right of any Bondholder to enforce payment of principal of, Redemption Price and interest on his, her, or its Bonds.

Priority of Payments After Default *(Section 804)*

In the event that, upon the happening and continuance of any Event of Default, the funds held by the Trustee and Paying Agents shall be insufficient for the payment of principal and interest then due on the Bonds of all Series then Outstanding, such funds and any other moneys received or collected pursuant to the provisions of the General Resolution described under this heading, under the headings "**Events of Default**," "**Remedies**," and "**Limitation on Action**" above, and under the headings "**Termination of Proceedings**," "**Remedies Not Exclusive**," "**No Waiver of Default**," and "**Notice of Event of Default**" below will be required to be applied, after payment of the costs 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, including, but not limited to, the fees and expenses of its counsel and other agents, as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable:

(i) First: With respect to Senior Lien Bonds of the highest Class (and then in descending order of Class), to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(ii) Second: With respect to Senior Lien Bonds of the highest Class (and then in descending order of Class), to the payment to the persons entitled thereto of the unpaid principal of any such Bonds, and, if the amounts available shall not be sufficient to pay in full all the Senior Lien Bonds, then to the payment thereof ratably, without any discrimination or preference;

(iii) Third: With respect to Subordinate Lien Bonds of the highest Class (and then in descending order of Class), to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

(iv) Fourth: With respect to Subordinate Lien Bonds of the highest Class (and then in descending order of Class), to the payment to the persons entitled thereto of the unpaid principal of any Bonds,

and, if the amounts available shall not be sufficient to pay in full all the Subordinate Lien Bonds, then to the payment thereof ratably, without any discrimination or preference.

(b) If the principal of all of the Bonds shall have become or have been declared due and payable:

(i) First: With respect to the Senior Lien Bonds of the highest Class (and then in descending order of Class), to the payment to the persons entitled thereto of all unpaid principal of any Bonds and of installments of interest then due and, if the amount available shall not be sufficient to pay in full such principal and interest, then to the payment of principal and interest, without any preference or priority, ratably according to the aggregate amounts due, to the persons entitled thereto; and

(ii) Second: With respect to the Subordinate Lien Bonds of the highest Class (and then in descending order of Class), to the payment to the persons entitled thereto of all unpaid principal of any Bonds and of installments of interest then due and, if the amount available shall not be sufficient to pay in full such principal and interest, then to the payment of principal and interest, without any preference or priority, ratably according to the aggregate amounts due, to the persons entitled thereto.

Termination of Proceedings *(Section 805)*

In case any proceedings taken on account of any Event of Default shall have been discontinued or abandoned for any reasons, then in every such case the Corporation, the Trustee, and the Bondholders will be restored to their former positions and rights under the General Resolution, respectively, and all rights, remedies, powers and duties conferred in the General Resolution will continue as though no such proceeding had been taken.

Remedies Not Exclusive *(Section 806)*

No remedy conferred in the General Resolution upon or reserved to the Trustee or the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy will be cumulative and be in addition to any other remedy given under the General Resolution or now or hereafter existing at law or in equity or by statute.

No Waiver of Default *(Section 807)*

No delay or omission of any Holder of the Bonds to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the General Resolution to the Holders of the Bonds, respectively, will be permitted to be exercised from time to time and as often as may be deemed expedient.

Notice of Event of Default *(Section 808)*

The Trustee will be required to give to the Bondholders notice of each Event of Default known to the Trustee within ninety (90) days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice. Each such notice of an Event of Default will be given by the Trustee by mailing written notice thereof: (a) to all Holders of Bonds, as the names and addresses of such Holders appear upon the books for registration and transfer of Bonds as kept by the Trustee; (b) to such Bondholders as have filed their names and addresses with the Trustee for that purpose; and (c) to such other persons as is required by law.

REDEMPTION OF BONDS

Privilege of Redemption and Redemption Price *(Section 1001)*

Bonds subject to redemption prior to maturity pursuant to a Series Resolution will be redeemable, upon notice as provided in the General Resolution, at such times, at such Redemption Prices and upon such terms as may be specified in the Series Resolution authorizing such Series.

Redemption at the Election or Direction of the Corporation *(Section 1002)*

In the case of any redemption of Bonds otherwise than as provided in the provisions of the General Resolution described under the immediately succeeding heading "**Redemption Otherwise than at Corporation's Election or Direction**," the Corporation will be required to give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the Class, Tranche, and Series, of the principal amounts of the Bonds of each maturity of such Class, Tranche, and Series to be redeemed (which Redemption Date, Class, Tranche, Series, maturities, and principal amounts thereof may be determined in its sole discretion, subject to any limitations with respect thereto contained in the General Resolution and any Series Resolution) and of any moneys to be applied to the payment of the Redemption Price. Such notice will be required to be given at least forty-five (45) prior to the Redemption Date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as required by the provisions of the General Resolution described under the heading "**Notice of Redemption**" below, the Trustee will be required, prior to the Redemption Date, to pay to the appropriate Paying Agent or Paying Agents from the Debt Service Fund, an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the Redemption Date at the Redemption Price thereof, all of the Bonds to be redeemed.

Redemption Otherwise than at Corporation's Election or Direction *(Section 1003)*

Whenever by the terms of the General Resolution, the Trustee is required to redeem Bonds otherwise than at the election or direction of the Corporation, and subject to and in accordance with the terms of the provisions of the General Resolution described under this heading, under the headings "**Privilege of Redemption and Redemption Price**" and "**Redemption at the Election or Direction of the Corporation**" above, and "**Selection of Bonds to be Redeemed**," "**Notice of Redemption**," and "**Payment of Redeemed Bonds**" below, the Trustee will select the redemption date of the Bonds to be redeemed, give the notice of redemption, and pay the Redemption Price to the appropriate Paying Agents from the Debt Service Fund, as provided in the General Resolution.

Selection of Bonds to be Redeemed *(Section 1004)*

Each Series Resolution is required to provide for the manner of redemption in the event of redemption of less than all the Outstanding Bonds of a Series.

Notice of Redemption *(Section 1005)*

Unless otherwise directed in an applicable Series Resolution, when the Trustee shall receive notice from the Corporation of its election or direction to redeem Bonds pursuant to the provisions of the General Resolution described under the heading "**Redemption at the Election or Direction of the Corporation**" above, and when redemption of Bonds is required by the General Resolution pursuant to the provisions of the General Resolution described under the heading "**Redemption Otherwise than at Corporation's Election or Direction**" above, the Trustee will be required to give notice in the name of the Corporation, of the redemption of such Bonds, which notice will be required to specify the Class, Tranche, Series, and maturities of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption will be payable, and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed and, in the case of Bonds to be redeemed in part only, such notice will also be required to specify the respective portions of the principal amount thereof to be redeemed. Such notice will be required to further state that on such date, there will become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such Redemption Date interest thereon will cease to accrue and be payable. Such notice will be required, however, to state that it is a conditional notice and that the redemption will be cancelled if moneys are not available on the Redemption Date as provided in the provisions of the General Resolution described under the immediately succeeding heading "**Payment of Redeemed Bonds**." The Trustee will be required to mail a copy of such notice, postage prepaid, not less than twenty (20) nor more than thirty (30) days before the Redemption Date to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, appearing upon the registry books, but failure so to mail any such notice to a given Bondholder will not affect the validity of the proceedings for the redemption of Bonds to other Bondholders.

Payment of Redeemed Bonds *(Section 1006)*

Notice having been given in the manner described under the immediately preceding heading "**Notice of Redemption**," the Bonds or portions thereof so called for redemption will become due and payable on the Redemption Date so designated at the Redemption Price, plus interest acquired and unpaid to the Redemption Date, and, upon presentation and surrender thereof at the office specified in such notice, together with, a written instrument of transfer duly executed by the registered owner or his, her, or its duly authorized attorney, such Bonds, or portion thereof will be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. If there shall be drawn for redemption less than all of a Bond, the Corporation will be required to execute and the Trustee will be required to authenticate and the Paying Agent to deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered at the option of the owner thereof, Bonds of like Class and Series, interest rate, and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds (or portions thereof) to be redeemed, together with interest to the Redemption Date, shall be held by any Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date interest on the Bonds or portions thereof so called for redemption will cease to accrue and become payable. If said moneys shall not be so available on the Redemption Date, the redemption will be cancelled and such Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

CONCERNING FIDUCIARIES

Trustee *(Section 901)*

The Trustee has signified acceptance of the duties and obligations imposed by the General Resolution by executing the certificate of authentication endorsed upon the Bonds, and, by executing such certificate upon any Bond, the Trustee is deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the General Resolution. The Trustee will, prior to any Event of Default and after the curing of all Events of Default which may have occurred, be required to perform such duties and only such duties of the Trustee as are specifically set forth in the General Resolution and in any Series Resolution. The Trustee will, during the existence of any Event of Default which has not been cured, be required to exercise such of the rights and powers vested in it by the General Resolution and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

Evidence on Which Fiduciaries May Act *(Section 904)*

Each Fiduciary is protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties, and the Trustee is under no duty to make any investigation or inquiry as to any statement contained or material referred to in any such instrument. Each Fiduciary is permitted to consult with counsel, who may or may not be counsel to the Corporation, and the opinion of such counsel will constitute full and complete authorization and protection in respect of any action taken or suffered by such Fiduciary under the General Resolution in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the General Resolution, such matter (unless other evidence in respect thereof be specifically prescribed in the General Resolution) will be permitted to be deemed to be conclusively proved and established by a Certificate signed by an Authorized Officer of the Corporation, and such Certificate will be full warrant for any action taken or suffered in good faith under the provisions of the General Resolution upon the faith thereof, but in its discretion the Fiduciary will be permitted in lieu thereof to accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided in the General Resolution, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision of the General Resolution by the Corporation to any Fiduciary will be sufficiently executed if executed in the name of the Corporation by an Authorized Officer. Each Fiduciary is authorized to accept by facsimile transmission any notice, request, order, certificate, consent, authorization, direction, waiver, demand, and opinion required by the General Resolution or any Series Resolution and will be protected in relying on any such facsimile transmission of a notice, request, order, certificate, consent, authorization, direction, waiver, demand, and opinion.

Compensation *(Section 905)*

The Corporation will be required to pay to the Fiduciaries from time to time reasonable compensation for all services rendered under the General Resolution, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the General Resolution. Notwithstanding anything to the contrary in the General Resolution, the Trustee will not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties under the General Resolution or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not then reasonably assured to it.

Resignation of Trustee *(Section 907)*

The Trustee will be permitted, at any time, to resign and be discharged of the duties and obligations created by the General Resolution by giving not less than sixty (60) days' written notice to the Corporation and publishing notice thereof, specifying the date when such resignation shall take effect, once in the Authorized Newspapers, and such resignation will take effect only upon the appointment, acceptance, and qualification of such successor trustee, which successor trustee will be required to be an Eligible Lender.

Removal of Trustee *(Section 908)*

The Trustee will be required to be removed by the Corporation if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Corporation, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation. The Corporation will be permitted too remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Corporation by filing with the Trustee an instrument signed by an Authorized Officer of the Corporation. Such removal will take effect only upon the appointment, acceptance, and qualification of such successor Trustee, which successor Trustee will be required to be an Eligible Lender.

Appointment of Successor Trustee *(Section 909)*

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Corporation will thereupon be required to appoint a successor Trustee which successor Trustee will be required to be an Eligible Lender. The Corporation will be required to publish notice of any such appointment made by it in Authorized Newspapers, such publication to be made once within twenty (20) days after such appointment. Such appointment will take effect only upon the qualification of such successor Trustee.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions within forty-five (45) days after the Trustee shall have given to the Corporation written notice, as described under the heading "**Resignation of Trustee**" above, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or Holder of any Bond will be permitted to apply to any court of competent jurisdiction to appoint a successor Trustee. Said court will be permitted thereupon, after such notice, if any, as such court may deem proper and prescribe, to appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of the General Resolution described under this heading in succession to the Trustee will be required to be a trust company or bank having the powers of a trust company within or outside of the State, having a capital and surplus aggregating at least One Hundred Million Dollars ($100,000,000) if there be such a trust company or bank, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the General Resolution. The Corporation will be required to notify each Rating Agency of the appointment of a Successor Trustee.

SUPPLEMENTAL RESOLUTIONS

Modification and Amendment Without Consent *(Section 701)*

Notwithstanding any other provisions of the General Resolution described under this heading and the headings "**Supplemental Resolutions Effective with Consent of Bondholders**," "**General Provisions Relating to Supplemental Resolutions**," "**Powers of Amendment with Consent of Bondholders**," "**Mailing of Notices**," "**Modifications by Unanimous Action**," and "**Exclusion of Bonds**" below, the Corporation will be permitted to adopt at any time or from time to time Supplemental Resolutions as shall be substantially consistent with the terms and provisions of the General Resolution and, in the opinion of the Trustee, who may rely upon a Counsel's Opinion, shall not materially and adversely affect the interest of the Bondowners and Holders, for any one or more of the following purposes, and any such Supplemental Resolution will become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer:

(a) to add additional covenants and agreements of the Corporation for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements shall not be contrary to or inconsistent with the covenants and agreements of the Corporation contained in the General Resolution;

(b) to surrender any right, power, or privilege reserved to or conferred upon the Corporation by the terms of the General Resolution, provided that the surrender of such right, power, or privilege shall not be contrary to or inconsistent with the covenants and agreements of the Corporation contained in the General Resolution;

(c) to confirm as further assurance any pledge under and the subjection to any lien, claim, or pledge created or to be created by the provisions of the General Resolution; or

(d) to cure any ambiguity or defect or inconsistent provision in the General Resolution or to insert such provisions clarifying matters or questions arising under the General Resolution as are necessary or desirable in the event any such modification shall not be contrary to or inconsistent with the General Resolution as theretofore in effect.

Supplemental Resolutions Effective with Consent of Bondholders *(Section 702)*

The provisions of the General Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of Bondholders in accordance with, and subject to the provisions of, the General Resolution described under the headings "**Powers of Amendment with Consent of Bondholders**," "**Mailing of Notices**," and "**Modifications by Unanimous Consent**" below, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer.

General Provisions Relating to Supplemental Resolutions *(Section 703)*

The General Resolution will not be permitted to be modified or amended in any respect except in accordance with, and subject to the description of, the provisions of the General Resolution described under the headings "**Modification and Amendment Without Consent**" and "**Supplemental Resolutions Effective with Consent of Bondholders**" above and "**Powers of Amendment with Consent of Bondholders**," "**Mailing of Notices**," "**Modifications by Unanimous Action**," and "**Exclusion of Bonds**" below. Nothing contained in the provisions of the General Resolution described under such headings will affect or limit the rights or obligations of the Corporation to adopt, make, do, execute, or deliver any resolution, act, or other instrument pursuant to the provisions of the General Resolution described below under the heading "**Modifications by Unanimous Action**" or the right or obligation of the Corporation to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in the General Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Supplemental Resolution adopted by the Corporation when filed with the Trustee will be required to be accompanied by a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the General Resolution, is authorized or permitted by the General Resolution, and is valid and binding upon the Corporation and enforceable in accordance with its terms. Each such Supplemental Resolution will also be required to be filed with each Rating Agency and will become effective upon written request for and confirmation of ratings on all Bonds Outstanding by each Rating Agency.

The Trustee is authorized to accept delivery of a certified copy of any Supplemental Resolution permitted or authorized pursuant to the provisions of the General Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee will be fully protected in relying on a Counsel's Opinion that such Supplemental Resolution is authorized or permitted by the provisions of the General Resolution.

No Supplemental Resolution changing, amending, or modifying any of the rights or obligations of the Trustee or of any Paying Agent will be permitted to be adopted by the Corporation without the written consent of the Trustee or Paying Agent affected thereby.

Powers of Amendment with Consent of Bondholders *(Section 704)*

(a) Any modification or amendment of the General Resolution and of the rights and obligations of the Corporation and of the Holders of the Bonds thereunder, in any particular, will be permitted to be made by a Supplemental Resolution, with the written consent given as hereinafter described under this heading, of the Holders of at least a majority in principal amount of the Bonds Outstanding of each affected Class at the time such consent shall be given. Unless with the unanimous written consent of all Bondholders, however, no such amendment will be permitted to:

(i) permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount thereof or the rate of interest thereon,

(ii) reduce the percentage of Bonds the consent of the Holders of which is required to effect such amendment, or

(iii) change the existing preferences or priorities of Bonds over any other Bonds or create any new preferences or priorities.

(b) A copy of such Supplemental Resolution (or brief summary thereof or reference thereto) together with a request to Bondholders for their consent thereto, will be required, promptly after adoption, to be mailed by the Corporation to Bondholders (but failure to mail such copy and request will not affect the validity of the Supplemental Resolution when consented to as provided in the provisions of the General Resolution described under this heading). Such Supplemental Resolution will not be effective unless and until

(i) there shall have been filed with the Trustee (A) the written consents of Holders of the percentage of Outstanding Bonds described under this heading and (B) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Corporation in accordance with the provisions of the General Resolution, is authorized or permitted by the General Resolution, and is valid and binding upon the Corporation and enforceable in accordance with its terms, and

(ii) a notice shall have been mailed as described in paragraph (c) under this heading.

(c) Each such consent will be effective only if accompanied by such proof of the holding at the date of such consent, of the Bonds with respect to which such consent is given as is required by the provisions of the General Resolution described below under the heading "**Evidence of Signatures of Bondholders and Ownership of Bonds**." A certificate or certificates filed with the Trustee that the Trustee has examined such proof and that such proof is sufficient in accordance with the provisions of the General Resolution described below under the heading "**Evidence of Signatures of Bondholders and Ownership of Bonds**" will be conclusive that the consents shall have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent will be binding upon the Holder of the Bonds giving such consent and, anything in the General Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent shall be revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter under this heading described is filed. The fact that a consent shall not have been revoked will likewise be permitted to be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee will be required to make and file with the Corporation a written statement that the Holders of such required percentage of Bonds have filed such consents. Such written statement will be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the

Supplemental Resolution (which will be permitted to be referred to as a Supplemental Resolution adopted by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as described under this heading, will be required to be given to Bondholders by the Corporation by mailing such notice to Bondholders as described under the immediately succeeding heading "**Mailing of Notices**" (but failure to mail such notice will not prevent such Supplemental Resolution from becoming effective and binding as under this heading described). The Corporation will be required to file with the Trustee proof of the mailing thereof. A transcript, consisting of the papers required or permitted by the provisions of the General Resolution described under this heading to be filed with the Trustee, will be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification will be deemed conclusively binding upon the Corporation, the Trustee, each Paying Agent, and the Holders of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of the proof of the mailing of such last-described notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Corporation, the Trustee, and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending will be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Mailing of Notices *(Section 705)*

Any provision of the General Resolution described under the headings "**Modification and Amendment Without Consent**," "**Supplemental Resolutions Effective with Consent of Bondholders**," "**General Provisions Relating to Supplemental Resolutions**," and "**Powers of Amendment with Consent of Bondholders**" above or "**Modifications by Unanimous Action**" and "**Exclusion of Bonds**" below for the mailing of a notice or other document to Bondholders will be deemed fully complied with if it shall be mailed postage prepaid only:

(i) to each registered owner of Bonds then Outstanding at his, her, its address, if any, appearing upon the registry books of the Corporation, and

(ii) to the Trustee.

Modifications by Unanimous Action *(Section 706)*

Notwithstanding anything contained in the description of the provisions of the General Resolution described under the headings "**Modification and Amendment Without Consent**," "**Supplemental Resolutions Effective with Consent of Bondholders**," "**General Provisions Relating to Supplemental Resolutions**," "**Powers of Amendment with Consent of Bondholders**," and "**Mailing of Notices**" above, the rights and obligations of the Corporation and of the Holders of the Bonds and the terms and provisions of the Bonds or of the General Resolution will be permitted to be modified or amended in any respect upon the adoption of a Supplemental Resolution by the Corporation and the Consent of the Holders of all of the Bonds then Outstanding, such consent to be given as described above under the heading "**Powers of Amendment with Consent of Bondholders**;" provided, however, that no such modification or amendment will change or modify any of the rights or obligations of any Fiduciary without its written assent thereto in addition to the consent of the Corporation and of the Bondholders.

Exclusion of Bonds *(Section 707)*

Unless the Corporation shall own all of the Bonds Outstanding, Bonds, if any, owned or held by or for the account of the Corporation will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in the General Resolution, and the Corporation will not be entitled with respect to such Bonds to give any consent or take any other action provided for in the General Resolution. At the time of any consent or other action taken under the General Resolution, the Corporation will be required to furnish the Trustee a Certificate of an Authorized Officer, upon which the Trustee will be permitted to rely, describing all Bonds so to be excluded.

MISCELLANEOUS

Parties in Interest *(Section 1101)*

Nothing in the General Resolution or in any Series or Supplemental Resolution adopted pursuant to the provisions of the General Resolution, expressed or implied, is intended to or will be construed to confer upon or to give to any person or party other than the Corporation, the Trustee, the Paying Agents, and the Holders of the Bonds any rights, remedies, or claims under or by reason of the General Resolution or any Series Resolution or any covenants, condition, or stipulation thereof; and all covenants, stipulations, promises, and agreements in the General Resolution and any Series or Supplemental Resolution contained by or on behalf of the Corporation will be for the sole and exclusive benefit of the Corporation, the Trustee, the Paying Agents, and the Holders from time to time of the Bonds.

Evidence of Signatures of Bondholders and Ownership of Bonds *(Section 1102)*

(a) Any request, consent, or other instrument which the General Resolution may require or permit to be signed and executed by the Bondholders will be permitted to be in one or more instruments of similar tenor and signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of either the execution of any such instrument, or of an instrument appointing any such attorney, or the holding by any person of the Bonds will be sufficient for any purpose of the General Resolution (except as otherwise therein expressly provided) if made in the following manner, but the Trustee will be permitted, nevertheless, in its discretion to require further or other proof in cases where it shall deem the same desirable:

(i) the fact and date of the execution by any Bondholder or his, her, or its attorney of such instrument will be permitted to be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer;

(ii) the authority of the person or persons executing any such instrument on behalf of a corporate Bondholder will be permitted to be established without further proof if such instrument shall be signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary; and

(iii) the amount of Bonds transferable by delivery held by any person executing such request or other instrument as a Bondholder, and the numbers and other identification thereof, and the date of his, her, or its holding such Bonds, will be permitted to be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by an officer of a trust company, bank, financial institution, or other depository or member of the National Association of Securities Dealers, Inc., wherever situated, showing that at the date therein mentioned such person exhibited to such officer or had on deposit with such depository the Bonds described in such certificate; continued ownership after the date stated in such certificate will be permitted to be proved by the presentation of such certificate if the certificate shall contain a statement by such officer that the depository held the Bonds therein referred to on the date of the certificate and that they will not be surrendered without the surrender of the certificate to the depository, except with the consent of the Trustee, and a certificate of the Trustee, which need not be acknowledged or verified, and such consent shall not have been given.

(b) The ownership of the Bonds registered otherwise than to bearer and the amount, numbers, and other identification, and date of holding the same will be proved by the registry books. Any request, consent, or vote of the owner of any Bond will bind all future owners of such Bond in respect of anything done or suffered to be done by the Corporation or any Fiduciary in accordance therewith.

No Recourse Under Resolution or on Bonds *(Section 1105)*

All covenants, stipulations, promises, agreements, and obligations of the Corporation contained in the General Resolution will be deemed to be the covenants, stipulations, promises, agreements, and obligations of the Corporation and not of any director, member, officer, or employee of the Corporation in his or her individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim

based thereon or on the General Resolution against any director, member, officer, or employee of the Corporation or any natural person executing the Bonds.

EXHIBIT IV

BOOK ENTRY SYSTEM

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EXHIBIT IV

BOOK ENTRY SYSTEM

The information in this section concerning DTC and the Book-Entry System has been obtained from DTC. None of the Corporation and its counsel, the Underwriter and its counsel, or Bond Counsel take any responsibility for the accuracy thereof.

1. The Depository Trust Company ("***DTC***"), New York, NY, will act as securities depository for the 2014 Bonds. The 2014 Bonds will be issued as fully-registered securities registered 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 2014 Bond certificate will be issued for each Class and Tranches within a Class of the 2014 Bonds, each in the aggregate principal amount of such Class and Tranche, and will be deposited with DTC. If, however, the aggregate principal amount of any Class or any Tranches within a Class 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.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization," within 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 agency" registered pursuant to the provisions of §17A of the Securities Exchange Act of 1934. 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 instruments (from over 100 countries) that DTC's participants ("***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 a Standard & Poor's rating of AA+. 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.

3. Purchases of 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014 Bond ("***Beneficial Owner***") is in tum to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. 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 or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2014 Bonds, except in the event that use of the book-entry system for the 2014 Bonds is discontinued.

4. To facilitate subsequent transfers, all 2014 Bonds deposited by Direct Participants 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 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. 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 or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2014 Bond documents. For example, Beneficial Owners of 2014 Bonds may wish to ascertain that the nominee holding the 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the 2014 Bonds 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.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation 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 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the 2014 Bonds 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 the Corporation or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its 2014 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such 2014 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2014 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of 2014 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2014 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2014 Bonds to the Trustee's DTC account.

10. DTC may discontinue providing its services as depository with respect to the 2014 Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2014 Bond certificates are required to be printed and delivered.

11. The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2014 Bond certificates will be printed and delivered to DTC.

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

EXHIBIT V

PREPAYMENTS, EXTENSIONS, WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES OF THE 2014 BONDS, AND PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 BONDS REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES

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PREPAYMENTS, EXTENSIONS, WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES OF THE 2014 BONDS, AND PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 BONDS REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES

Prepayments on pools of education loans can be measured or calculated based on a variety of prepayment models. The model used to calculate prepayments herein is based on a combination of two prepayment rates: a constant prepayment rate ("***CPR***") for consolidation loans and a separate CPR for non-consolidation loans. 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 CPR of 4%. For non-consolidation loans, the PPC applies a CPR of 6%.

100% PPC implies prepayment at exactly 4% CPR for consolidation loans and at exactly 6% CPR for non-consolidation loans. For consolidation loans, a rate of "x% PPC" implies the indicated constant percentage multiplied by 4%. For non-consolidation loans, a rate of "x% PPC" implies a CPR of the indicated constant percentage multiplied by 6%.

The CPR model is based on prepayments assumed to occur at a flat, constant percentage rate. CPR is stated as an annualized rate and is calculated as the percentage of the loan amount outstanding at the beginning of a period, after applying scheduled payments that are paid during the period. The CPR model assumes that education loans will prepay in each month according to the following formula:

$$\textit{Monthly Prepayments} = \textit{(Principal Balance after scheduled payments)} \times (1-(1-CPR)^{1/12})$$

Accordingly, monthly prepayments assuming a $1,000 balance after scheduled payments would be as follows for the percentages of CPR listed below:

CPR	0%	2%	4%	6%	8%
Monthly Prepayment	$0.00	$1.68	$3.40	$5.14	$6.92

The CPR and PPC models do not purport to describe historical prepayment experience or to predict the prepayment rate of any actual education loan pool. The Education Loans will not prepay according to the CPR or PPC, nor will all of the Education 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. See "**RISK FACTORS - Reinvestment, Prepayment, and certain Other Risks Affecting Estimated Cash Flows**."

Cash Flow Assumptions for Structuring Runs:

The tables below have been prepared based on the assumptions described below (including the assumptions regarding the characteristics and performance of the rep lines (as defined below), which will differ from the characteristics and performance of the actual pool of Financed Education Loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the Financed Education Loans could produce slower or faster principal payments than implied by the information in these tables, even if the dispersion of weighted average characteristics, remaining terms, and loan ages are the same as the characteristics, remaining terms and loan ages assumed. Different assumptions will have a material impact on the information presented in this Exhibit, and investors should make an independent assessment of the assumptions used herein.

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

- the Statistical Cutoff Date for modeling the Education Loans that will become part of the Pledged Assets on the Issue Date is as of June 30, 2014;
- the Issue Date is August 20, 2014;

- the Financed Education Loans have an Initial Pool Balance of $928,789,580, including a principal balance of $923,693,313 and accrued interest expected to be capitalized of $5,096,267 as of June 30, 2014;

- all Financed Education Loans (as grouped in the "rep lines" described below) remain in their current status until their status end date and then move to repayment, with the exception of in-school status loans which have a 6-month grace period before moving to repayment; and no Financed Education Loan moves from repayment to any other status;

- the Financed Education Loans that are (i) unsubsidized Stafford loans not in repayment status, (ii) subsidized Stafford loans in forbearance status, (iii) PLUS loans not in repayment status, (iv) unsubsidized Consolidation loans not in repayment status, or (v) subsidized loans (both Stafford and Consolidation) in forbearance status have interest accrued and capitalized upon entering repayment;

- the Financed Education Loans that are subsidized Stafford loans or subsidized Consolidation loans and are in-school, grace or deferment status have interest paid (Interest Subsidy Payments) by the U.S. Department of Education quarterly, based on a quarterly calendar accrual period;

- there are government payment delays of sixty (60) days for Interest Subsidy Payments and Special Allowance Payments and are paid without aggregation;

- no delinquencies, defaults, or borrower benefits occur on any of the Financed Education Loans, no repurchases occur, and all borrower payments are collected in full;

- the Financed Education Loans that are in repayment make level payments of principal and interest;

- index levels for calculation of borrower and government payments are:

    - 91-day Treasury bill bond equivalent rate of 0.02%;

    - One-month LIBOR of 0.16%; and

    - Three-month LIBOR of 0.24%;

- monthly distributions begin on October 1, 2014, and are made monthly on the first (1^{st}) day of every month thereafter;

- the initial par amount and interest rate for each Class and Tranches within a Class of 2014 Bonds at all times will equal:

    - A-1 bonds: $328,000,000, 0.91%;

    - A-2 bonds: $100,500,000, 1.16%;

    - B bonds: $73,000,000, 1.66%;

- a Servicing Fee equal to $1/12^{th}$ of 0.55% of the Principal Balance of Financed Education Loans outstanding is paid monthly in arrears, beginning on September 1, 2014;

- a Trustee Fee equal to $1/12^{th}$ of 0.007% of the outstanding principal balance of Bonds outstanding is paid annually in advance, beginning on June 1, 2015;

- other Operating Costs of $100,000 per annum are paid beginning on December 1, 2014, but no indemnities or other costs are paid;

- the Debt Service Reserve Fund has an initial balance equal to $8,752,480 and at all times a balance equal to the greater of (i) the sum of (a) 0.25% of the outstanding principal balance of the 2014 Bonds and (b) 1% of the outstanding principal balance of the Prior Bonds and (ii) $750,000;

- the Supplemental Reserve Fund has an initial balance equal to $137,391,000;

- all payments are made at the end of the month and amounts on deposit in the General Revenue Fund, the Operating Fund, the Debt Service Fund, the Debt Service Reserve Fund, and the Supplemental Reserve Fund, and including reinvestment income earned in the previous month, net of Servicing Fees, are reinvested in Investment Obligations at the reinvestment rate of the 91-day Treasury bill bond equivalent rate through the end of the Interest Period, and reinvestment earnings are available for distribution from the prior Interest Period;

- prepayments on the Financed Education Loans are applied monthly in accordance with CPR and PPC, as described above;

- no event of default has occurred or is continuing to occur;

- net special allowance payments and interest subsidy payments are assumed to be set aside each Monthly Distribution Date;

- a Consolidation Rebate fee equal to 1.05% per annum of the outstanding principal balance of Consolidation Loans, paid monthly by the Corporation to the U.S. Department of Education at payment delays of 30 days;

- all collections (scheduled and prepayments) on the Financed Education Loans are received on the last day of each month commencing on August 31, 2014;

- the Corporation does not exercise the optional redemption that may occur on the Distribution Dates when the Pool Balance falls below or equal to ten percent (10%) of the Initial Pool Balance; and

- the initial pool of Education Loans was grouped into 129 representative loans ("***rep lines***"), which have been created, for modeling purposes, from individual student loans based on combinations of similar individual student loan characteristics, which include, but are not limited to, interest rate, loan type, SAP index and applicable margin, repayment status, and remaining term.

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PPC Tables

The following tables show the weighted average remaining lives, expected maturity dates, and percentages of original principal balance of each Class and Tranches within a Class of the 2014 Bonds at various percentages of the PPC expressed from the Issue Date until the last expected principal payment expected to occur without exercising the optional redemption.

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

Weighted Average Life (years) [1]					
Class/Tranche	**0% PPC**	**50% PPC**	**100% PPC**	**150% PPC**	**200% PPC**
A-1	8.20	7.32	6.52	5.86	5.36
A-2	11.57	10.64	9.78	9.02	8.33
B	13.41	12.61	11.78	11.00	10.27

Expected Maturity Date					
Class/Tranche	**0% PPC**	**50% PPC**	**100% PPC**	**150% PPC**	**200% PPC**
A-1	04/01/2025	05/01/2024	07/01/2023	10/01/2022	02/01/2022
A-2	04/01/2027	05/01/2026	07/01/2025	09/01/2024	12/01/2023
B	11/01/2028	03/01/2028	06/01/2027	09/01/2026	01/01/2026

[1] The weighted average life of the Bonds (assuming a 360-day year consisting of twelve 30-day months) is determined by: (i) multiplying the amount of each principal payment on the applicable Class and the applicable Tranches within a Class of the 2014 Bonds by the number of years from the Issue Date to the related Distribution Date, (ii) adding the results, and (iii) dividing that sum by the aggregate principal amount of the applicable Class and the applicable Tranches within a Class of the 2014 Bonds as of the Issue Date.

CPR Tables

The following tables show the weighted average remaining lives, expected maturity dates and percentages of original principal balance of each Class and Tranches within a Class of the 2014 Bonds at various percentages of CPR expressed from the Issue Date until the last expected principal payment expected to occur without exercising the optional redemption.

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

Weighted Average Life (years) [1]					
Class/Tranche	**0% CPR**	**2% CPR**	**4% CPR**	**6% CPR**	**8% CPR**
A-1	8.20	7.37	6.65	6.02	5.52
A-2	11.57	10.64	9.81	9.09	8.45
B	13.41	12.60	11.77	10.99	10.28

Expected Maturity Date					
Class/Tranche	**0% CPR**	**2% CPR**	**4% CPR**	**6% CPR**	**8% CPR**
A-1	04/01/2025	05/01/2024	08/01/2023	11/01/2022	04/01/2022
A-2	04/01/2027	05/01/2026	07/01/2025	09/01/2024	01/01/2024
B	11/01/2028	03/01/2028	06/01/2027	09/01/2026	12/01/2025

[1] The weighted average life of the Bonds (assuming a 360-day year consisting of twelve 30-day months) is determined by: (i) multiplying the amount of each principal payment on the applicable Class and the applicable Tranches within a Class of the 2014 Bonds by the number of years from the Issue Date to the related Distribution Date, (ii) adding the results, and (iii) dividing that sum by the aggregate principal amount of the applicable Class and the applicable Tranches within a Class of the 2014 Bonds as of the Issue Date.

2014 SERIES A-1 BONDS
PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 SERIES A-1 BONDS REMAINING AT CERTAIN DISTRIBUTION DATES AT VARIOUS PERCENTAGES OF THE PPC

Distribution Dates	0% PPC	50% PPC	100% PPC	150% PPC	200% PPC
Issue Date	100%	100%	100%	100%	100%
09/01/2014	100	100	100	100	100
09/01/2015	100	100	100	100	100
09/01/2016	100	100	100	100	100
09/01/2017	100	100	100	100	100
09/01/2018	100	100	100	100	100
09/01/2019	100	100	83	67	52
09/01/2020	99	78	59	43	28
09/01/2021	76	55	36	21	7
09/01/2022	52	32	15	1	0
09/01/2023	29	11	0	0	0
09/01/2024	9	0	0	0	0
09/01/2025	0	0	0	0	0
09/01/2026	0	0	0	0	0
09/01/2027	0	0	0	0	0
09/01/2028	0	0	0	0	0

2014 SERIES A-2 BONDS
PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 SERIES A-2 BONDS REMAINING AT CERTAIN DISTRIBUTION DATES AT VARIOUS PERCENTAGES OF THE PPC

Distribution Dates	0% PPC	50% PPC	100% PPC	150% PPC	200% PPC
Issue Date	100%	100%	100%	100%	100%
09/01/2014	100	100	100	100	100
09/01/2015	100	100	100	100	100
09/01/2016	100	100	100	100	100
09/01/2017	100	100	100	100	100
09/01/2018	100	100	100	100	100
09/01/2019	100	100	100	100	100
09/01/2020	100	100	100	100	100
09/01/2021	100	100	100	100	100
09/01/2022	100	100	100	100	63
09/01/2023	100	100	86	45	11
09/01/2024	100	77	34	0	0
09/01/2025	74	28	0	0	0
09/01/2026	25	0	0	0	0
09/01/2027	0	0	0	0	0
09/01/2028	0	0	0	0	0

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2014 SERIES B BONDS
PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 SERIES B BONDS REMAINING AT CERTAIN DISTRIBUTION DATES AT VARIOUS PERCENTAGES OF THE PPC

Distribution Dates	0% PPC	50% PPC	100% PPC	150% PPC	200% PPC
Issue Date	100%	100%	100%	100%	100%
09/01/2014	100	100	100	100	100
09/01/2015	100	100	100	100	100
09/01/2016	100	100	100	100	100
09/01/2017	100	100	100	100	100
09/01/2018	100	100	100	100	100
09/01/2019	100	100	100	100	100
09/01/2020	100	100	100	100	100
09/01/2021	100	100	100	100	100
09/01/2022	100	100	100	100	100
09/01/2023	100	100	100	100	100
09/01/2024	100	100	100	98	58
09/01/2025	100	100	87	45	12
09/01/2026	100	79	35	0	0
09/01/2027	72	25	0	0	0
09/01/2028	7	0	0	0	0
09/01/2029	0	0	0	0	0
09/01/2030	0	0	0	0	0

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

2014 SERIES A-1 BONDS
PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 SERIES A-1 BONDS REMAINING AT CERTAIN DISTRIBUTION DATES AT VARIOUS PERCENTAGES OF CPR

Distribution Dates	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
Issue Date	100%	100%	100%	100%	100%
09/01/2014	100	100	100	100	100
09/01/2015	100	100	100	100	100
09/01/2016	100	100	100	100	100
09/01/2017	100	100	100	100	100
09/01/2018	100	100	100	100	100
09/01/2019	100	100	87	72	58
09/01/2020	99	80	63	47	33
09/01/2021	76	56	39	24	11
09/01/2022	52	34	17	3	0
09/01/2023	29	11	0	0	0
09/01/2024	9	0	0	0	0
09/01/2025	0	0	0	0	0
09/01/2026	0	0	0	0	0
09/01/2027	0	0	0	0	0
09/01/2028	0	0	0	0	0

2014 SERIES A-2 BONDS
PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 SERIES A-2 BONDS REMAINING AT CERTAIN DISTRIBUTION DATES AT VARIOUS PERCENTAGES OF CPR

Distribution Dates	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
Issue Date	100%	100%	100%	100%	100%
09/01/2014	100	100	100	100	100
09/01/2015	100	100	100	100	100
09/01/2016	100	100	100	100	100
09/01/2017	100	100	100	100	100
09/01/2018	100	100	100	100	100
09/01/2019	100	100	100	100	100
09/01/2020	100	100	100	100	100
09/01/2021	100	100	100	100	100
09/01/2022	100	100	100	100	71
09/01/2023	100	100	89	49	15
09/01/2024	100	78	35	0	0
09/01/2025	74	28	0	0	0
09/01/2026	25	0	0	0	0
09/01/2027	0	0	0	0	0
09/01/2028	0	0	0	0	0

2014 SERIES B BONDS
PERCENTAGES OF ORIGINAL PRINCIPAL BALANCE OF THE 2014 SERIES B BONDS REMAINING AT CERTAIN DISTRIBUTION DATES AT VARIOUS PERCENTAGES OF CPR

Distribution Dates	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
Issue Date	100%	100%	100%	100%	100%
09/01/2014	100	100	100	100	100
09/01/2015	100	100	100	100	100
09/01/2016	100	100	100	100	100
09/01/2017	100	100	100	100	100
09/01/2018	100	100	100	100	100
09/01/2019	100	100	100	100	100
09/01/2020	100	100	100	100	100
09/01/2021	100	100	100	100	100
09/01/2022	100	100	100	100	100
09/01/2023	100	100	100	100	100
09/01/2024	100	100	100	99	59
09/01/2025	100	100	86	44	11
09/01/2026	100	78	34	0	0
09/01/2027	72	24	0	0	0
09/01/2028	7	0	0	0	0
09/01/2029	0	0	0	0	0
09/01/2030	0	0	0	0	0

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

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EXHIBIT VI

PREPAYMENT AND DEFAULT EXPERIENCE

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The following tables detail the prepayment experience of the Authority and the Corporation with respect to all FFELP loans serviced by the Corporation. The various columns below represent pools, or groups, of loans entering repayment from November through January. For example, the 2000 Pool consists of loans entering repayment from November of 1999 through January of 2000. The percentages in the table represent the prepayments (including voluntary prepayments and default reimbursements) measured under a constant prepayment rate (or "***CPR***") model. The CPR model is based on prepayments assumed to occur at a flat, constant percentage rate. 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 are paid during the period. The CPR model assumes that student loans prepay in each month according to the following formula:

Annual Historical Prepayment Rate = 1 - (Actual Pool Balance including Accrued Interest to be Capitalized/Scheduled Pool Balance based on weighted average coupon and weighted average maturity of such pool) $^{(12/\text{Actual Time Interval in Months})}$

STAFFORD LOAN – PREPAYMENT EXPERIENCE														
Repayment Period (Months)	**2000 Pool**	**2001 Pool**	**2002 Pool**	**2003 Pool**	**2004 Pool**	**2005 Pool**	**2006 Pool**	**2007 Pool**	**2008 Pool**	**2009 Pool**	**2010 Pool**	**2011 Pool**	**2012 Pool**	**2013 Pool**
0-12	14.09%	18.15%	32.24%	39.35%	40.38%	46.29%	53.11%	38.22%	22.38%	4.00%	4.42%	7.43%	22.04%	7.06%
13-24	11.19%	17.60%	20.42%	16.37%	23.87%	32.61%	17.05%	5.12%	3.25%	2.41%	2.02%	12.09%	8.16%	
25-36	18.38%	23.59%	19.42%	26.16%	33.13%	15.18%	3.68%	2.36%	1.44%	1.32%	5.09%	3.32%		
37-48	23.30%	20.72%	25.02%	30.93%	12.47%	3.16%	1.22%	2.01%	2.21%	6.57%	3.52%			
49-60	19.43%	25.69%	31.85%	12.41%	2.47%	-2.83%	1.93%	1.56%	4.88%	5.66%				
61-72	25.35%	31.95%	12.59%	5.11%	0.38%	2.64%	0.72%	4.88%	5.95%					
73-84	31.30%	20.87%	5.49%	2.70%	2.06%	2.78%	4.65%	4.60%						
85-96	22.00%	9.87%	3.70%	5.38%	2.71%	4.07%	7.66%							
97-108	9.01%	4.31%	7.11%	5.73%	5.64%	4.93%								
109-120	3.79%	2.67%	3.35%	3.61%	6.50%									
121-132	-1.23%	3.22%	1.11%	4.78%										
133-144	4.37%	-3.91%	6.05%											
145-156	1.15%	11.29%												
157-168	3.10%													
Cumulative	**17.78%**	**18.35%**	**18.03%**	**17.91%**	**16.94%**	**16.25%**	**15.54%**	**11.32%**	**8.47%**	**5.08%**	**4.58%**	**8.19%**	**33.26%**	**7.06%**
Principal at Repayment	105,574,511.75	114,226,995.86	111,509,707.07	104,628,497.56	98,256,614.46	101,782,994.27	105,163,424.57	86,945,653.51	105,357,916.01	162,950,639.62	189,340,435.58	158,312,673.39	103,751,720.65	8,852,923.19

PLUS Loans – Prepayment Experience											
Repayment Period (Months)	**2000 Pool**	**2001 Pool**	**2002 Pool**	**2003 Pool**	**2004 Pool**	**2005 Pool**	**2006 Pool**	**2007 Pool**	**2008 Pool**	**2009 Pool**	**2010 Pool**
0-12	7.58%	12.37%	18.91%	23.82%	23.80%	46.47%	66.27%	27.27%	13.21%	0.29%	63.90%
13-24	10.35%	20.06%	19.14%	20.94%	38.80%	54.81%	19.88%	10.32%	2.76%	-0.49%	6.13%
25-36	19.87%	23.48%	22.11%	36.31%	46.23%	14.66%	9.40%	4.84%	6.07%	4.76%	13.51%
37-48	22.89%	25.49%	34.47%	38.75%	11.62%	7.23%	8.11%	6.69%	8.24%	21.00%	6.60%
49-60	15.06%	27.92%	31.88%	12.57%	7.89%	6.85%	10.59%	8.17%	13.72%	6.85%	
61-72	21.57%	32.24%	12.57%	3.70%	5.64%	8.48%	13.53%	9.15%	8.70%		
73-84	31.57%	27.45%	15.28%	8.19%	10.37%	14.25%	18.63%	10.76%			
85-96	24.97%	29.00%	20.90%	14.18%	15.96%	18.33%	29.30%				
91-108	18.95%	6.68%	24.52%	21.59%	27.61%	30.02%					
109-120	7.50%	12.06%	10.64%	14.00%	14.40%						
121-132	-0.36%	4.34%	11.38%	13.52%							
133-144	1.35%	4.85%	-7.71%								
145-156	22.89%	-11.98%									
157-168	1.60%										
Cumulative	**20.19%**	**21.98%**	**23.47%**	**23.93%**	**25.71%**	**28.02%**	**27.61%**	**13.30%**	**10.31%**	**7.93%**	**28.19%**
Principal at Repayment	8,086,520.88	10,378,069.54	13,007,880.34	15,215,585.53	19,564,481.69	23,366,532.93	25,618,253.02	27,388,249.59	30,639,939.08	41,799,813.59	49,810,608.83

Consolidation Loans – Prepayment Experience									
Repayment Period (Months)	**2000 Pool**	**2001 Pool**	**2002 Pool**	**2003 Pool**	**2004 Pool**	**2005 Pool**	**2006 Pool**	**2007 Pool**	**2008 Pool**
0-12	-1.08%	0.43%	1.71%	3.39%	3.11%	3.57%	5.77%	3.80%	-0.54%
13-24	-0.64%	1.68%	2.27%	2.14%	3.62%	3.99%	3.52%	2.60%	1.46%
25-36	2.65%	2.56%	4.56%	4.24%	3.65%	2.10%	0.46%	0.85%	1.18%
37-48	1.10%	5.97%	6.87%	5.92%	1.13%	1.12%	1.36%	1.25%	1.89%
49-60	4.98%	9.15%	8.71%	2.57%	1.04%	1.53%	1.76%	2.93%	5.98%
61-72	12.18%	11.17%	2.66%	2.42%	1.76%	2.44%	1.87%	7.79%	4.61%
73-84	3.10%	3.99%	3.14%	2.87%	2.11%	3.09%	5.68%	6.00%	
85-96	5.90%	1.12%	3.76%	1.84%	3.14%	4.24%	4.34%		
97-108	1.54%	-1.95%	5.54%	4.80%	5.09%	3.95%			
109-120	5.11%	4.11%	3.60%	3.30%	5.74%				
121-132	4.76%	-0.63%	5.47%	4.45%					
133-144	4.34%	1.21%	8.56%						
145-156	2.64%	8.29%							
157-168	5.44%								
Cumulative	**4.34%**	**4.17%**	**5.17%**	**3.97%**	**3.40%**	**3.20%**	**3.40%**	**3.92%**	**2.66%**
Principal at Repayment	12,657,535.13	11,909,869.25	41,649,115.73	62,004,208.10	62,328,895.10	66,119,979.94	71,526,498.20	41,721,359.91	62,116,107.31

The following tables detail the default experience of the Authority and the Corporation with respect to all FFELP loans serviced by the Corporation. The various columns below represent pools, or groups, of loans entering repayment from November through January. For example, the 2000 Pool consists of loans entering repayment from November of 1999 through January of 2000. The percentages in the table represent the principal balance of loans having a claim paid during the various 12-month repayment periods listed in the first column:

STAFFORD LOANS – DEFAULT EXPERIENCE															
Repayment Period (Months)	**2000 Pool**	**2001 Pool**	**2002 Pool**	**2003 Pool**	**2004 Pool**	**2005 Pool**	**2006 Pool**	**2007 Pool**	**2008 Pool**	**2009 Pool**	**2010 Pool**	**2011 Pool**	**2012 Pool**	**2013 Pool**	**Weighted Average**
0-12	0.18%	0.33%	0.36%	0.35%	0.49%	0.45%	0.48%	0.64%	0.58%	0.32%	0.44%	0.38%	0.44%	1.63%	0.50%
13-24	1.63%	1.18%	1.71%	1.34%	2.70%	2.53%	3.25%	4.68%	3.75%	3.08%	3.75%	4.47%	5.15%		3.02%
25-36	1.17%	0.84%	0.94%	1.07%	1.48%	1.64%	1.87%	2.58%	2.87%	2.04%	3.09%	3.58%	1.93%		1.93%
37-48	1.36%	0.70%	1.01%	1.14%	1.09%	1.30%	1.62%	2.84%	2.42%	2.25%	3.31%	1.26%			1.69%
49-60	0.72%	0.79%	0.60%	0.81%	0.69%	0.68%	1.54%	1.76%	2.20%	2.70%	1.21%				1.25%
61-72	1.00%	0.50%	0.61%	0.89%	0.70%	1.02%	1.17%	2.33%	2.74%	1.27%					1.22%
73-84	0.60%	0.52%	0.63%	0.69%	0.83%	0.90%	1.39%	2.06%	1.15%						0.97%
85-96	0.40%	0.46%	0.31%	0.60%	0.72%	0.78%	1.40%	1.15%							0.73%
97-108	0.25%	0.30%	0.48%	0.36%	0.77%	1.07%	0.68%								0.56%
109-120	0.21%	0.38%	0.34%	0.56%	0.80%	0.31%									0.43%
121-132	0.36%	0.29%	0.38%	0.44%	0.35%										0.36%
133-144	0.30%	0.23%	0.41%	0.15%											0.27%
145-156	0.16%	0.42%	0.12%												0.23%
157-168	0.29%	0.08%													0.18%
169-180	0.15%														0.15%
Cumulative	**8.75%**	**7.02%**	**7.91%**	**8.40%**	**10.62%**	**10.67%**	**13.39%**	**18.04%**	**15.71%**	**11.64%**	**11.79%**	**9.68%**	**7.53%**	**1.63%**	
Original Principal	101,222,090.25	109,023,249.84	106,294,276.39	100,613,907.07	95,664,424.77	99,548,071.64	102,843,634.13	84,831,022.34	101,709,141.61	155,601,564.22	180,044,159.85	147,610,265.59	93,995,026.60	7,792,313.80	

PLUS LOANS – DEFAULT EXPERIENCE												
Repayment Period (Months)	**2000 Pool**	**2001 Pool**	**2002 Pool**	**2003 Pool**	**2004 Pool**	**2005 Pool**	**2006 Pool**	**2007 Pool**	**2008 Pool**	**2009 Pool**	**2010 Pool**	**Weighted Average**
0-12	0.33%	0.64%	0.56%	0.23%	0.50%	0.18%	0.16%	0.52%	0.22%	0.28%	0.09%	0.34%
13-24	1.42%	0.88%	0.59%	0.28%	0.63%	0.20%	0.40%	0.31%	0.35%	0.26%	0.10%	0.49%
25-36	1.17%	0.65%	0.45%	0.48%	0.24%	0.28%	0.22%	0.62%	0.45%	0.47%	0.15%	0.47%
37-48	0.86%	0.60%	0.58%	0.36%	0.33%	0.31%	0.44%	0.57%	0.50%	0.79%	0.20%	0.50%
49-60	0.47%	0.47%	0.17%	0.17%	0.42%	0.32%	0.36%	0.56%	0.65%	0.94%	0.13%	0.43%
61-72	0.28%	0.27%	0.32%	0.13%	0.25%	0.23%	0.40%	0.52%	0.72%	0.53%		0.37%
73-84	0.04%	0.34%	0.37%	0.10%	0.15%	0.27%	0.41%	0.85%	0.37%			0.32%
85-96	0.37%	0.07%	0.28%	0.28%	0.10%	0.21%	0.31%	0.08%				0.21%
97-108	0.18%	0.08%	0.18%	0.11%	0.28%	0.31%	0.07%					0.17%
109-120	0.32%	0.25%	0.16%	0.13%	0.24%	0.13%						0.20%
121-132	0.21%	0.18%	0.08%	0.26%	0.06%							0.16%
133-144	0.14%	0.00%	0.11%	0.00%								0.06%
145-156	0.21%	0.02%	0.03%									0.09%
157-168	0.13%	0.01%										0.07%
169-180	0.06%											0.06%
Cumulative	**6.17%**	**4.45%**	**3.88%**	**2.52%**	**3.21%**	**2.45%**	**2.77%**	**4.04%**	**3.26%**	**3.28%**	**0.67%**	
Original Principal	7,897,899.72	9,922,527.61	12,746,038.97	15,762,200.77	19,836,651.78	23,763,624.28	22,604,054.20	25,299,105.69	30,130,672.08	41,155,129.54	48,412,027.69	

CONSOLIDATION LOANS – DEFAULT EXPERIENCE										
Repayment Period (Months)	**2000 Pool**	**2001 Pool**	**2002 Pool**	**2003 Pool**	**2004 Pool**	**2005 Pool**	**2006 Pool**	**2007 Pool**	**2008 Pool**	**Weighted Average**
0-12	0.00%	0.43%	0.25%	0.18%	0.31%	0.04%	0.13%	0.13%	0.21%	0.19%
13-24	0.37%	0.40%	0.33%	0.62%	0.56%	0.17%	0.37%	0.62%	0.73%	0.46%
25-36	0.93%	1.02%	0.84%	0.44%	0.58%	0.56%	0.37%	0.81%	0.89%	0.72%
37-48	0.49%	0.57%	0.81%	0.46%	0.28%	0.55%	0.56%	0.84%	0.86%	0.60%
49-60	0.00%	1.41%	0.78%	0.51%	0.26%	0.75%	0.44%	0.61%	1.43%	0.69%
61-72	1.70%	2.72%	0.33%	0.62%	0.77%	0.82%	0.37%	2.14%	1.94%	1.27%
73-84	0.16%	0.75%	1.07%	1.18%	0.74%	0.88%	1.02%	2.56%	0.65%	1.00%
85-96	1.53%	0.63%	0.63%	0.83%	0.67%	0.63%	1.17%	0.86%		0.87%
97-108	0.84%	0.95%	1.04%	1.32%	0.78%	0.70%	0.35%			0.85%
109-120	1.14%	0.81%	0.59%	0.67%	1.49%	0.24%				0.82%
121-132	1.25%	0.69%	0.91%	0.81%	0.21%					0.77%
133-144	1.30%	0.54%	1.71%	0.16%						0.93%
145-156	0.56%	3.02%	0.61%							1.40%
157-168	1.01%	0.51%								0.76%
169-180	1.71%									1.71%
Cumulative	**12.99%**	**14.45%**	**9.90%**	**7.79%**	**6.66%**	**5.33%**	**4.77%**	**8.57%**	**6.70%**	
Original Principal	12,769,225.29	11,917,925.31	41,886,849.98	62,298,970.64	63,038,024.10	66,839,599.47	71,961,167.17	42,312,386.70	62,460,629.83	

Past performance does not guarantee future results. See "**RISK FACTORS – Performance of the Education Loan Portfolio May Differ From Historical Education Loan Performance**" herein.

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SOUTH CAROLINA
Student Loan