MISSISSIPPI HIGHER EDUCATION ASSISTANCE CORPORATION

$397,000,000
Student Loan Asset-Backed Notes, Series 2014
(Taxable LIBOR Floating Rate Notes)

The Mississippi Higher Education Assistance Corporation (the "Corporation"), a Mississippi nonprofit corporation, is issuing $397,000,000 aggregate principal amount of its Student Loan Asset-Backed Notes, Series 2014 (Taxable LIBOR Floating Rate Notes) (collectively, the "Notes"), as set forth below:

Series of Notes	Principal Amount	Interest Rate[1]	Price to Public	Final Maturity Date	Expected Ratings[2] (Fitch/S&P)	Cusip
Series 2014 A-1	$387,000,000	1-Month LIBOR plus 0.68%	100%	October 25, 2035	AAAsf/AA+ (sf)	60535Y AA1
Series 2014 B-1[3]	$10,000,000	1-Month LIBOR plus 1.00%[4]	N/A	May 25, 2044	NR/NR	60535Y AB9

[1] The interest rates are sometimes referred to herein as the "Note Rates".
[2] See the caption "RATINGS" herein.
[3] All of the Series 2014 B-1 Notes will initially be held by the Corporation and are not being offered hereby.
[4] Subject to the Series B Interest Cap (as defined herein) and the Series B Interest Subordination Trigger Event (as defined herein).

The Notes are being issued under a Series 2014 Indenture of Trust, dated as of July 1, 2014 (the "Indenture"), among the Corporation, U.S. Bank National Association, as trustee (the "Trustee"), and U.S. Bank National Association, as eligible lender trustee (the "Eligible Lender Trustee"). The Notes are the only notes issued under the Indenture and no other notes, bonds or other obligations may be issued under the terms of the Indenture. All capitalized terms not otherwise defined herein have the meanings as set forth in Appendix A attached to this Offering Memorandum.

The Notes will be secured under the Indenture by a pool of student loans made under the Federal Family Education Loan Program, rights the Corporation has under certain agreements, a Reserve Fund, an Acquisition Fund, a Capitalized Interest Fund (each as defined herein) and the other moneys and investments pledged to the Trustee under the Indenture.

The interest rates on the Notes are LIBOR-based. A description of how LIBOR is determined appears under "DESCRIPTION OF THE NOTES — Determination of LIBOR" herein. The Notes will receive monthly distributions of principal and interest on the 25th day (or the next Business Day (as defined herein), if it is not a Business Day) of each calendar month as described in this Offering Memorandum, beginning September 25, 2014 until the Notes are paid in full. In general, payments of interest will be made sequentially to the Series 2014 A-1 Notes and to the Series 2014 B-1 Notes (subject to the Series B Interest Cap and the Series B Interest Subordination Trigger Event, each as defined herein), in that order, and payments of principal will be made sequentially to the Series 2014 A-1 Notes and to the Series 2014 B-1 Notes, in that order, until each such Series is paid in full.

Credit enhancement for the Notes will consist of excess interest on the Financed Eligible Loans (as defined herein) and overcollateralization including cash on deposit in the Reserve Fund and the Capitalized Interest Fund. Credit enhancement will also include in part, for holders of Series 2014 A-1 Notes, the sequential payment of principal of and interest on the Series 2014 A-1 Notes before the Series 2014 B-1 Notes. The Notes are not insured or guaranteed by any government agency or instrumentality, by any insurance company, or by any other person or entity.

It is a condition to the issuance of the Notes that Series 2014 A-1 Notes be rated "AAAsf" by Fitch Ratings, Inc. ("Fitch") and "AA+(sf)" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P" and together with Fitch, the "Rating Agencies"). The Series 2014 B-1 Notes will not be rated.

THE NOTES ARE SPECIAL, LIMITED OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE ASSETS HELD IN THE TRUST ESTATE, EQUALLY AND RATABLY (BUT SUBJECT TO THE PAYMENT PRIORITY AS TO PRINCIPAL AND INTEREST AS SET FORTH HEREIN), AND ARE NOT GENERAL OBLIGATIONS OF THE CORPORATION. SEE "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" AND "CERTAIN RISK FACTORS". RECEIPTS OF PRINCIPAL, INTEREST AND CERTAIN OTHER PAYMENTS ASSOCIATED WITH THE FINANCED ELIGIBLE LOANS HELD UNDER THE INDENTURE GENERALLY WILL BE ALLOCATED FOR PAYMENT OF FEES RELATED TO SUCH LOANS AND THE NOTES AND THEN TO INTEREST AND PRINCIPAL DUE ON THE NOTES. INVESTORS SHOULD CONSIDER CAREFULLY THE "CERTAIN RISK FACTORS" AS SET FORTH IN THIS OFFERING MEMORANDUM.

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.

This cover page and the following page contain certain information for quick reference only. Investors must read this entire Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Series 2014 A-1 Notes are offered when, as and if issued and received by the Underwriter. The Series 2014 A-1 Notes are expected to be available for delivery in book-entry form only through the facilities of The Depository Trust Company on or about July 29, 2014.

BofA Merrill Lynch

Dated July 21, 2014

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TABLE OF CONTENTS

	Page
ADDITIONAL INFORMATION	iii
SUMMARY STATEMENT	1
CERTAIN RISK FACTORS	11
INTRODUCTION	26
PURPOSE OF THE NOTES	27
SOURCES OF PAYMENT AND SECURITY FOR THE NOTES	27
THE NOTES	34
FEES	39
PLAN OF FINANCE	40
THE FINANCED ELIGIBLE LOANS	40
CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS	41
THE CORPORATION	50
THE CORPORATION'S STUDENT LOAN FINANCE PROGRAM	53
THE ADMINISTRATOR AND BACK-UP ADMINISTRATOR	54
STUDENT LOAN SERVICING	55
GUARANTY AGENCIES	58
TRUSTEE	65
ELIGIBLE LENDER TRUSTEE	65
REPORTS TO NOTEHOLDERS	66
TAX MATTERS	66
STATE TAX CONSIDERATIONS	72
CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS	72
THE CUSTODIAN	73
FINANCIAL ADVISOR	74
UNDERWRITING	74
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	75
RATINGS	75
LEGAL MATTERS	75
ACCOUNTING CONSIDERATIONS	76
LITIGATION	76
MISCELLANEOUS	76

APPENDIX A SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE A-1

APPENDIX B DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM B-1

APPENDIX C BOOK-ENTRY SYSTEM C-1

APPENDIX D WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT EACH MONTHLY DISTRIBUTION DATE FOR THE NOTES D-1

APPENDIX E – MONTHLY DISTRIBUTION REPORT E-1

ADDITIONAL INFORMATION

THE NOTES ARE SPECIAL, LIMITED OBLIGATIONS OF THE CORPORATION, A NON-PROFIT CORPORATION ORGANIZED UNDER THE LAWS OF THE STATE OF MISSISSIPPI. NEITHER THE STATE OF MISSISSIPPI NOR ANY AGENCY OR OTHER POLITICAL SUBDIVISION OF THE STATE WILL BE LIABLE ON THE NOTES, AND THE NOTES WILL NOT BE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MISSISSIPPI OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR ANY PURPOSE WHATSOEVER.

THE NOTES ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE PROVISIONS OF SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED. IN ADDITION, THE NOTES WILL NOT BE REGISTERED UNDER ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM OR APPROVED THE NOTES FOR SALE.

The Notes are being issued for the purpose of providing the Corporation with funds to refinance Eligible Loans which are guaranteed by authorized guarantee agencies (as described herein) and reinsured by the federal government pursuant to the Federal Family Education Loan Program under the Higher Education Act of 1965, as amended (the "Higher Education Act") currently held by for the benefit of the Corporation. As part of such refinancing, currently outstanding obligations of the Corporation ("Currently Outstanding Obligations") previously issued to finance Eligible Loans will be paid in full and retired. Upon the issuance of the Notes, all Eligible Loans held with respect to the Currently Outstanding Obligations and otherwise refinanced will be pledged under the Indenture, as more fully described herein. See "PLAN OF FINANCE" and "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES".

The Notes are subject to optional redemption by the Corporation on any Monthly Distribution Date occurring after the end of a Collection Period on which the then outstanding Pool Balance for the Notes is 10% or less of the Initial Pool Balance, in whole only, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, due and payable on the Notes to such Monthly Distribution Date. The Notes are not otherwise subject to optional redemption prior to maturity.

No dealer, broker, salesperson or other person has been authorized by the Corporation to give any information or to make any representations with respect to the Notes, other than those contained in this Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by the Corporation. 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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

THIS OFFERING MEMORANDUM WAS PREPARED BY THE CORPORATION. THE UNDERWRITER REVIEWED THE INFORMATION IN THIS OFFERING MEMORANDUM, BUT THE UNDERWRITER HAS NOT INDEPENDENTLY VERIFIED ANY OF THE INFORMATION CONTAINED HEREIN AND MAKES NO REPRESENTATION OR WARRANTY OR GUARANTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND NOTHING HEREIN SHALL BE DEEMED TO CONSTITUTE SUCH A REPRESENTATION OR WARRANTY OR GUARANTY BY THE UNDERWRITER. IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE NOTES, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION (INCLUDING, WITHOUT LIMITATION, THE TRUST ESTATE CREATED UNDER THE INDENTURE) AND THE TERMS AND CONDITIONS OF THE OFFERING OF THE NOTES, INCLUDING THE RISKS INVOLVED, AND SHALL NOT CONSTRUE THE CONTENTS OF THIS OFFERING MEMORANDUM, OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE CORPORATION OR THE UNDERWRITER OR ANY OF THEIR OFFICERS, EMPLOYEES OR AGENTS AS INVESTMENT, LEGAL, ACCOUNTING, REGULATORY OR TAX ADVICE. PRIOR TO ANY INVESTMENT IN THE NOTES, A PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN ADVISORS TO DETERMINE THE APPROPRIATENESS AND CONSEQUENCES OF SUCH AN INVESTMENT IN RELATION TO THAT INVESTOR'S SPECIFIC CIRCUMSTANCES.

The 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 parties referred to above or that the other information or opinions are correct as of any time subsequent to the date hereof.

The Series 2014 A-1 Notes will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as securities depository for the Series 2014 A-1 Notes. Individual purchases will be made in book-entry-only form only. Purchasers will not receive certificates representing their interest in the Series 2014 A-1 Notes purchased. So long as DTC is the registered owner of the Series 2014 A-1 Notes, payments of the principal of, and interest on the Series 2014 A-1 Notes will be made directly to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants. See "APPENDIX C — BOOK-ENTRY SYSTEM". The Series 2014 A-1 Notes shall be issued in denominations of $100,000 and any integral multiple of $1,000 above $100,000.

The information in this Offering Memorandum concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry-only system has been obtained from DTC, and the Corporation takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Corporation, and the Corporation makes no representation as to the accuracy or completeness of such information.

Within this Offering Memorandum are cross-references to captions found elsewhere in this Offering Memorandum, under which can be found further related discussions. The table of contents in this Offering Memorandum indicates where such captions and discussions are located.

There currently is no secondary market for the Notes. There are no assurances that any market will develop or, if it does develop, how long it will last. The Corporation does not intend to list the Notes on any exchange, including any exchange in either Europe or the United States.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFERING MEMORANDUM, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFERING MEMORANDUM, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFERING MEMORANDUM.

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

Upon issuance, the Notes will not be registered under the Securities Act of 1933, as amended, pursuant to the exemption from registration provided by Section 3(a)(4) thereof, and will not be listed on any stock or other securities exchange, and the Indenture will not be qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the Notes and the security therefor, including an analysis of the risks involved. The Notes have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Notes in accordance with applicable provisions of securities laws of the various jurisdictions in which the Notes have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the Notes or the adequacy, accuracy or completeness of this Offering Memorandum. Any representation to the contrary may be a criminal offense. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy or adequacy of this Offering Memorandum or approved the Notes for sale.

There follows in this Offering Memorandum certain information concerning the Corporation, together with descriptions of the terms of the Notes, certain documents related to the security for the Notes and certain applicable laws. All references herein to laws and documents are qualified in their entirety by reference to such laws, as in effect, and to each such document as such document has been or will be executed and delivered on or prior to the Date of Issuance of the Notes, and all references to the Notes are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. This Offering Memorandum is submitted in connection with the sale of the Series 2014 A-1 Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

IRS CIRCULAR 230 NOTICE

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, THE NOTEHOLDERS ARE HEREBY NOTIFIED THAT ANY DISCCUSION REGARDING U.S. FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM WAS NOT INTENDED OR WRITTEN AND IS NOT INTENDED TO BE USED AND CANNOT BE USED BY ANY TAXPAYER FOR PURPOSES OF AVOIDING UNITED STATES FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED. THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, investors can identify forward-looking statements by terminology such as "may", "will", "should", "could", "would", "expect", "plan", "anticipate", "believe", "estimate", "project", "predict", "intend", "potential", and the negative of such terms or other similar expressions.

The forward looking statements reflect the Corporation's current expectations and views about future events. The forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on the forward-looking statements.

Investors should understand that the following factors, among other things, could cause the Corporation's results to differ materially from those expressed in forward-looking statements:

- changes in terms of student loans and the educational credit marketplace arising from the implementation of applicable laws and regulations and from changes in these laws and regulations that may reduce the volume, average term, costs and yield on student loans under the Federal Family Education Loan Program;
- changes in the demand for educational financing or in financing preferences of educational institutions, students and their families, which could have an effect on issuing entities ability to purchase student loans;
- changes in the general interest rate environment and in the securitization market for student loans, which may increase the costs or limit the marketability of financings;
- losses from student loan defaults; and
- changes in prepayment rates and credit spreads.

Many of these risks and uncertainties are discussed in greater detail under the heading "CERTAIN RISK FACTORS".

Investors should read this Offering Memorandum and the documents that are referenced in this Offering Memorandum completely and with the understanding that the Corporation's actual future results may be materially different from what the Corporation expects. The Corporation may not update the forward-looking statements, even though the Corporation's situation may change in the future, unless the Corporation has obligations under the federal securities laws to update and disclose material developments related to previously disclosed information. All of the forward-looking statements are qualified by these cautionary statements.

SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Offering Memorandum. No conclusion should be drawn from the order of material or information presented in this Offering Memorandum. The offering by the Mississippi Higher Education Assistance Corporation of the Notes described herein to potential investors is made only by means of this entire Offering Memorandum. No person is authorized to detach this Summary Statement from this Offering Memorandum or to otherwise use it without this entire Offering Memorandum. Unless otherwise defined in this Summary Statement, all capitalized terms used in this Summary Statement shall have the same meaning as defined in this Offering Memorandum.

The Notes

Series 2014 A-1 Notes

The $387,000,000 Mississippi Higher Education Assistance Corporation Student Loan Asset-Backed Notes, Series 2014 A-1 Notes (Taxable LIBOR Floating Rate Notes) (the "Series 2014 A-1 Notes").

Series 2014 B-1 Notes

The $10,000,000 Mississippi Higher Education Assistance Corporation Student Loan Asset-Backed Notes, Series 2014 B-1 Notes (Taxable LIBOR Floating Rate Notes) (the "Series 2014 B-1 Notes").

Notes:

The Series 2014 A-1 Notes and the Series 2014 B-1 Notes are collectively referred to herein as the "Notes**".**

Principal Parties

Corporation

Mississippi Higher Education Assistance Corporation, a Mississippi nonprofit corporation, located in Jackson, Mississippi.

Administrator

Education Services Foundation, a Mississippi nonprofit corporation located in Jackson, Mississippi.

Back-up Administrator

Nelnet Servicing, LLC

Servicer

ACS Education Loan Services LLC.

Back-up Servicer

Nelnet Servicing, LLC

Guarantors

Primarily, Massachusetts Higher Education Assistance Corporation, doing business as American Student Assistance, United Student Aid Funds, Pennsylvania Higher Education Assistance Agency, and certain other guaranty agencies listed herein.

Trustee, Paying Agent, and Eligible Lender Trustee

U.S. Bank National Association

Principal Dates and Periods

Date of Issuance

July 29, 2014

Collection Periods

The initial Collection Period will begin on the Date of Issuance and end on August 31, 2014. Thereafter, each Collection Period will be the calendar month immediately succeeding the previous Collection Period.

Monthly Distribution Dates

Distribution dates for the Notes will be the 25th day of each month, or if such 25th day is not a Business Day, the next succeeding Business Day, as described in this Offering Memorandum, beginning on September 25, 2014. These dates are sometimes referred to herein as "Monthly Distribution Dates".

Interest Accrual Periods

The initial interest accrual period for the Notes begins on the Date of Issuance and ends on the day prior to the September 25, 2014 Monthly Distribution Date. For all other Monthly Distribution Dates, the interest accrual period will begin on the prior Monthly Distribution Date and end on the calendar day before such Monthly Distribution Date.

Record Date

Principal of and interest on the Notes will be payable to the record owners thereof as of the close of business on the Business Day immediately preceding each Monthly Distribution Date.

Statistical Cut-off Date

The statistical cut-off date for the student loan portfolio to be pledged by the Corporation to the Trustee on the Date of Issuance is May 31, 2014 (the "Statistical Cut-off Date"). The student loans pledged by the Corporation to the Trustee under the Indenture and not released from the lien thereof are sometimes referred to herein as the "Financed Eligible Loans". The Corporation believes that the information set forth in this Offering Memorandum with respect to the student loans as of the Statistical Cut-off Date is representative of the characteristics of the student loans as they will exist on the date of issuance for the Notes. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS".

Description of the Notes

General

The $397,000,000 aggregate principal amount of the Corporation's Notes are being issued under a Series 2014 Indenture of Trust dated as of July 1, 2014 (the "Indenture"), among the Corporation, U.S. Bank National Association, as trustee (the "Trustee") and U.S. Bank National Association, as eligible lender trustee (the "Eligible Lender Trustee").

The proceeds of the Notes will be used to refinance Eligible Loans which are guaranteed by authorized guarantee agencies (as described herein) and reinsured by the federal government pursuant to the Federal Family Education Loan Program under the Higher Education Act of 1965, as amended (the "Higher Education Act") currently held by or for the benefit of the Corporation. As part of such refinancing, outstanding obligations of the Corporation (the "Currently Outstanding Obligations") previously issued to finance Eligible Loans will be paid in full and retired. Upon the issuance of the Notes all Eligible Loans held with respect to the Currently Outstanding Obligations and otherwise refinanced will be pledged under the Indenture, as more fully described herein. See "PLAN OF FINANCE" herein.

The Notes are subject to optional redemption by the Corporation as described under "THE NOTES — Optional Redemption of Notes in Full". The Notes are not otherwise subject to optional redemption prior to maturity.

Authorized Denominations

$100,000 and available for purchase in multiples of $1,000 above such amount.

Additional Notes or Notes

The Indenture will not permit the issuance of any additional notes or other evidences of indebtedness secured by the Trust Estate.

Interest on the Notes

The interest rate on the Notes (the "Note Rate") for any Interest Accrual Period, other than the first Interest Accrual Period, will be One-Month LIBOR plus:

(i) 0.68% with respect to the Series 2014 A-1 Notes; and

(ii) 1.00% with respect to the Series 2014 B-1 Notes, subject in the case of the Series 2014 B-1 Notes, to the Series B Interest Cap and the Series B Interest Subordination Trigger Event (each as described below).

The LIBOR rate for the Initial Interest Accrual Period for each Series of the Notes will be calculated as described under "THE NOTES — Interest Payments".

Interest accrued on the outstanding principal balance of each Note during each Interest Accrual Period will be paid on the following Monthly Distribution Date on the Series 2014 A-1 Notes and then the Series 2014 B-1 Notes, in that order. The payment of interest on the Series 2014 B-1 Notes is subject to the Series B Interest Cap. If the Series B Interest Subordination Trigger Event has occurred and is continuing or if the Interest Accrual Amount for the Series 2014 B-1 Notes exceeds the Series B Interest Cap, all or a portion of the interest accruing on the Series 2014 B-1 Notes during any related Interest Accrual Period will be characterized as a Series B Carry-Over Amount, and will be paid as described in clause tenth of "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds" in this Offering Memorandum. The Series B Interest Subordination Trigger Event occurs on any Monthly Distribution Date when the Subordinate Parity Ratio is less than 101.00% and the Series 2014 A-1 Notes remain Outstanding.

If the Series B Interest Subordination Trigger Event is no longer continuing (either because the Subordinate Parity Ratio is at least equal to 101.00% or none of the Series 2014 A-1 Notes remain outstanding), the Interest Distribution Amount payable on the Series 2014 B-1 Notes on any

Monthly Distribution Date will be paid as described in clause fifth of "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds" in this Offering Memorandum.

"Subordinate Parity Ratio" means on any Monthly Distribution Date, (i) the Parity Assets as of the end of the related Collection Period plus the amount on deposit in the Capitalized Interest Fund and the Reserve Fund after giving effect to distributions made on that Monthly Distribution Date, divided by (ii) the Outstanding Amount of the 2014 A-1 Notes and the Series 2014 B-1 Notes, after giving effect to distributions made on that Monthly Distribution Date.

"Parity Assets" means the (i) sum of the principal balance of the Financed Eligible Loans, accrued borrower interest on the Financed Eligible Loans, the net receivable from the U.S. Department of Education for Interest Subsidy Payments and Special Allowance Payments (but not less than $0), deposits in transit from the Servicer and investment interest receivable less (ii) the unguaranteed portion of Financed Eligible Loans in a claim filed status and the principal amount of any Financed Eligible Loans previously filed as claims and deemed uninsured by the Servicer.

The "Series B Interest Cap" means, with respect to any Monthly Distribution Date, an amount equal to (a) the actual number of days in the current year divided by 360 and multiplied by the difference between (i) the sum of all non-principal amounts that accrued on the Financed Eligible Loans during the related Collection Period, whether received or receivable from a borrower, a Guaranty Agency or the Department (including, without limitation, Special Allowance Payments and Interest Subsidy Payments) and (ii) the sum of all non-principal amounts that accrued on the Financed Eligible Loans during the related Collection Period, whether paid or payable to the Department (including, without limitation, Special Allowance Payments and consolidation rebate fees); less (b) the Trustee Fee, the Eligible Lender Trustee Fee, the Servicing Fees, the Back-up Servicing Fee, the Administration Fee, the Back-up Administration Fee and Rating Agency surveillance fees accrued during the related Collection Period and less (c) the Interest Accrual Amount on the Series 2014 A-1 Notes for such Monthly Distribution Date. The Series B Interest Cap may not be less than zero and does not apply on the September 25, 2014, Monthly Distribution Date. The Series B Interest Cap will be determined by the Corporation.

Failure to make interest payments on the Series 2014 B-1 Notes is not an Event of Default under the Indenture if any Series 2014 A-1 Notes remain outstanding. Payment of the Series B Carry-Over Amount (as hereafter defined) is payable at a lower priority, and the failure to pay such Series B Carry-Over Amount is not an Event of Default under the Indenture. To the extent that there are insufficient Available Funds for the payment of Series B Carry-Over Amount on or after the Note Final Maturity Date of the Series 2014 B-1 Notes, such Series B Carry-Over Amount and the interest thereon shall be cancelled and shall not be paid.

"Interest Accrual Amount" means, for any Monthly Distribution Date, with respect to any Series of the Notes, the aggregate amount of interest accrued for the Notes at the related Note Rate set forth on the cover page of this Offering Memorandum for such Series of Notes for the related Interest Accrual Period on the Outstanding Amount of such Series of Notes since the immediately preceding Monthly Distribution Date after giving effect to all principal distributions to the related Noteholders on that preceding Monthly Distribution Date, or in the case of the first Monthly Distribution Date, on the Date of Issuance.

Principal Distributions

Principal payments will be made on each Monthly Distribution Date in an amount equal to the funds available for the payment of such principal in the Collection Fund (rounded down to the nearest $1,000 increment). Principal distributions will be paid sequentially by Series (i.e., the funds available in the Collection Fund to pay principal on a Monthly Distribution Date will be disbursed as follows: first, to the holders of the Series 2014 A-1 Notes until paid in full; and second, to the holders of the Series 2014 B-1 Notes until paid in full. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES – Collection Fund; Flow of Funds" in this Offering Memorandum. At least two days prior to each Monthly Distribution Date, the Trustee will give written notice to DTC (so long as DTC is the Registered Owner of the Notes) specifying the principal to be paid to Noteholders.

Optional Redemption of Notes

The Corporation shall have the option to redeem all of the Notes in whole on the Monthly Distribution Date next succeeding the last day of the Collection Period on which the then outstanding Pool Balance for the Notes is 10% or less of the Initial Pool Balance and on each Monthly Distribution Date thereafter. If this redemption option is exercised, the Financed Eligible Loans will be released to the Corporation free from the lien of the Indenture. If the Corporation exercises its redemption option, the Corporation must deposit with the Trustee an amount that, when combined with amounts on deposit in the

Funds and Accounts held under the Indenture, would be sufficient to: (i) reduce the Outstanding principal amount of Notes on the related Monthly Distribution Date to zero; (ii) pay to the Noteholders the interest payable on the related Monthly Distribution Date; (iii) pay to the Series 2014 B-1 Noteholders, any unpaid accrued Series B Carry-over Amount; and (iv) pay any applicable unpaid administration, back-up administration, servicing, back-up servicing, rating agency, Eligible Lender Trustee and Trustee fees. See "THE NOTES—Optional Redemption of Notes in Full" in this Offering Memorandum.

"Pool Balance" for any date means the aggregate principal balance of the Financed Eligible Loans on that date in the Loan Portfolio, plus accrued interest thereon.

"Initial Pool Balance" means the Pool Balance for the Notes as of the Date of Issuance, plus the amount of Eligible Loans, if any, subsequently acquired during the Acquisition Period from cash deposited in the Acquisition Fund on the Date of Issuance.

Final Maturity Dates

The respective Monthly Distribution Dates on which the Notes are due and payable in full are as follows:

(i) October 25, 2035 with respect to the Series 2014 A-1 Notes; and

(ii) May 25, 2044 with respect to the Series 2014 B-1 Notes.

The actual payment in full of all principal of a Series of Notes could occur earlier if, for example:

- there are prepayments on the Financed Eligible Loans; or
- the Corporation exercises its option to redeem the Notes (which will not occur until a date when the Pool Balance is 10% or less of the Initial Pool Balance).

Limited Release of Financed Eligible Loans

The Indenture provides that for administrative purposes, the Corporation may release Financed Eligible Loans free from the lien of the Indenture, so long as the Corporation deposits an amount equal to the principal amount of and accrued interest on the Financed Eligible Loans, and the collective aggregate balance of all such releases does not exceed 5.00% of the initial Pool Balance and the collective aggregate balance of all such releases in any calendar year does not exceed 1.00% of the Pool Balance as of January 1 of such calendar year (or as of the Date of Issuance with respect to the first calendar year). See "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE – CERTAIN COVENANTS – Sale of Financed Eligible Loans" hereto.

The Corporation

The Mississippi Higher Education Assistance Corporation (the "Corporation") is a non-profit corporation organized and existing under Title 79, Chapter 11, Mississippi Code of 1972, and operates in accordance with the Higher Education Act and the Internal Revenue Code of 1986, as amended. The Corporation is a tax-exempt organization under Section 501(c)(3) of the Code and is classified as a public charity described in Section 509(a)(2) of the Code. The Corporation is not an agency or instrumentality of the State of Mississippi or any agency of political subdivision thereof. Several significant changes are expected to be made to the Corporation after the issuance of the Notes. See "THE CORPORATION - Changes to the Corporation and the Foundation" herein.

Eligible Lender Trustee

U.S. Bank National Association is the Eligible Lender Trustee for the Corporation under an Eligible Lender Trust Agreement, dated as of June 6, 2014 (the "Eligible Lender Trust Agreement"). The Eligible Lender Trustee will acquire on behalf of the Corporation legal title to all of the Eligible Loans made part of the Trust Estate upon the issuance of the Notes (the "Financed Eligible Loans"). The Eligible Lender Trustee, on behalf of the Corporation, has entered into a separate guaranty agreement with each of the guaranty agencies described in this Offering Memorandum with respect to the Financed Eligible Loans. The Eligible Lender Trustee qualifies as an eligible lender and the holder of the Financed Eligible Loans for all purposes under the Higher Education Act and the guaranty agreements.

Administrator

The Corporation has entered into an Administration Agreement (the "Administration Agreement") with Education Services Foundation, a Mississippi nonprofit corporation, which acts as administrator for the Corporation (the "Administrator").

Servicer

The Corporation has entered into a servicing agreement with ACS Education Loan Services LLC (the "Servicer") pursuant to which the Servicer performs all servicing responsibilities with respect to the Financed Eligible Loans held under the Indenture. The Trustee has no responsibility for the servicing and collecting of Financed Eligible Loans under the Indenture. All such duties are delegated by the Corporation to the Servicer under the Indenture.

Sources of Payment and Security for the Notes

The Notes are special and limited obligations of the Corporation secured by the assets pledged under the Indenture (collectively, the "Trust Estate"), which consist of the Financed Eligible Loans and all rights to payment thereunder, the funds and investments held in the Collection Fund, the Capitalized Interest Fund and the Reserve Fund, and all rights and interests of the Corporation in and to the agreements and instruments pertaining to the Financed Eligible Loans, and the Available Funds derived from the foregoing (the "Collateral"). The Corporation has granted to the Trustee a security interest in, and lien on, the Collateral, for the equal and proportionate benefit of all Noteholders.

Receipts of principal, interest and certain other payments associated with the Financed Eligible Loans and Available Funds in the Collection Fund, the Capitalized Interest Fund and the Reserve Fund will generally be used first for payment of fees related to the Financed Eligible Loans and the Notes and then to pay interest and principal due on the Notes.

Credit Enhancement

The only sources of funds for payment of the Notes issued under the Indenture are the Financed Eligible Loans and investments pledged to the Trustee under the Indenture and the payments the Corporation receives on those Financed Eligible Loans and investments.

Credit enhancement for the Notes will include excess interest and overcollateralization, including the cash on deposit in the Capitalized Interest Fund and the Reserve Fund. After the issuance of the Notes and the payment of costs of issuance, the pledge of the Financed Eligible Loans expected to be made to the Trustee on the Date of Issuance and the moneys in funds and accounts under the Indenture (other than moneys in the Department Rebate Fund and the Cost of Issuance Fund), the ratio of the trust estate assets to the par amount of all Notes as of the Date of Issuance is expected to be approximately 101.42% and the ratio of trust estate assets to the par amount of the Series 2014 A-1 Notes as of the Date of Issuance is expected to be approximately 104.04%. The Financed Eligible Loans pledged under the Indenture on the Date of Issuance will have characteristics that differ somewhat from the characteristics of the Eligible Loans described herein due to payments received on and other changes in these Eligible Loans that occur during the period from the Statistical Cut-off Date to the Date of Issuance. These changes could result in the percentages shown above to vary somewhat on the Date of Issuance. However, the Corporation does not expect the actual percentages on the Date of Issuance will differ materially from the estimated percentages set forth above. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" herein.

Excess Interest

Excess interest is the positive difference between (i) the interest earnings on the loans from borrower interest payments, interest subsidy payments or special allowance payments and (ii) the interest on the Notes and other fees such as Servicing, Back-up Servicing, Trustee, Eligible Lender Trustee, Administration, Back-up Administration and Rating Agency Fees. There can be no assurance as to the rate, timing or amount, if any, of excess interest.

Characteristics of the Financed Eligible Loans

The Financed Eligible Loans held and to be held as part of the Collateral will consist of loans made pursuant to the Federal Family Education Loan Program created by Title IV of the Higher Education Act. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" herein.

Certain Risk Factors

Attention should be given to certain investment considerations or risk factors described in this Offering Memorandum which could affect the ability of the Corporation to pay debt service on the Notes and which could have an effect on the market price of the Notes to an extent that cannot be determined. See "CERTAIN RISK FACTORS" herein. Each prospective purchaser of Notes should read this entire Offering Memorandum, including the cover page and Appendices hereto.

Description of Funds and Accounts Under the Indenture

The Acquisition Fund

It is expected that, on the Date of Issuance, after payments of proceeds of the Notes to the Prior Trustees and the Corporation and transfer or release by the Prior Trustees to the Corporation and the pledge by the Corporation to the Trustee of the Eligible Loans, Financed Eligible Loans (principal and accrued interest) and cash in an aggregate expected amount of $395,318,048 will be held for the credit of the Acquisition Fund. Funds on deposit in the Acquisition Fund will be used to purchase or acquire the pool of Eligible Loans described in (and as may be modified as described in) "CHARACTERISTICS OF THE FINANCED

ELIGIBLE LOANS". The Corporation expects to purchase or acquire the pool of Eligible Loans described in "CHARACTERISTICS OF THE FINANCED STUDENT LOANS" on the Date of Issuance, but is permitted to acquire such Eligible Loans at any time within thirty (30) calendar days of the Date of Issuance (such period, the "Acquisition Period"). During the Acquisition Period, any available funds on deposit in the Acquisition Fund may be used to acquire or purchase the pool of Eligible Loans described in "CHARACTERISTICS OF THE FINANCED STUDENT LOANS", and after giving effect to the purchase or acquisition of such Eligible Loans, any remaining available amounts may be used to acquire or purchase additional Eligible Loans not described in "CHARACTERISTICS OF THE FINANCED STUDENT LOANS" but that otherwise satisfy the eligibility criteria described in "THE FINANCED STUDENT LOANS—Student Loan Eligibility Criteria" and to make payments if needed to reconcile the amounts paid in connection with the acquisition of Financed Eligible Loans with the actual outstanding principal and accrued borrower interest on such Eligible Loans.

All funds remaining on deposit in the Acquisition Fund at the end of the Acquisition Period will be transferred to the Collection Fund on the first Business Day following the end of the Acquisition Period and shall constitute Available Funds on the next Monthly Distribution Date. Except for (a) acquisitions or purchases of Eligible Loans described above or (b) any acquisition of student loans that were previously Financed Eligible Loans repurchased back from a Guaranty Agency or the Servicer, there will be no subsequent acquisitions of or recycling of student loans into the trust estate.

Collection Fund

The Indenture requires the Trustee to deposit into the Collection Fund (i) all Available Funds attributable to the Financed Eligible Loans, (ii) all other moneys and investments derived from assets on deposit in and transfers from the Acquisition Fund, the Capitalized Interest Fund, the Reserve Fund and the Department Rebate Fund, (iii) amounts deposited for an optional redemption of all Notes and (iv) any other amounts deposited thereto upon receipt of deposit instructions from the Corporation. The Trustee will use funds on deposit in the Collection Fund to pay fees and expenses and debt service on the Notes. See "FUNDS AND ACCOUNTS – Collection Fund" in Appendix A hereto.

Capitalized Interest Fund

The Trustee will establish the Capitalized Interest Fund as part of the Trust Estate. The Capitalized Interest Fund will be created with an initial deposit funded out of the proceeds of the Notes on the Date of Issuance in an expected amount equal to $6,523,513 as described under "FUNDS AND ACCOUNTS—Capitalized Interest Fund". The initial deposit will not be replenished. Amounts held from time to time in the Capitalized Interest Fund will be held for the benefit of the Noteholders. If on any Monthly Distribution Date on or before March 25, 2016, the amount of Available Funds on deposit in the Collection Fund is insufficient to pay any of the amounts specified in clauses (1) through (5) under "FUNDS AND ACCOUNTS — Collection Fund — *Payments on Monthly Distribution Dates*" in Appendix A to this Offering Memorandum, amounts on deposit in the Capitalized Interest Fund on such Monthly Distribution Date, will be withdrawn by the Trustee and deposited into the Collection Fund to cover such shortfalls, to the extent of funds on deposit therein, and will be allocated in the same order of priority as shown under "FUNDS AND ACCOUNTS – Collection Funds – *Payments on Monthly Distribution Dates*" in Appendix A to this Offering Memorandum.

All funds remaining on deposit in the Capitalized Interest Fund on the March 25, 2016 Monthly Distribution Date will be transferred to the Collection Fund and included in Available Funds on that Monthly Distribution Date. The Capitalized Interest Fund is intended to enhance the likelihood of timely distributions of interest to the Noteholders of the Series 2014 A-1 Notes (and the Series 2014 B-1 Notes except in the event that a Series B Interest Subordination Trigger Event is then occurring) through the March 25, 2016 Monthly Distribution Date.

Reserve Fund

The amount required to be on deposit in the Reserve Fund is equal to the greater of (i) 0.25% of the principal amount of Outstanding Notes immediately prior to such Monthly Distribution Date or (ii) $600,000. The initial Specified Reserve Fund Balance will be funded out of the proceeds of the Notes. See "PLAN OF FINANCE" herein and "FUNDS AND ACCOUNTS – Reserve Fund" in Appendix A hereto.

Department Rebate Fund

The Indenture creates the Department Rebate Fund which will not constitute part of the Trust Estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 and before July 1, 2010 to rebate to the Department of Education interest received from borrowers on such loans that exceeds the applicable special allowance support levels. The Corporation expects that the Department of Education will reduce the special allowance and interest benefit payments payable to the Corporation by the amount of any such rebates owed by the Corporation. However, in certain circumstances the Corporation may owe a payment to the Department of Education. If the Corporation believes that it is required to make any such payment, the Corporation will direct the Trustee to deposit into the Department Rebate Fund from the Collection Fund the estimated amounts of any such payments. See SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Department Rebate Fund" herein and "FUNDS AND ACCOUNTS — Department Rebate Fund" in Appendix A to this Offering Memorandum.

Cost of Issuance Fund

A portion of the proceeds of the Notes will be deposited in the Cost of Issuance Fund in order to pay the costs of issuance of the Notes. See "PLAN OF FINANCE" herein. Funds remaining in the Cost of Issuance Fund ninety (90) days after the Date of Issuance will be transferred to the Corporation.

Flow of Funds

On each Monthly Distribution Date, except as otherwise stated and except where an Event of Default has occurred that results in an acceleration of the maturity of the Notes, Available Funds on deposit in the Collection Fund, as of the last day of the month prior to such Monthly Distribution Date (including any amounts transferred from the Capitalized Interest Fund and the Reserve Fund, in that order on such Monthly Distribution Date), will be used to make the following deposits and distributions, to the extent funds are available, in the amounts and in the priorities set forth in the following chart:

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COLLECTION FUND

1st **To the U.S. Department of Education, Guaranty Agencies and the Department Rebate Fund,**
on any date as required, (i) amounts due to the U.S. Department of Education or to any guaranty agency with respect to the Financed Eligible Loans, and (ii) amounts required to be deposited to the Department Rebate Fund for payment to the U.S. Department of Education with respect to the Financed Eligible Loans.

2nd **To the Trustee and Servicer,**
pro rata, based on amounts owed to each such party, without preference or priority of any kind, the Trustee Fee and the Servicing Fee, respectively, due with respect to the Notes and the Financed Eligible Loans on such Monthly Distribution Date, in each case, together with any such fees remaining unpaid from prior Monthly Distribution Dates;

3rd **To the Administrator, the Back-up Servicer, the Eligible Lender Trustee, the Trustee, Rating Agencies, any Back-up Administrator and the Corporation,**
(i) the Administration Fee and (ii) *pro rata*, based on amounts owed to each such party, without preference or priority of any kind, the Back-up Servicing Fee, the Eligible Lender Trustee Fee and expenses, any Trustee expenses, Back-up Administration Fees and Rating Agency surveillance fees due with respect to the Notes and the Financed Eligible Loans on such Monthly Distribution Date, in each case, together with any such fees and expenses remaining unpaid from prior Monthly Distribution Dates, provided that the aggregate amount paid pursuant to this clause (ii) during any twelve month period ending on a September 25th Monthly Distribution Date shall not exceed $125,000, and (iii) to the Corporation on each September 25th Monthly Distribution Date the amount, if any, by which $125,000 exceeds all amounts paid pursuant to (ii) during the twelve month period ending on such September 25th Monthly Distribution Date;

4th **To the Series 2014 A-1 Noteholders,**
the Interest Distribution Amount on the Series 2014 A-1 Notes payable on such Monthly Distribution Date;

5th **To the Series 2014 B-1 Noteholders,**
the Interest Distribution Amount on the Series 2014 B-1 Notes, subject to the Series B Interest Cap (except for the September 25, 2014 Monthly Distribution Date), unless the Series B Interest Subordination Trigger Event has occurred and is continuing;

6th **To the Reserve Fund,**
the amount, if any, necessary to reinstate the balance of the Reserve Fund up to the Specified Reserve Fund Balance;

7th **To the Noteholders,**
the Available Funds in the Collection Fund, rounded down to the nearest $1,000 increment, if the Subordinate Parity Ratio is less than 110%, first to the unpaid principal amount of the Series 2014 A-1 Notes until paid in full, and then to the unpaid principal amount of the Series 2014 B-1 Notes, until paid in full;

↓

8th **To the Back-up Servicer, the Trustee, Eligible Lender Trustee, Rating Agencies, any Back-up Administrator and the Corporation,**
if the Subordinate Parity Ratio will be at least equal 110% following such distribution, (i) *pro rata,* based on amounts owed to each such party, without preference or priority of any kind, any Back-up Servicer Fee, Trustee expenses, Eligible Lender Trustee Fee and expenses, Rating Agency surveillance fees and Back-up Administrator Fee remaining unpaid from prior Monthly Distribution Dates, provided that the aggregate amount paid pursuant to this clause (i) during any twelve month period ending on a September 25th Monthly Distribution Date shall not exceed $100,000, and (ii) to the Corporation on each September 25th Monthly Distribution Date the amount, if any, by which $100,000 exceeds all amounts paid pursuant to clause (i) during the twelve month period ending on such September 25 Monthly Distribution Date;

↓

9th **To the Noteholders,**
the Available Funds in the Collection Fund, rounded down to the nearest $1,000 increment, first to the Series 2014 A-1 Notes until paid in full, and then to the Series 2014 B-1 Notes, until paid in full;

↓

10th **To the Series 2014 B-1 Noteholders,**
if all of the principal of and interest on the Notes has been paid in full, the Series B Carry-Over Amount; and

↓

11th **To the Corporation,**
if all of the principal of and interest on the Notes has been paid in full, the remainder.

There will also be paid on August 25, 2014 any amounts described in clauses 1st through 3rd above then due and payable using Available Funds on deposit in the Collection Fund on August 25, 2014.

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Flow of Funds After Events of Default

Following the occurrence of an event of default that results in an acceleration of the maturity of the Notes, and after the payment of certain fees and expenses, payments of interest on the Series 2014 A-1 Notes will be made, and then payments of principal on the Series 2014 A-1 Notes will be made, until all of the Series 2014 A-1 Notes are paid in full, and then payments of interest and then principal will be made on the Series 2014 B-1 Notes until paid in full. See "SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE — DEFAULT AND REMEDIES – Possession of the Trust Estate and Payments after Acceleration" in Appendix A to this Offering Memorandum.

No Recycling

No recycling of revenues into additional Eligible Loans will be permitted under the Indenture.

Book-Entry Registration

The Series 2014 A-1 Notes will be delivered in book-entry form through The Depository Trust Company. Series 2014 A-1 Noteholders will not receive a certificate representing their Series 2014 A-1 Notes except in very limited circumstances. See "APPENDIX C — BOOK ENTRY SYSTEM."

Considerations for ERISA and Other U.S. Benefit Plan Investors

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), place certain restrictions on those pension and other employee benefit plans (each a "Benefit Plan Investor") to which such statutes apply. Governmental and non-electing church plans are not subject to the fiduciary and prohibited transaction provision of ERISA or the Code, but may be subject to similar restrictions under applicable state, local or other law ("Similar Law").

Subject to the considerations discussed under "CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS", the Notes are eligible for purchase by Benefit Plan Investors, governmental plans and non-electing church plans. Fiduciaries of such plans and accounts are urged to carefully review the matters discussed in this Offering Memorandum and consult with their legal advisors before making an investment decision.

By its acquisition of a Note (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) shall be deemed to represent and warrant that either (i) it is not acquiring such Note (or interest therein) with the assets of a Benefit Plan Investor, governmental plan or church plan; or (ii) the acquisition and holding of such Note (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a nonexempt violation of any Similar Law.

See "CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS" in this Offering Memorandum.

Tax Matters

See "TAX MATTERS" in this Offering Memorandum.

Reports to Noteholders

Under the Indenture, the Corporation has agreed to make available monthly and quarterly reports to Noteholders on the Corporation's website at http://www.esfweb.com/mheac.html. See "REPORTS TO NOTEHOLDERS" in this Offering Memorandum. These periodic reports will contain information concerning the Notes.

Ratings

Prior to the issuance and delivery of the Notes, Fitch Ratings ("Fitch") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") are expected to assign their note ratings of "AAAsf" and "AA+(sf)", respectively, to the Series 2014 A-1 Notes. See "CERTAIN RISK FACTORS – Potential Rating Downgrades" herein. The Series 2014 B-1 Notes will not be rated. The sale and delivery of the Series 2014 A-1 Notes is conditioned upon the receipt of such ratings. 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.

CUSIP Numbers[*]

Series 2014 A-1 Notes:	60535Y AA1
Series 2014 B-1 Notes:	60535Y AB9

[*] Copyright 2007, American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Corporation does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

CERTAIN RISK FACTORS

Attention should be given to the risk factors described below which, among others, could affect the ability of the Corporation to pay debt service on the Notes, and which could also affect the market price of the Notes to an extent that cannot be determined. The following discussion of possible risks is not meant to be an exhaustive list of the risks associated with the exchange or purchase of the Notes and does not necessarily reflect the relative importance of the various risks. Additional risk factors relating to an investment in the Notes 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. Each prospective purchaser of the Notes should read this Offering Memorandum in its entirety, including the Appendices hereto.

Recent Investigations, Litigation and Regulatory Initiatives Related to LIBOR May Affect the Notes

The interest rates payable on the Notes are based on a spread over one-month LIBOR, as set forth on the cover of this Offering Memorandum. 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. 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. Pursuant to new rules and regulations that became effective on April l, 2013, the U.K.'s Financial Conduct Authority assumed regulatory oversight and supervision of LIBOR, removing it from the control of the British Bankers' Association, and on February 1, 2014 the administration of LIBOR was transferred from the British Banker's Association to the IntercontinentalExchange Group (ICE). 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 the Notes.

Noteholders May Have Difficulty Selling the Notes

There currently is no secondary market for the Notes. There is no assurance that any market will develop or, if it does develop, that it will continue or will provide investors with a sufficient level of liquidity of investment. Although the Underwriter has advised that it may from time to time attempt to make a market in the Notes, the Underwriter is under no obligation to do so. If a secondary market for the Notes does develop, the spread between the bid price and the asked price for the Notes may widen, thereby reducing the net proceeds of the sale of the Notes. The Corporation does not intend to register the Notes under the Securities Act of 1933, as amended, or to list the Notes on any exchange, including any exchange in either Europe or the United States. Under current market conditions, Noteholders may not be able to sell the Notes, may not be able to obtain the price that they wish to receive and may be required to bear the financial risks of investment for an indefinite period of time. The market values of the Notes may fluctuate and movements in price may be significant.

If the Notes are held by a limited number of holders, the market for the Notes may be less liquid than would be the case if the Notes were more widely held, and the demand and market price for the Notes could be adversely affected.

As a result of the foregoing, Noteholders may not be able to sell the Notes when they want to do so, or Noteholders may not be able to sell the Notes at prices that will enable them to realize their desired yield. The market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses.

The Initial Market Value of the Notes May Be Significantly Below Par or Face Value

The initial market value of the Notes may be significantly lower than their par or face value. In addition, because there is no established trading market for the Notes, there can be no assurance of what market value they may have. Holders must independently consider the market value of such securities.

Experience May Vary from Assumptions

There can be no assurance that the assumptions and considerations relied upon by the Corporation with respect to its expectations concerning the timing and sufficiency of receipts of distributions with respect to the Trust Estate are accurate or that actual experience will not vary from such assumptions and considerations.

Limited Assets Available to Pay Principal and Interest

The Notes are limited obligations solely of the Corporation. Moreover, the Corporation will have no obligation to make any of its assets available to pay principal of or interest on the Notes, other than with the assets making up the Trust Estate. Noteholders must rely for repayment upon revenues realized from the Financed Eligible Loans and other assets in the Trust Estate. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES" herein.

Interest Rates and Differentials

There is a degree of basis risk associated with the Notes. Basis risk is the risk that shortfalls might occur because the interest rates of the Financed Eligible Loans and those of the Notes adjust on the basis of different indexes or at different times and have a fixed spread component. The interest rates on the Notes will be based on LIBOR, thus the interest rates on the Notes are variable and will fluctuate from one Interest Accrual 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 beyond the Corporation's control or anticipation. The Corporation can make no representation as to what these rates may be in the future. The interest payments, and certain other interest related payments, received by the Corporation from the Financed Eligible Loans will also vary from time to time based on changes in the bond equivalent rate of U.S. Treasury Bills and one-month LIBOR, as applicable. Because of the differences in the bases for the calculation of interest payable on the Notes and the determination of the interest and interest-related payments received by the Corporation from the Financed Eligible Loans, there could be times when payments received by the Trust Estate are not sufficient to cover principal and interest payments to be made on the Notes and other costs of the Corporation in administering the Trust Estate. Further, moneys in the funds and accounts under the Indenture may be invested from time to time in Investment Securities that bear interest at rates that fluctuate and that differ from, and may be less than, the interest rates on the Notes.

Noteholders Will Bear Prepayment and Extension Risk Due to Actions Taken By Individual Borrowers and Other Variables Beyond the Control of the Corporation

A borrower may prepay a Financed Eligible Loan in whole or in part at any time. The rate of prepayments on the Financed Eligible Loans may be influenced by a variety of economic, social, competitive and other factors, including changes in interest rates, the availability of alternative financings and the general economy. In addition, the Corporation may receive unscheduled payments on FFELP Loans due to defaults. Various loan consolidation programs available to eligible borrowers, including those that may be offered under potential government initiatives to consolidate existing FFELP loans to loans under the Direct Loan Program, may increase the likelihood of prepayments. In addition, the Corporation may receive unscheduled payments due to defaults and purchases by the Servicer. Because the pool will include thousands of Financed Eligible Loans, it is impossible to predict the amount and timing of payments that will be received and paid to Noteholders in any period. If the Corporation receives prepayments on the Financed Eligible Loans, those amounts will be used to make principal payments as described herein under "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds", which could shorten the average life of the Notes. Consequently, the length of time that the Notes are outstanding and accruing interest may be shorter than expected, and may significantly affect the actual yield to maturity.

It is impossible to predict the amount and timing of payments that will be received on the Financed Eligible Loans and paid to Noteholders in any period. Consequently, the length of time that the Notes are outstanding and accruing interest may be shorter than expected.

On the other hand, the Financed Eligible Loans may be extended as a result of grace periods, deferment periods and, under some circumstances, forbearance periods which may all be extended under the Higher Education Act. In addition, scheduled payments with respect to the Financed Eligible Loans may be reduced and the maturities of the Financed Eligible Loans may be extended under certain repayment schedules available under the Higher Education Act, including income sensitive and income based repayment schedules. If a borrower uses any of these periods or schedules, it may lengthen the remaining term of the Financed Eligible Loans and delay principal payments. In addition, the amount

available for distribution will be reduced if borrowers fail to pay timely the principal and interest due on the Financed Eligible Loans. Consequently, the length of time that the Notes are outstanding and accruing interest may be longer than expected. The redemption of the Notes that would result from the Corporation exercising its option to acquire the remaining Financed Eligible Loans (in the case when the Pool Balance is 10% or less of the Initial Pool Balance) creates additional uncertainty regarding the timing of payments to Noteholders. The effect of these factors is impossible to predict. Noteholders will bear entirely any reinvestment risks resulting from a faster or slower incidence of prepayment of the Financed Eligible Loans.

Retention of the Series 2014 B-1 Notes May Reduce the Liquidity of the Series 2014 B-1 Notes; Corporation is Not Restricted from Holding Notes

All of the Series 2014 B-1 Notes will initially be held by the Corporation and are not being offered hereby. All or a portion of the Series 2014 B-1 Notes could be subsequently sold in the secondary market at varying prices from time to time. If a portion of the Series 2014 B-1 Notes is sold, the market for the Series 2014 B-1 Notes may be less liquid than would be the case if all of the Series 2014 B-1 Notes are sold and the demand and market price for other Series 2014 B-1 Notes already in the market could be adversely affected.

The Corporation is not restricted from acquiring any of the Notes described herein, and if it acquires any of the Notes, it will have the same rights and benefits as any other Noteholder. These rights and benefits include the voting rights of a Noteholder after the occurrence of certain Events of Default that result in an acceleration of the maturity of the Notes, among others, as described in this Offering Memorandum under the heading "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE — DEFAULTS AND REMEDIES". The Corporation's interests in voting on matters concerning Noteholders may differ materially from other Noteholders.

New Laws, Rules and Regulation Could Adversely Affect the Asset-Backed Securities Market

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (as may be amended from time to time, the "Dodd-Frank Act") was enacted to reform and strengthen supervision of the U.S. financial services industry. The Dodd-Frank Act requires the creation of new federal regulatory agencies, and grants additional authorities and responsibilities to existing regulatory agencies, to identify and address emerging systemic risks posed by the activities of financial services firms. The Dodd-Frank Act also provides for enhanced regulation of derivatives, restrictions on executive compensation and enhanced oversight of credit rating agencies.

The Dodd-Frank Act will result in comprehensive changes to the regulation of most financial institutions operating in the United States. It will also foster new regulation in the business and the markets in which the Corporation and the Administrator operate. Specifically, significant new regulation is anticipated is many areas of consumer financial products and services and in particular private education loans. Under the Dodd-Frank Act, entities such as the Corporation and the Administrator will be subject to regulations developed by a new agency designed to regulate federal consumer financial protection laws, the Consumer Financial Protection Bureau (the "CFPB"). The CFPB is an independent agency housed within the Federal Reserve Board but not subject to Federal Reserve Board jurisdiction or to the Congressional appropriations process. It has substantial power to regulate financial products and services received by consumers from both banks and non-bank lenders. The CFPB will be developing rules in enumerated areas of federal law traditionally applicable to consumer lending such as Truth in Lending, Fair Credit Reporting and Fair Debt Collection. Further, the CFPB will be utilizing new, untested standards to ensure that consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination. The addition of statutory protection for consumers from "abusive" acts or practices is a new consumer protection standard that was added by the Dodd-Frank Act. Rulemaking authority applicable to all banks, regardless of size, was transferred from the bank regulatory agencies to the CFPB. As a result, the CFPB will be promulgating rules under the Dodd-Frank Act that will cover consumer finance activities of all banks and bank holding companies. In addition to its rulemaking authority for consumer protection laws that had been applicable to banks and bank holding companies, the CFPB was provided with specific authority to regulate non-depository entities engaged in areas such as payday lending and private education lending. Each area is expected to be subject to significant new rulemaking and may introduce, for the first time, new federal oversight of non-depository entities engaged in educational lending.

Another factor that could impact the costs associated with the Corporation's and the Administrator's lending activities is the change in federal law preemption enacted as part of the Dodd-Frank Act. Specifically, significant new enforcement authority is provided to state governments including the authority of states' attorneys general to bring lawsuits

under federal consumer protection laws with the consent of the CFPB. It is unclear what the operational impact of these developments will be on the Corporation and the Administrator but it is likely, however, that operational expenses will increase as new or additional compliance requirements and risk of enforcement activities are imposed on operations.

On December 6, 2013, the CFPB issued a rule that enables it to federally supervise certain non-bank student loan servicers that service more than 1 million borrower accounts, to ensure that bank and non-bank servicers follow the same rules in the student loan servicing market. The rule covers both federal and private student loans.

Also in December 2013, the banking regulators and other agencies principally responsible for banking and financial market regulation in the United States implemented the final rule under the so-called Volcker Rule under the Dodd-Frank Act, which in general prohibits "banking entities" (as defined therein) from (a) engaging in proprietary trading, (b) acquiring or retaining an ownership interest in or sponsoring certain hedge funds, private equity funds (broadly defined to include any entity would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or 3(c)(7) of the Investment Company Act) and certain similar funds and (c) entering into certain relationships with such funds. The final rules are effective as of April 1, 2014, but subject to a conformance period scheduled to conclude on July 21, 2015, during which banking entities must make good-faith efforts to conform their activities and investments to the final rule. Although the Corporation does not rely upon the exemptions in Section 3(c)(1) or 3(c)(7) of the Investment Company Act for exemption from being an investment company under the Investment Company Act, the general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

The effects of the Dodd-Frank Act will depend significantly upon the content and implementation of the rules and regulations issued pursuant to its provisions. It is not yet clear how the Dodd-Frank Act and its associated rules and regulations will affect the asset-backed securities market generally, or the Corporation and the Notes, in particular. No assurance can be given that the new regulations will not have an adverse effect on the value or liquidity of the Notes.

Changes to Federal Law

Changes to federal law, including the enactment of the Health Care and Education Reconciliation Act of 2010 ("Reconciliation Act"), changes to the Higher Education Act and other applicable law and other Congressional action may affect the Notes and the Financed Eligible Loans. Effective July 1, 2010, the Reconciliation Act prohibits new loan originations under FFELP and requires that all loans made under the Higher Education Act are originated under the Federal Direct Student Loan Program (the "Direct Loan Program"). The terms of existing FFELP loans are not materially affected by the Reconciliation Act and continue to be subject to the terms of the FFELP.

In addition to the passage of the Reconciliation Act, Title IV of the Higher Education Act and the regulations promulgated by the United States Department of Education (the "Department") thereunder have been the subject of frequent and extensive amendments and reauthorizations in recent years. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto for more information on the Higher Education Act and various amendments thereto. Additional legislation has been proposed by members of, or passed by, either the U.S. House of Representatives or the U.S. Senate. Among other things, some of such proposed legislation increases lender disclosure requirements, restricts lender marketing practices, restricts the way lenders interact with educational institutions, and restricts the means by which educational institutions choose or allow lenders to originate loans at their institution. There can be no assurance that relevant federal laws, including the Higher Education Act, will not be changed in a manner that might adversely affect the Corporation and the Financed Eligible Loans.

The Corporation cannot predict the effects of the passage of the Reconciliation Act or whether any other changes will be made to the Higher Education Act or other relevant federal laws, and rules and regulations promulgated by the U.S. Secretary of Education (the "Secretary") in future legislation, or the effect of such legislation on the Corporation, the Administrator, the Servicers, the Guaranty Agencies, the Financed Eligible Loans or the Corporation's loan programs, including on the Corporation's ability to have the Financed Eligible Loans serviced on similar terms and conditions as the Financed Eligible Loans are currently being serviced.

See "EXHIBIT B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

Impact of the Direct Loan Program

The Direct Loan Program was established under the Student Loan Reform Act of 1993. Under the Direct Loan Program, approved institutions of higher education, or alternative loan originators approved by the Department, make loans to students or parents without application to or funding from outside lenders or guarantors. The Department provides the funds for such loans, and the program provides for a variety of flexible repayment plans, including consolidations under the Direct Loan Program of existing FFELP student loans. Such consolidation permits borrowers to prepay existing student loans and consolidate them into a Federal Direct Consolidation Loan under the Direct Loan Program. As a result of the enactment of the Reconciliation Act, no FFELP loans have been originated since June 30, 2010, and all loans made under the Higher Education Act are originated under the Direct Loan Program. The Direct Loan Program also may result in prepayments of Financed Eligible Loans if such Financed Eligible Loans are consolidated under the Direct Loan Program.

Due to the limited recourse nature of the Trust Estate created under the Indenture for the Notes, competition from the Direct Loan Program should not impact the payment of the Notes unless it causes (a) the interest rates and subsidies received by the Corporation on the Financed Eligible Loans to decrease relative to the interest rates on the Notes, or (b) prepayments of Financed Eligible Loans if such Financed Eligible Loans are consolidated under the Direct Loan Program.

As a result of the enactment of the Reconciliation Act and new federal student loans being originated solely under the Direct Loan Program, the Servicer may experience increased costs due to reduced economies of scale. These cost increases could reduce the ability of the Servicer to satisfy its obligations to service the Financed Eligible Loans. The revenues of Guaranty Agencies that would otherwise be available to pay claims on defaulted student loans could also be reduced. The level of demand currently existing in the secondary market for loans made under FFELP could also be reduced, resulting in fewer potential buyers of the student loans and lower prices available in the secondary market for those loans.

Timing and Sufficiency of Receipts

Amounts received with respect to the Trust Estate, including, but not limited to, collections on the Financed Eligible Loans, may vary materially in both timing of receipts and amounts received as a result of innumerable factors (such as, by way of example only, collectability of loans and guaranty or other payments with respect thereto, deferral or forbearance of a borrower's repayment obligation, timing of the quarterly filings for and receipt of Interest Subsidy Payments and Special Allowance Payments with respect to Financed Eligible Loans, general economic conditions that can affect the ability of borrowers to pay principal of and interest on Financed Eligible Loans, or default claims that can affect the solvency of a Guaranty Agency). 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 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 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 will be greater when one-month LIBOR rates are relatively low, causing the special allowance support level to fall below the loan rate. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM." 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 Trust Estate to pay the principal of and interest on the Notes, as and when due.

Commingling of Payments on Financed Eligible Loans

Payments received on the Financed Eligible Loans generally are deposited into an account in the name of the Servicer each Business Day. Such amounts are transferred to the Trustee for deposit into the Collection Fund at least every two Business Days. Prior to the transfer of such funds, the Servicer may invest those funds for its own account and at its own risk. If the Servicer's account becomes subject to a litigation claim or is attached in a bankruptcy proceeding or otherwise, the Servicer may be unable to transfer such funds to the Trustee and Noteholders may suffer a loss.

The Use of Master Promissory Notes for the Financed Eligible Loans May Compromise the Trustee's Security Interest

Loans made under the FFEL Program may be evidenced by a master promissory note. Once a borrower executes a master promissory note with a lender, additional student loans made by the lender to such borrower are evidenced by a confirmation sent to the borrower, and all such student loans are governed by the single master promissory note. A student loan evidenced by a master promissory note may be sold or pledged as security independently of the other student loans governed by the same master promissory note.

If the Corporation originated a Financed Eligible Loan governed by a master promissory note and does not retain possession of the master promissory note, other parties could claim an interest in such Financed Eligible Loan. This could occur if the holder of the master promissory note were to take an action inconsistent with the Corporation's rights to a Financed Eligible Loan, such as delivery of a duplicate copy of the master promissory note to a third-party for value. Although such action would not defeat the Corporation's rights to the Financed Eligible Loan or impair the security interest held by the Trustee for the Noteholders benefit, it could delay receipt of principal and interest payments on the Financed Eligible Loan.

A Failure of the Department of Education to Make Reinsurance Payments May Adversely Affect Timely Repayment on the Notes

The financial condition of a guaranty agency may be adversely affected if it submits a large number of reimbursement claims relating to FFELP Loans to the Department of Education, which results in a reduction of the amount of reimbursement that the Department of Education is obligated to pay to the guaranty agency. The Department of Education may also require a guaranty agency to return its reserve funds to the Department of Education upon a finding that the reserves are unnecessary for the guaranty agency to pay its program expenses or to serve the best interests of the Federal Family Education Loan Program (the "FFEL Program"). The inability of any guaranty agency to meet its guarantee obligations could reduce the amount of principal and interest paid to the owners of the Notes or delay those payments past their due date. If the Department of Education has determined that a guaranty agency is unable to meet its guarantee obligations relating to FFELP Loans, the loan holder may submit claims directly to the Department of Education and the Department of Education is required to pay the full guarantee claim amount due with respect thereto. However, the Department of Education's obligation to pay guarantee claims directly in this fashion is contingent upon the Department of Education making the determination that a guaranty agency is unable to meet its guarantee obligations. The Department of Education may not ever make this determination with respect to a guaranty agency and, even if the Department of Education does make this determination, payment of the guarantee claims may not be made in a timely manner.

Payment Offsets by Guarantee Agencies or the Department of Education Could Prevent the Corporation from Paying the Full Amount of the Principal and Interest Due on the Notes

Due to the Department of Education's policy with respect to the granting of new lender identification numbers, the availability of such numbers has become restricted. As a result, it may be necessary for the Trustee, as eligible lender trustee, to permit the Corporation, or other issuers of obligations securitized by FFELP Loans to use the Department of Education lender identification number applicable to the FFELP Loans in the Trust Estate. In that event, the billings submitted to the Department of Education for interest subsidy and special allowance payments on the Financed Eligible Loans held in the Trust Estate would be consolidated with the billings for such payments for FFELP Loans in other trust estates using the same lender identification number, and payments on such billings would be made by the Department in lump sum form. Such lump sum payments would then be allocated among the various trust estates in which the Trustee serves as the eligible lender trustee thereof using the same lender identification number.

In addition, the sharing of the lender identification number among FFELP Loans in different trust estates may result in the receipt of claim payments by guarantors in lump sum form. In that event, such payments would be allocated among the trust estates in a manner similar to the allocation process for interest subsidy payments and special allowance payments.

The Department of Education regards the eligible lender trustee as the party primarily responsible to the Department of Education for any liabilities owed to the Department of Education or guarantors resulting from the eligible lender trustee's activities in the FFEL Program. As a result, if the Department of Education or a guarantor were to determine that the eligible lender trustee owes a liability to the Department of Education or a guarantor on any FFELP Loan

for which the eligible lender trustee is or was legal titleholder, including FFELP Loans held in the Trust Estate or other trust estates, the Department of Education or guarantor may seek to collect that liability by offset against payments due the eligible lender trustee under the Trust Estate. In the event that the Department of Education or a guarantor determines such a liability exists in connection with a trust estate using the shared lender identification number, the Department of Education or guarantor would be likely to collect that liability by offset against amounts due the eligible lender trustee under the shared lender identification number, including amounts owed in connection with the Trust Estate created under the Indenture.

Noteholders May Incur Losses or Delays in Payment on the Notes if Borrowers Default on their Financed Eligible Loans

The Trust Estate securing the Notes will contain Financed Eligible Loans made under the FFEL Program. In general, under current law a guaranty agency reinsured by the Department of Education will guarantee 98% of each FFELP Loan held in the Trust Estate first disbursed on or before June 30, 2006 and 97% of each FFELP Loan held in the Trust Estate first disbursed on or after July 1, 2006. As a result, if the borrower under one of those FFELP Loans defaults, the Trust Estate will experience a loss of approximately 2% or 3%, as the case may be, of the outstanding principal and accrued interest on the defaulted loan. The Corporation will have no right to pursue the borrower for the remaining 2% or 3% unguaranteed portion.

Financed Eligible Loans May be Sold at a Loss After an Event of Default

Generally, if an Event of Default occurs under the Indenture, the Trustee may sell, and, at the direction of Noteholders (in the percentage specified in the Indenture), will sell the Financed Eligible Loans. However, the Trustee may not find a purchaser for the Financed Eligible Loans or the market value of the Financed Eligible Loans plus other assets in the Trust Estate created under the Indenture might not be sufficient to pay the principal amount of Outstanding Notes, plus accrued interest. Generally, the fewer the number of potential secondary market buyers of Eligible Loans made under the FFEL Program, the lower the prices available in the secondary market for the Financed Eligible Loans. Noteholders may suffer a loss if the Trustee is unable to find purchasers willing to pay prices for the Financed Eligible Loans sufficient to pay the principal amount of the Notes, including the Notes, plus accrued interest. See "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE — DEFAULTS AND REMEDIES" hereto.

The Eligible Loans Have Experienced Delinquencies

As of the statistical cut-off date, certain of the student loans were delinquent. See "CHARACTERISTICS OF THE STUDENT LOANS — Distribution of the Student Loans by Number of Days of Delinquency (as of the Statistical Cut-Off Date)" in this Offering Memorandum. A portion of these delinquent student loans may not become current and may become defaulted student loans. No assurances can be made with respect to the performance of the pool of student loans pledged under the Indenture. Such student loans may perform similarly to, or worse than other similar pools of student loans pledged under other indentures.

Risk of Geographic Concentration of Eligible Loans

The concentration of the student loans in specific geographic areas may increase the risk of losses on the student loans. Economic conditions in the states where borrowers reside may affect the delinquency, loan loss and recovery experience with respect to the student loans. As of the statistical cut-off date, approximately 51.97% of the student loans by outstanding principal balance were to borrowers with current billing addresses in Mississippi. See "CHARACTERISTICS OF THE STUDENT LOANS — Distribution of the Student Loans by Geographic Location (as of the Statistical Cut-Off Date)" in this Offering Memorandum. Economic conditions in any state or region may decline over time and from time to time. Because of the concentrations of the borrowers in Mississippi, any adverse economic conditions adversely and disproportionately affecting that state may have a greater effect on the performance of the notes than if that concentration did not exist.

The risk of geographic concentration may change over time as borrowers graduate from school and/or move to other states. As of the statistical cut-off date, approximately 0.54% of the student loans by outstanding principal balance are to borrowers that are attending school. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS — Distribution of the Student Loans by Borrower Payment Status (as of the Statistical Cut-Off Date)" in this Offering Memorandum.

Noncompliance with the Higher Education Act

Noncompliance with the Higher Education Act with respect to Financed Eligible Loans may adversely affect payment of principal of and interest on the Notes when due. The Higher Education Act and the applicable regulations thereunder require the lenders making FFELP loans, guaranty 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 FFELP loans are set forth in the Code of Federal Regulations and other documents of the Department, 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 Guaranty Agency on such loans or may result in the Guaranty Agency's refusal to honor its guarantee on such loans to holders of FFELP loans, including the Eligible Lender Trustee on behalf of the Corporation. Such action by the Secretary could adversely affect a Guaranty Agency's ability to honor guarantee claims, and loss of guaranty payments to the Corporation could adversely affect its ability to make payment of principal of and interest on the Notes from assets in the Trust Estate. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" in this Offering Memorandum.

The Servicing Function May be Transferred, Resulting in Additional Costs to the Corporation, Increased Servicing Fees, or a Diminution in Servicing Performance, Which Could Cause Delays in Payment or Losses on the Notes

In the event that the Corporation transfers servicing functions with respect to FFELP loans to a successor Servicer, the Corporation cannot predict the cost of the transfer of servicing to the successor, the ability of the successor to perform the obligations and duties of the Servicer under the servicing agreement, or the servicing fees charged by any successor Servicer. Among the events that could cause a transfer of servicing are material breaches of or defaults under the Servicing Agreement or the exercise by the Servicer of a resignation or termination right under the related agreement, as described in the following risk factor. The occurrence of these events could adversely affect the Corporation or its ability to pay principal of and interest on the Notes from the assets in the Trust Estate.

Bankruptcy or Insolvency of the Servicer

In the event of a default by the Servicer resulting solely from events of insolvency or bankruptcy, a court, conservator, receiver or liquidator may have the power to prevent the Trustee or the Noteholders from appointing a successor servicer and delays in collections in respect of the Financed Eligible Loans may occur. It is possible that in a bankruptcy of a Servicer that the servicing agreement could be transferred to a new Servicer over the objection of the Corporation. Any delay in the collections of Financed Eligible Loans may delay payments to Noteholders.

The Servicing Agreement and the Back-up Servicing Agreement May Be Terminated Prior to the Payment in Full of the Notes

Under the terms of the Servicing Agreement and the Back-up Servicing Agreement, the Servicer and the Back-up Servicer may resign or the agreements may be terminated prior to the payment in full of the Notes. Such resignation or termination is not subject to the appointment of a successor Servicer or Back-up Servicer. See "STUDENT LOAN SERVICING — Description of the Servicing Agreement with ACS", and "— Description of the Back-up Servicing Agreement with Nelnet Servicing, LLC" in this Offering Memorandum. In the event of any such resignation or termination, the Corporation would be required to obtain the services of a comparable replacement servicer that is eligible to service FFELP loans. There can be no assurance regarding the availability or cost of a replacement servicer. Any of the foregoing could result in some disruption of the collection activity with respect to the Financed Eligible Loans, which may cause delayed or reduced payments on the Notes, and could reduce the market value of the Notes.

If the Servicer Fails to Comply with the Department of Education's Third-Party Servicer Regulations Regarding FFELP Loans, Payments on the Notes Could Be Adversely Affected

The Department regulates each servicer of FFELP Loans. Under these regulations, a third-party servicer, including the Servicer, is jointly and severally liable with its client lenders for liabilities to the Department arising from its violation of applicable requirements. In addition, if the Servicer fails to meet standards of financial responsibility or

administrative capability included in the regulations, or violates other requirements, the Department may fine the Servicer and/or limit, suspend, or terminate the Servicer's eligibility to contract to service FFELP Loans. If the Servicer were so fined or held liable, or its eligibility were limited, suspended, or terminated, its ability to properly service the FFELP Loans held in the Trust Estate and to satisfy its obligation to purchase any FFELP Loans with respect to which it has breached its representations, warranties or covenants could be adversely affected. In addition, if the Department terminates the Servicer's eligibility to service FFELP Loans, a servicing transfer will take place and there may be costs of the transfer and delays in collections and temporary disruptions in servicing on those FFELP Loans. Any servicing transfer may adversely affect payments to the Noteholders.

The Fees Charged Under the Servicing Agreement (Including the Back-up Servicing Agreement) are Subject to Increases and Noteholders Could Suffer Losses

The Servicing Agreement contracts with the Servicer and the Back-up Servicer provide for monthly fees for the servicing of Financed Eligible Loans according to schedules set forth in the Servicing Agreement (including the Back-up Servicing Agreement with the Back-up Servicer). The fees are charged on a per borrower basis for the Financed Eligible Loans serviced. The Servicing Fees payable from the Trust Estate are an amount approximately equal to $3.55 per borrower on a monthly basis. The Servicing Fees payable to the Servicer are senior in priority to payments on the Notes. In the event that the amount available in the Collection Fund is insufficient to pay the Servicing Fee, the Servicer has a right to terminate the Servicing Agreement. Any delay in finding a replacement Servicer may cause delayed or reduced payments on the Notes and Noteholders could suffer losses on their investments as a result.

Indemnity by Servicers and Back-up Servicer with Respect to Financed Eligible Loans

Under the Servicing Agreement, the Servicer and the Back-up Servicer each agree to indemnify the Corporation for certain losses, liabilities and expenses arising out of or relating to certain breaches, acts or omissions on the part of the Servicer or the Back-up Servicer, as applicable, with regard to the performance of services under the respective Servicing Agreements. However, the amount of funds available to the Trust Estate from such indemnification, for any reason including contractual limitations of liability, may not necessarily be adequate to compensate the Trust Estate and investors in the Notes for any previous reduction in the Available Funds.

Eligible Lender Trustee Under the Higher Education Act

The Higher Education Act provides that only "eligible lenders" may hold title to loans made under the FFEL Program. The Corporation's Eligible Lender Trustee may become disqualified as an "eligible lender" under the Higher Education Act, fail to comply with the provisions of the Higher Education Act or may resign as Eligible Lender Trustee in accordance with the Eligible Lender Trust Agreement. In such an event, a suitable replacement eligible lender trustee must be appointed. Failure of the Financed Eligible Loans to be owned by an eligible lender would result in the loss of guaranty payments, Interest Subsidy Payments and Special Allowance Payments with respect thereto.

The Ratings of the Series 2014 A-1 Notes from the Rating Agencies are Not A Recommendation to Purchase and May Change, Affecting the Price of the Notes

It is a condition to the issuance of the Notes that (i) the Series 2014 A-1 Notes be rated "AAAsf" by Fitch and "AA+(sf)" by S&P. The Series 2014 B-1 Notes will not be rated. Ratings are based primarily on the creditworthiness of the underlying student loans, the amount of credit enhancement, and the legal structure of the transaction. The ratings are not a recommendation to purchase, hold, or sell the Notes inasmuch as the ratings do not comment as to market price or suitability for an investor. Ratings may be increased, lowered, or withdrawn by any Rating Agency if, in the Rating Agency's judgment, circumstances so warrant. A downgrade in the rating of the Notes is likely to decrease the price a subsequent purchaser will be willing to pay for the Notes. The ratings of the Notes by the Rating Agencies will not address the market liquidity of the Notes.

The Corporation will pay a fee to the Rating Agencies to assign the initial credit ratings to the Notes on or before the Date of Issuance, as well as ongoing surveillance fees. Such an arrangement may create a conflict of interest for rating agencies.

The Notes May Be Assigned Lower Ratings From Rating Agencies Not Engaged to Assign Ratings

Under Rule 17g-5 under the Exchange Act, information conveyed to the Rating Agencies in connection with this transaction is required to be made available to other nationally recognized statistical rating organizations ("NRSROs") within the meaning of Section 3(a)(62) of the Exchange Act. Any such NRSRO may use this information to issue whatever rating is, in its opinion, warranted.

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 Notes including the ability to resell the Notes.

NRSROs may have different methodologies, criteria, models and requirements, which may result in ratings that are lower than those assigned by the Rating Agencies. Any unsolicited ratings may be issued prior to, on or after the Date of Issuance and will not be reflected herein. Depending upon the level of the ratings assigned by one or more NRSROs, what NRSROs are involved, what their stated reasons are for assigning a lower rating, and other factors, if an NRSRO issues a lower rating, the liquidity, market value and regulatory characteristics of the Notes could be materially and adversely affected. In addition, the mere possibility that such a rating could be issued may affect price levels in any secondary market that may develop.

Ratings of Other Student Loan Backed Securities May be Reviewed or Downgraded; Lowering of the Credit Rating of the United States of America May Adversely Affect the Market Value of the Notes

Changes in the credit markets since the Fall of 2007, the widening of interest rate spreads and the collapse of the auction rate securities market have caused certain of the rating agencies to review the ratings assigned to certain securities, including student loan backed securities. Ratings actions may take place at any time. The Corporation cannot predict the timing of any ratings actions or whether the ratings assigned to these Notes will be downgraded.

On August 2011, S&P downgraded its long-term sovereign credit rating on the obligations of the United States of America. Subsequent and related to that downgrade, S&P downgraded to "AA+" many senior FFELP student loan assets-backed notes which were previously rated "AAA". In November, 2011, Fitch affirmed its AAA rating of the long-term debt of the United States of America, but revised its Outlook from Stable to Negative. Subsequently, Fitch revised its Outlook to Negative on all AAA-rated FFELP student loan asset-backed notes. In Fitch's view, the rating on FFELP student loan asset-backed notes is directly linked to the long-term debt rating of the United States of America, since the underlying collateral is guaranteed by the Department, which carries the full faith and credit of the United States government. In March 2014, Fitch affirmed its "Aaa" and "AAA" ratings of the long-term debt of the United States of America, and moved its Outlook back to Stable. Also in March 2014, Fitch revised its Outlook to Stable on all "AAA" rated FFELP student loan asset-backed notes. Depending on the ratings assigned, the stated reasons for a lower rating and other factors, the liquidity, market value and regulatory characteristics of the Notes could be materially and adversely affected. The Corporation cannot predict the timing of any ratings actions.

Any further adverse action by the rating agencies regarding other student loan-backed securities issued by any other entities may adversely affect the market value of the Notes or any secondary market for the Notes that may develop.

Incentive or Borrower Benefit Programs

The Financed Eligible Loans may be subject to various borrower incentive programs. The Corporation cannot predict which borrowers will qualify for or decide to participate. The effect of these borrowed incentive programs may be to reduce the yield on the Financed Eligible Loans. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS — Borrower Benefits".

Consumer Protection Lending Laws

Numerous federal and state consumer protection laws and related regulations impose substantial requirements upon lenders and servicers involved in consumer finance. Also, some state laws impose finance charge ceilings and other restrictions on certain consumer transactions and require contract disclosures in addition to those required under federal

law. These requirements impose specific statutory liabilities upon creditors who fail to comply with their provisions. In some cases, this liability could affect an assignee's ability to enforce consumer finance contracts such as the Financed Eligible Loans.

Currently, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 preserves the changes made in the 1998 amendments to the Bankruptcy Code which had removed one of the two exceptions to non-dischargeability of Financed Eligible Loans making it more difficult to discharge a Financed Eligible Loan in bankruptcy. Bankruptcy reform legislative proposals to alter the non-dischargeability of Financed Eligible Loans have been discussed and/or introduced in the Congress of the United States among which include proposals to allow private student loans to be dischargeable in bankruptcy. No assurance can be given as to whether these or any alternative bankruptcy reform legislative proposals will be enacted at the federal level.

Uncertainty of Available Remedies

The remedies available to the Trustee, the Corporation or Noteholders upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which 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 (Federal Bankruptcy Code), the remedies provided in the Indenture may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the Notes and the Indenture will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, moratorium, insolvency or other laws affecting the rights or remedies of creditors generally and by limitations on the availability of equitable remedies. There can be no assurance that the occurrence of an Event of Default or a bankruptcy, reorganization, or insolvency proceeding will not occur or that, if they occur, such occurrence will not materially adversely affect the Corporation's ability to pay the principal of and interest on the Notes from the assets in the Trust Estate, as and when due.

Notes Issued in Book-Entry Form Only

The Series 2014 A-1 Notes 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. Series 2014 A-1 Noteholders will be able to exercise their 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 Series 2014 A-1 Noteholders, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Furthermore, Series 2014 A-1 Noteholders may suffer delays in the receipt of distributions on the Series 2014 A-1 Notes, and a Series 2014 A-1 Noteholder's ability to pledge or otherwise take actions with respect to its interest in its Series 2014 A-1 Notes 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.

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. See "— Higher Education Relief Opportunities for Students Act of 2003 May Result in Delayed Payments from Borrowers".

The number and aggregate principal balance of Financed Eligible Loans that may be affected by the application of these statutes and other guidelines will not be known at the time the Notes are issued. If a substantial number of borrowers of Financed Eligible Loans become eligible for the relief under these statutes and other guidelines, there could be an adverse effect on the total collections on those Financed Eligible Loans and the Corporation's ability to make principal of and interest payments on the Notes from assets in the Trust Estate.

Servicemembers Civil Relief Act

The Servicemembers Civil Relief Act (the "Relief Act"), 50 U.S.C. App. §501 et seq. updates and replaces the Soldiers' and Sailors' Civil Relief Act of 1940. The Relief Act provides persons in military service with certain legal protections and benefits, such as a reduction of interest on debts incurred prior to entering military service, protection from court actions and default judgments, and stays on proceedings such as garnishments. Pursuant to the Relief Act, FFELP borrowers who enter military service shall not incur interest in excess of six percent (6%) per year during their military service. Any interest greater than six percent (6%) is forgiven by the Corporation.

The ongoing build-up of the United States military has increased the number of citizens who are in active military service. The Relief Act limits the ability of a lender under the FFELP to take legal action against a borrower during the borrower's period of active duty and, in some cases, during an additional three-month period thereafter.

The Corporation does not know how many student loans will be affected by the application of the Relief Act. Payments on student loans acquired by the Corporation may be delayed as a result of these requirements, which may reduce the funds available to the Corporation to pay principal of and interest on the Notes.

Higher Education Relief Opportunities for Students Act of 2003 May Result in Delayed Payments from Borrowers

The Higher Education Relief Opportunities for Students Act of 2003 ("HEROES Act of 2003") authorizes the Secretary to waive or modify any statutory or regulatory provisions applicable to student financial aid programs under Title IV of the Higher Education Act as the Secretary deems necessary for the benefit of "affected individuals" who:

- are serving on active military duty or performing qualifying national guard duty during a war or other military operation or national emergency;
- reside or are employed in an area that is declared by any federal, state or local office to be a disaster area in connection with a national emergency; or
- suffered direct economic hardship as a direct result of war or other military operation or national emergency, as determined by the Secretary.

The Secretary is authorized to waive or modify any provision of the Higher Education Act to ensure that:

- such recipients of student financial assistance are not placed in a worse financial position in relation to that assistance;
- administrative requirements in relation to that assistance are minimized;
- calculations used to determine need for such assistance accurately reflect the financial condition of such individuals;
- provision is made for amended calculations of overpayment; and
- institutions of higher education, eligible lenders, guaranty agencies and other entities participating in such student financial aid programs that are located in, or whose operations are directly affected by, areas that are declared to be disaster areas by any federal, state or local official in connection with a national emergency may be temporarily relieved from requirements that are rendered infeasible or unreasonable.

The number and aggregate principal balance of student loans that may be affected by the application of the HEROES Act of 2003 is not known at this time. Accordingly, payments the Corporation receives on student loans made to a borrower who qualifies for such relief may be subject to certain limitations. If a substantial number of borrowers become eligible for the relief provided under the HEROES Act of 2003, there could be an adverse effect on the total collections on the trust's Financed Eligible Loans and the Corporation's ability to pay principal of and interest on the Notes.

Congressional Actions May Affect the Student Loan Portfolio

The Department's authority to provide Interest Subsidy Payments, Special Allowance Payments, and guarantees and federal reinsurance for loans originated under the Higher Education Act terminates on a date specified in the Higher Education Act. The Higher Education Act must be reauthorized by Congress periodically in order to prevent sunset of the Higher Education Act. The current reauthorization of the Higher Education Act expires in 2014. Funds for payment of interest subsidies and other payments under the FFELP are subject to annual budgetary appropriation by Congress. Federal budget legislation has in the past contained provisions that restricted payments made under the FFELP to achieve reductions in federal spending. For example, in December 2013, President Obama signed a federal budget agreement passed by Congress that includes provisions for the reduction of payments by the Department to guarantee agencies for assisting student loan borrowers with the rehabilitation of defaulted loans under FFELP, which will become effective on July 1, 2014. The Corporation anticipates that guaranty agencies will reduce their level of FFELP student loan rehabilitation activities in response to the reduced payment framework. Future federal budget legislation may adversely affect expenditures by the Department, and the financial condition of a Guaranty Agency.

Congressional amendments to the Higher Education Act or other relevant federal laws, and rules and regulations promulgated by the Secretary, may adversely impact holders of FFELP loans. For example, changes might be made to the rate of interest paid on FFELP loans, to the level of guarantee provided by guaranty agencies or to the servicing requirements for FFELP loans. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

General Economic Conditions

A continued downturn in the economy resulting in increasing unemployment either regionally or nationally may result in increased defaults by borrowers in repaying Financed Eligible Loans. Failures by borrowers to pay timely the principal of and interest on the Financed Eligible Loans or an increase in deferments or forbearances could affect the timing and amount of Available Funds for any Collection Period and the ability to pay principal of and interest on the Notes. The effect of these factors, including the effect on the timing and amount of Available Funds for any Collection Period and the ability to pay principal of and interest on the Notes, is impossible to predict.

Amendments of the Indenture and Waivers of Defaults; Voting Rights

Under the Indenture, holders of specified percentages of the aggregate principal amount of Series 2014 A-1 Notes (and, in the event that there are no Series 2014 A-1 Notes outstanding, the aggregate principal amount of Series 2014 B-1 Notes) may amend or supplement provisions thereof, direct remedies upon the occurrence of an Event of Default and waive Events of Default and compliance provisions without the consent of the other holders. A holder of the Notes may have no recourse if other holders of such Series of Notes vote and such holder disagrees with the vote on these matters. The holders may vote in a manner that impairs the Corporation's ability to pay principal of and interest on the Notes from assets in the Trust Estate. See "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE — SUPPLEMENTAL INDENTURE — Supplemental Indentures Requiring Consent of Owners".

Certain Amendments to the Indenture and Other Actions May Be Taken Without Noteholder Approval

The Indenture permits the Corporation and the Trustee to make certain amendments to the Indenture or take certain other actions without the consent of the Noteholders as described in "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE — SUPPLEMENTAL INDENTURES — Supplemental Indentures Not Requiring Consent of Owners" hereto.

The Notes Are Limited Obligations of the Corporation Payable Solely from the Trust Estate

The Notes are limited obligations of the Corporation and are ultimately backed by and will be payable and secured solely from payments and other collections on or in respect of the Financed Eligible Loans, among other sources of revenue and security within the Trust Estate. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES". The Corporation has no taxing power. The Notes are limited obligations of the Corporation and will not and do not represent a debt, liability or obligation, or a pledge of the full faith and credit or the taxing power, of the State of Mississippi or any of its agencies or political subdivisions. Payments of interest and principal on the Notes will ultimately depend on the amount and timing of payments and other collections in respect of the Financed Eligible Loans and interest paid or earnings on the

funds held in the Funds and Accounts established pursuant to the Indenture (and the amounts on deposit therein). No insurance or guarantee of the Notes will be provided by any government agency or instrumentality, by any insurance company or by any other person or entity. The Corporation will not have any obligation to use any of its other assets or sources of funds other than the Trust Estate to make payments on the Notes. Noteholders will have no recourse against any party, including the Corporation, if the Trust Estate created under the Indenture is insufficient for repayment of the Notes. If these sources of funds are unavailable or insufficient to make payments on the Notes, Noteholders may experience a loss on their investment.

Sale of Financed Eligible Loans After an Event of Default

Upon the occurrence of an Event of Default or to prevent an Event of Default under the Indenture, Financed Eligible Loans may have to be sold. However, it may not be possible to find a purchaser for such Financed Eligible Loans. Also, the market value of such Financed Eligible Loans plus other assets in the Trust Estate available for the payment of the Notes may not equal the principal amount of the Notes Outstanding plus accrued interest. The secondary market for Eligible Loans also could be further diminished, resulting in fewer or no potential buyers of such Financed Eligible Loans and lower prices or no bids available in the secondary market for such Financed Eligible Loans. Noteholders 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 Eligible Loans.

Superior Security Interest

If, through inadvertence or fraud, Financed Eligible 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. Custody of the loan documents for the Financed Eligible Loans is maintained for the Corporation by the Servicer. The loan documents may not be physically segregated or marked to evidence the Trustee's interest in those Financed Eligible Loans. A third party that obtained control of the loan documents might be able to assert rights that defeat the Trustee's security interest.

Sequential Payment of the Notes May Result in a Greater Risk of Loss; Interest on the Series 2014 B-1 Notes is Subject to the Series B Interest Subordination Trigger Event and the Series B Interest Cap

The payment of principal on the Notes will be sequential, with the Series 2014 A-1 Notes receiving principal payments before the Series 2014 B-1 Notes. The payment of interest on the Notes will be sequential in the same order of priority described above, except that payment of interest on the Series 2014 B-1 Notes is subject to the Series B Interest Cap. If the Series B Interest Subordination Trigger Event has occurred and is continuing, the interest accruing on the Series 2014 B-1 Notes during any related Interest Accrual Period will be characterized as a Series B Carry-Over Amount and will be paid as described in clause tenth under "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds" in this Offering Memorandum. If the Series B Interest Subordination Trigger Event is no longer continuing (either because the Subordinate Parity Ratio is at least equal to 101.00% or none of the Series 2014 A-1 Notes remain outstanding), current interest payable to the Series 2014 B-1 Noteholders on any Monthly Distribution Date will no longer be characterized as Series B Carry-Over Amount and will be paid as described under clause fifth under "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds" in this Offering Memorandum. Failure to make interest payments on the Series 2014 B-1 Notes is not an Event of Default under the Indenture if any Series 2014 A-1 Notes remain outstanding. Payment of the Series B Carry-Over Amount is payable at a lower priority, and the failure to pay such Series B Carry-Over Amount is not an Event of Default under the Indenture. To the extent that there are insufficient Available Funds for the payment of Series B Carry-Over Amount on or after the Note Final Maturity Date of the Series 2014 B-1 Notes, such Series B Carry-Over Amount and the interest thereon shall be cancelled and shall not be paid. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds" in this Offering Memorandum herein. As a result of the foregoing, holders of Series 2014 B-1 Notes bear a greater risk of loss than holders of Series 2014 A-1 Notes. Potential purchasers of the Notes should consider the priority of payment of each Series of Notes before making an investment decision.

The Notes May be Redeemed Due to an Optional Redemption and Yield on the Notes May Be Affected

The Notes may be repaid before Noteholders expect them to be if the Corporation exercises its option to sell all the Financed Eligible Loans (when the Pool Balance is 10% or less of the Initial Pool Balance as described under "THE NOTES — Optional Redemption of Notes in Full").

Certain Credit and Liquidity Enhancement Features Are Limited and if They Are Partially or Fully Depleted, There May Be Shortfalls in Distributions to Noteholders

Credit and liquidity enhancement for the Notes will consist of excess interest and overcollateralization, including cash on deposit in the Reserve Fund and the Capitalized Interest Fund, and additionally for holders of Series 2014 A-1 Notes, the sequential payment of principal and interest on the Series 2014 A-1 Notes before the Series 2014 B-1 Notes. The amounts on deposit in each such Fund are limited in amount. In addition, the Capitalized Interest Fund will not be replenished, is available for a limited duration and will not be extended. 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 Noteholders and the Notes will bear any risk of loss.

The Characteristics of the Portfolio of Financed Eligible Loans May Change

The characteristics of the pool of Eligible Loans expected to be pledged to the Trustee are described under "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" and are described herein as of the Statistical Cut-off Date. In the event that the principal amount of Eligible Loans required to provide collateral for the Notes varies from the amounts anticipated herein, whether by reason of a change in the collateral requirement necessary to obtain the rating on the Notes described on the cover page of this Offering Memorandum, the rate of amortization or prepayment on the portfolio of Eligible Loans from the Statistical Cut-off Date to the Date of Issuance varying from the rates that were anticipated, or otherwise, the portfolio of Eligible Loans to be pledged to the Trustee may consist of a subset of the pool of Eligible Loans described herein or may include additional Eligible Loans not described under "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS".

The aggregate characteristics of the entire pool of Eligible Loans, including the composition of the Eligible Loans and the related borrowers, the related guarantors, the distribution by student loan type, the distribution by interest rate, the distribution by principal balance and the distribution by remaining term to scheduled maturity, may vary from the information presented herein, since the information presented herein is as of the Statistical Cut-off Date, and the date that the Financed Eligible Loans will be pledged to the Trustee under the Indenture will occur after that date. The aggregate characteristics may also vary as a result of the inclusion of Eligible Loans not described herein or the exclusion of Eligible Loans that are described herein, in each case for the reasons described in the preceding paragraph.

The Corporation believes that the information set forth in this Offering Memorandum with respect to the pool of Eligible Loans as of the Statistical Cut-off Date is representative of the characteristics of the pool of Eligible Loans as they will exist at the end of the Acquisition Period once the pool of Eligible Loans described in "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" have been pledged to the Trustee under the Indenture. Investors should consider potential variances when making an investment decision concerning the Notes. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" in this Offering Memorandum.

Notes Not Suitable Investment for All Investors

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

Recent Investigations and Inquires of the Student Loan Industry

A number of state attorneys general and the U.S. Senate Committee on Health, Education, Labor and Pensions have announced or are reportedly conducting broad inquiries or investigations of the activities of various participants in the student loan industry, including, but not limited to, activities that may involve perceived conflicts of interest.

There is no assurance that the Corporation, the Administrator, the Servicer or any Guaranty Agency will not be subject to inquiries or investigations. While the Corporation cannot predict the ultimate outcome of any inquiry or investigation, it is possible that these inquiries or investigations and regulatory developments may materially affect the FFEL Program, the Corporation's ability to perform its obligations under the Indenture and pay principal of and interest on the Notes Outstanding from assets in the Trust Estate.

The Exempt Status of the Corporation and the Administrator

Each of the Corporation and the Administrator has been determined by the Internal Revenue Service to be exempt from taxation as a 501(c)(3) organization. The Internal Revenue Service has announced its intention to increase the frequency of audits of the 501(c)(3) tax-exempt status of organizations. Neither the Corporation nor the Administrator has been notified that it will be the subject of such an audit, but believes that in the event the Internal Revenue Service conducted such an audit, the Corporation or the Administrator, as applicable, would be successful in any audit proceeding. An audit that results in the disqualification of the Corporation or the Administrator from being a 501(c)(3) corporation may also make the Corporation or the Administrator, as applicable, more susceptible to an involuntary bankruptcy petition under bankruptcy law. See "THE CORPORATION" herein.

Forward-Looking Statements

If and when included in this Offering Memorandum, the words "expects", "forecasts", "projects", "intends", "anticipates", "estimates", "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Corporation. These forward-looking statements speak only as of the date of this Offering Memorandum. The Corporation disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Corporation's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

INTRODUCTION

This Offering Memorandum including the Appendices hereto, is being provided by the Mississippi Higher Education Assistance Corporation (the "Corporation"), a Mississippi non-profit corporation, with respect to the issuance of its (i) $387,000,000 Student Loan Asset-Backed Notes, Series 2014 A-1 (Taxable LIBOR Floating Rate Notes) (the "Series 2014 A-1 Notes") and (ii) $10,000,000 Student Loan Asset-Backed Notes, Series 2014 B-1 (Taxable LIBOR Floating Rate Notes) (the "Series 2014 B-1 Notes"). The Series 2014 A-1 Notes are being offering hereby, and the Series 2014 B-1 Notes are initially being held by the Corporation and are not being offered hereby. The Series 2014 A-1 Notes and the Series 2014 B-1 Notes are referred to collectively herein as the "Notes". Terms used in this Offering Memorandum and not otherwise defined herein shall have the same meanings set forth in APPENDIX A hereto.

The Notes are to be issued as LIBOR indexed notes pursuant to a Series 2014 Indenture of Trust, dated as of July 1, 2014 (the "Indenture"), among the Corporation, U.S. Bank National Association, as trustee (the "Trustee") and U.S. Bank National Association, as eligible lender trustee (the "Eligible Lender Trustee").

The Notes are the only notes issued under the Indenture and no other notes may be issued under the terms of the Indenture.

The proceeds of the Notes are to be used to refinance Eligible Loans currently held by or for the benefit of the Corporation. As part of such refinancing, the Currently Outstanding Obligations of the Corporation previously issued to finance Eligible Loans will be paid in full and retired. Upon the issuance of the Notes and the payment of certain amounts to the trustees under the Prior Indentures, all of the Eligible Loans held in the Prior Indentures are expected to be released from the Prior Indentures and transferred, together with all of the Eligible Loans held by or for the Corporation, to and held pursuant to the Indenture. The proceeds of the Notes, are expected to be used to pay costs of issuance and fund deposits to the acquisition fund, reserve fund and capitalized interest fund as described under "PLAN OF FINANCE". The Eligible Loans transferred from the Prior Indentures and from the Corporation are referred to collectively herein as the "Financed Eligible Loans". All of the Financed Eligible Loans held under the Indenture have been originated by lending institutions

(the "Eligible Lenders") qualified as "eligible lenders" under the provisions of the Title IV, Part B of the Higher Education Act of 1965, as amended, and the regulations promulgated thereunder (jointly referred to herein as the "Higher Education Act"). All of the Financed Eligible Loans held under the Indenture are either (i) directly insured under the Higher Education Act by the United States of America acting through the Secretary of Education (the "Secretary"), or (ii) guaranteed by an entity authorized to guaranty Eligible Loans under the Higher Education Act (collectively, the "Guarantors"), except for approximately $90,000 in principal amount of Eligible Loans which are uninsured or not guaranteed. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS – DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY GUARANTY AGENCY", "GUARANTY AGENCIES" and "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

The Notes are special, limited obligations of the Corporation payable solely from the assets of the Trust Estate, as described herein, primarily Eligible Loans. Receipts of principal, interest and certain other payments associated with the Financed Eligible Loans will generally be used first for payment of fees related to such loans and the Notes and then to pay interest and principal due on the Notes. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES" herein. Investors should consider carefully the "CERTAIN RISK FACTORS" as set forth in this Offering Memorandum.

The Corporation has entered into an Administration Agreement dated as of July 1, 2014 (the "Administration Agreement") with Education Services Foundation, a Mississippi nonprofit corporation, which acts as administrator for the Corporation (in such capacity, the "Administrator"), the Trustee and the Eligible Lender Trustee. The Administrator will perform all administrative duties under the Indenture. Nelnet Servicing, LLC, will act as a Back-up Administrator (in such capacity, the "Back-up Administrator") and, in such role, will act as successor administrator under the Indenture upon the occurrence of certain events described herein. See "THE ADMINISTRATOR AND BACK-UP ADMINISTRATOR" herein.

The Corporation has entered into a servicing agreement with ACS Education Loan Services LLC (the "Servicer"), a Delaware limited liability company, pursuant to which the Servicer will perform all servicing responsibilities with respect to the Financed Eligible Loans. The Servicer also serves as custodian of the Financed Eligible Loans (the "Custodian") and has physical possession of them. The Trustee has no responsibility for the servicing and collecting of Financed Eligible Loans. All such duties are delegated by the Corporation to the Servicer under the Indenture. Nelnet Servicing, LLC will act as Back-up Servicer (in such capacity, the Back-up Servicer) and in such role, will act as successor servicer under the Indenture upon the occurrence of certain events described herein. See "STUDENT LOAN SERVICING – Description of the Back-up Servicing Agreement" herein.

The Indenture provides that Noteholders may not file or join in a filing of any bankruptcy petition against the Corporation, nor will they cooperate with or encourage others to file a bankruptcy petition against the Corporation, prior to the end of the period that is one year and one day after all of the Notes are paid in full.

Brief descriptions of the Notes, the Indenture, the Corporation, the Guarantors, the Administrator, the Back-up Administrator, the Servicer, the Back-up Servicer, the Trustee and the Eligible Lender Trustee are included in this Offering Memorandum. All summaries herein of documents and agreements are qualified in their entireties by reference to such documents and agreements, copies of which are available for inspection upon request directed to Mississippi Higher Education Assistance Corporation, 2600 Lakeland Terrace, Jackson, Mississippi 39216, Attention: Executive Director.

PURPOSE OF THE NOTES

The proceeds of the Notes will be used to refinance Eligible Loans held by or for the benefit of the Corporation by funding an acquisition fund, to fund a capitalized interest fund and a reserve fund, and to pay costs of issuance. See "INTRODUCTION" and "PLAN OF FINANCE".

SOURCES OF PAYMENT AND SECURITY FOR THE NOTES

General

The Notes are special and limited obligations of the Corporation, secured by and payable solely from the Trust Estate. The following assets serve as security for the Notes: (i) the Available Funds (other than moneys released from the lien of the Trust Estate as provided in the Indenture); (ii) all moneys and investments held in the Funds and Accounts created under the Indenture, including all proceeds thereof and all income thereon (except the Department Rebate Fund and the Cost of Issuance Fund); (iii) the Financed Eligible Loans (other than Financed Eligible Loans released from the lien of

the Trust Estate as provided in the Indenture) and all obligations of the obligors thereunder including all moneys accrued and paid thereunder on or after the Date of Issuance of the Notes; (iv) the rights of the Corporation and/or the Eligible Lender Trustee, as applicable, in and to the Eligible Lender Trust Agreement, the Servicing Agreement, any Student Loan Purchase Agreement and the Guaranty Agreements as the same relate to the Financed Eligible Loans; and (v) all proceeds from any property described above and any and all other property, rights and interests of every kind or description that from time to time is granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security under the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF MISSISSIPPI OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE NOTES. THE CORPORATION IS NOT AUTHORIZED UNDER THE INDENTURE OR LAWS OF THE STATE OF MISSISSIPPI TO CREATE, AND THE NOTES DO NOT CONSTITUTE PUBLIC DEBT OF THE STATE OF MISSISSIPPI OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE MISSISSIPPI CONSTITUTION OR LAWS OF THE STATE OF MISSISSIPPI OR DEBT OF THE STATE OF MISSISSIPPI OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR ANY OTHER PURPOSE WHATSOEVER.

For a more detailed description of the Funds established under the Indenture and the purposes to which such funds may be applied, see "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE" hereto.

New Discrete Trust Estate; No Recycling; No Additional Indebtedness Permitted Under the Indenture

The Indenture creates a new discrete trust estate and does not permit recycling of Available Funds to purchase additional student loans. The Indenture will not permit the issuance of any additional notes, bonds, or other evidences of indebtedness secured by the Trust Estate.

Collateral

As more fully described herein, the Notes will be secured by certain Eligible Loans (the "Financed Eligible Loans") and the amounts in the Capitalized Interest Fund and the Reserve Fund. When used herein, the term "Collateral" means that portion of the Trust Estate consisting of the Financed Eligible Loans and all rights to payment thereunder, the funds and investments held in the Collection Fund, the Capitalized Interest Fund and Reserve Fund, all rights and interests of the Corporation in and to the agreements and instruments pertaining to the Financed Eligible Loans, and the Available Funds derived from the Collateral. Receipts of principal, interest and certain other payments associated with the Financed Eligible Loans and Available Funds in the Collection Fund, the Capitalized Interest Fund and the Reserve Fund will generally be used first for payment of fees related to the Financed Eligible Loans and the Notes and then to pay interest and principal due on the Notes.

Initial Collateralization

After application of the proceeds of the Notes as described herein and payment of costs of issuance, it is expected that the pledge of the Financed Eligible Loans expected to be made to the Trustee on the Date of Issuance plus the moneys on deposit in the Funds and Accounts under the Indenture (excluding the Cost of Issuance Fund and the Department Rebate Fund), including the Acquisition Fund, the Capitalized Interest Fund and the Reserve Fund, will provide an initial collateralization of Trust Estate assets to the Outstanding Amount of (i) the Series 2014 A-1 Notes at approximately 104.04% and (ii) both Series 2014 A-1 Notes and Series 2014 B-1 Notes of approximately 101.42%. The Financial Eligible Loans pledged under the Indenture on the Date of Issuance will have characteristics that differ somewhat from the characteristics of the Eligible Loans described herein due to payments received on and other changes in these Eligible Loans that occur during the period from the Statistical Cut-off Date to the Date of Issuance. These changes could result in the percentages shown above to vary somewhat on the Date of Issuance. However, the Corporation does not expect that the actual percentages on the Date of Issuance will differ materially from the estimated percentages set forth above. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" herein. The Indenture does not require that any particular level of collateralization be maintained.

Security

Security for the Notes includes expected excess interest from the Financed Eligible Loans and overcollateralization, including the cash on deposit in the Capitalized Interest Fund and Reserve Fund held under the Indenture. Excess interest is the positive difference between (i) the interest earnings on the loans from borrower interest payments, interest subsidy payments or special allowance payments and (ii) the interest on the Notes and other fees such as payments to the Department and the Guaranty Agencies and Servicing, Back-up Servicing, Trustee, Eligible Lender Trustee, Administration, Back-up Administration and Rating Agency Fees. There can be no assurance as to the rate, timing or amount, if any, of excess interest.

The overcollateralization will not provide protection against all risks of loss and may not guarantee payment to Noteholders of all amounts to which they are entitled. If losses or shortfalls occur that exceed the amount covered by the security or that are not covered by the security, the Noteholders of Series 2014 B-1 Notes will bear their allocable share of deficiencies first and the Noteholders of Series 2014 A-1 Notes will then bear their allocable share of deficiencies. To the extent that the security described above is exhausted, the Series 2014 B-1 Notes will first bear any risk of loss and the Series 2014 A-1 Notes will then bear any risk of loss.

Funds

The following funds will be created by the Trustee under the Indenture:

- Acquisition Fund;
- Capitalized Interest Fund;
- Reserve Fund;
- Department Rebate Fund;
- Collection Fund; and
- Cost of Issuance Fund.

Acquisition Fund

On the Date of Issuance, cash in the amount described under "PLAN OF FINANCE" will be deposited into the Acquisition Fund created under the Indenture, payments will be made to the Prior Trustees and the Corporation, and the Prior Trustees will transfer or release Eligible Loans to the Corporation, and the Corporation will pledge Eligible Loans to the Trustee. An estimate of the amount of Eligible Loans and cash which will be held for the credit of the Acquisition Fund on the Date of Issuance after such payments and is set forth under "PLAN OF FINANCE". Certain of the amounts deposited into the Acquisition Fund will be used to acquire the pool of Eligible Loans as described in (and as may be modified as described in) "CHARACTERISTICS OF THE FINANCED STUDENT LOANS". All Eligible Loans acquired by the Corporation will be deposited into the Acquisition Fund. The Corporation expects to purchase or acquire the pool of Eligible Loans described in "CHARACTERISTICS OF THE FINANCED STUDENT LOANS" on the Date of Issuance, but is permitted to acquire such Eligible Loans at any time during the Acquisition Period. During the Acquisition Period, any available funds on deposit in the Acquisition Fund may be used to acquire or purchase the pool of Eligible Loans described in "CHARACTERISTICS OF THE FINANCED STUDENT LOANS", and, any remaining available amounts may be used to acquire or purchase additional Eligible Loans not described in "CHARACTERISTICS OF THE FINANCED STUDENT LOANS" but that otherwise satisfy the eligibility criteria described in "THE FINANCED STUDENT LOANS — Student Loan Eligibility Criteria" and to make payments if needed to reconcile the amounts paid in connection with the acquisition of Financed Eligible Loans with the actual outstanding principal and accrued borrower interest on such Eligible Loans. All funds remaining on deposit in the Acquisition Fund at the end of the Acquisition Period will be transferred to the Collection Fund on the first Business Day following the end of the Acquisition Period and shall constitute Available Funds on the next Monthly Distribution Date. Eligible Loans deposited in or acquired with funds deposited in the Acquisition Fund that are pledged to the Trust Estate created under the Indenture will be held by the Trustee or its agent or bailee and accounted for as a part of the Acquisition Fund. Except for (a) the acquisition or purchase of the pool of Eligible Loans described above or (b) any acquisition of student loans that were previously Financed Eligible Loans repurchased from a Guaranty Agency, or the Servicer, there will be no subsequent acquisitions of or recycling of student loans into the Trust Estate.

Capitalized Interest Fund

The Capitalized Interest Fund will be created with an initial deposit by the Corporation on the Date of Issuance of cash in an amount equal to the amount described under the heading "PLAN OF FINANCE". The initial deposit into the Capitalized Interest Fund will not be replenished. Amounts held from time to time in the Capitalized Interest Fund will be held for the benefit of the Noteholders. If on any Monthly Distribution Date on or before March 25, 2016, the amount of Available Funds on deposit in the Collection Fund is insufficient to pay any of the items specified in clauses (1) through (5) under "— Collection Fund; Flow of Funds" below, amounts on deposit in the Capitalized Interest Fund on such Monthly Distribution Date, will be withdrawn by the Trustee to cover such shortfalls, to the extent of funds on deposit therein, and will be allocated in the same order of priority as shown under "— Collection Fund; Flow of Funds" below.

All funds remaining on deposit in the Capitalized Interest Fund on the March 25, 2016 Monthly Distribution Date will be transferred to the Collection Fund and included in Available Funds on that Monthly Distribution Date. The Capitalized Interest Fund is intended to enhance the likelihood of timely distributions of interest to the Noteholders of the Series 2014 A-1 Notes (and the Series 2014 B-1 Notes except in the event that a Series B Interest Subordination Trigger Event is then occurring) through the March 25, 2016 Monthly Distribution Date.

Reserve Fund

The Notes are additionally secured by the Reserve Fund established under the Indenture. With respect to any Monthly Distribution Date, the Specified Reserve Fund Balance required to be on deposit in the Reserve Fund will equal the greater of (i) 0.25% of the principal amount of Outstanding Notes immediately prior to such Monthly Distribution Date or (ii) $600,000.

The Specified Reserve Fund Balance will be calculated by the Corporation and certified to the Trustee, upon which certification the Trustee may conclusively rely with no duty to further examine or determine such information. See "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE" hereto.

On each Monthly Distribution Date, to the extent that money in the Collection Fund and the Capitalized Interest Fund is insufficient to pay any of the items specified in clauses (1) through (5) under "—Collection Fund; Flow of Funds" below, the amount of the deficiency will be transferred from the Reserve Fund to the Collection Fund. Money withdrawn from the Reserve Fund is to be restored through transfers from the Collection Fund, as available.

The Reserve Fund is intended to enhance the likelihood of timely distributions of interest to the Noteholders and to decrease the likelihood that the Noteholders will experience losses. In some circumstances, however, the Reserve Fund could be reduced to zero. Amounts on deposit in the Reserve Fund in excess of the Specified Reserve Fund Balance will be transferred to the Collection Fund and will be applied as described under "—Collection Fund; Flow of Funds". Other than such excess amounts, principal payments on the Notes will be made from the Reserve Fund only (a) on the final maturity date for a Series of Notes if Available Funds on deposit in the Collection Fund are insufficient to make such principal payment or (b) on any Monthly Distribution Date when the market value of the securities and cash in the Collection Fund and the Reserve Fund is sufficient to pay the entire remaining principal amount of and interest on the Notes.

Department Rebate Fund

The Trustee will establish the Department Rebate Fund which will not be a part of the Trust Estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 and before July 1, 2010 to rebate to the Department of Education interest received from borrowers on such loans that exceeds the applicable special allowance support levels. The Corporation expects that the Department of Education will reduce the special allowance and interest benefit payments payable to the Corporation by the amount of any such rebates owed by the Corporation. However, in certain circumstances the Corporation may owe a payment to the Department of Education. If the Corporation believes that it is required to make any such payment, the Corporation will direct the Trustee to deposit into the Department Rebate Fund from the Collection Fund the estimated amounts of any such payments. Money in the Department Rebate Fund will be transferred to the Collection Fund to the extent amounts have been deducted by the Department of Education from payments otherwise due to the Corporation, or will be paid to the Department of Education if necessary to discharge the Corporation's rebate obligation. The Owners have no interest in or lien on the moneys and investments in the Department Rebate Fund.

Collection Fund; Flow of Funds

The Trustee will credit to the Collection Fund all revenues derived from the Financed Eligible Loans; all proceeds of any sale of the Financed Eligible Loans; any amounts transferred from the Capitalized Interest Fund, the Reserve Fund and the Department Rebate Fund; and any earnings on investment of the funds established under the Indenture as they are earned.

On each Monthly Distribution Date, except as otherwise stated and except where an Event of Default has occurred that results in an acceleration of the maturity of the Notes, Available Funds on deposit in the Collection Fund, as of the last day of the month prior to such Monthly Distribution Date (including any amounts transferred from the Capitalized Interest Fund and the Reserve Fund, in that order on such Monthly Distribution Date), will be used to make the following deposits and distributions, to the extent funds are available, in the amounts and in the priorities set forth in the following chart:

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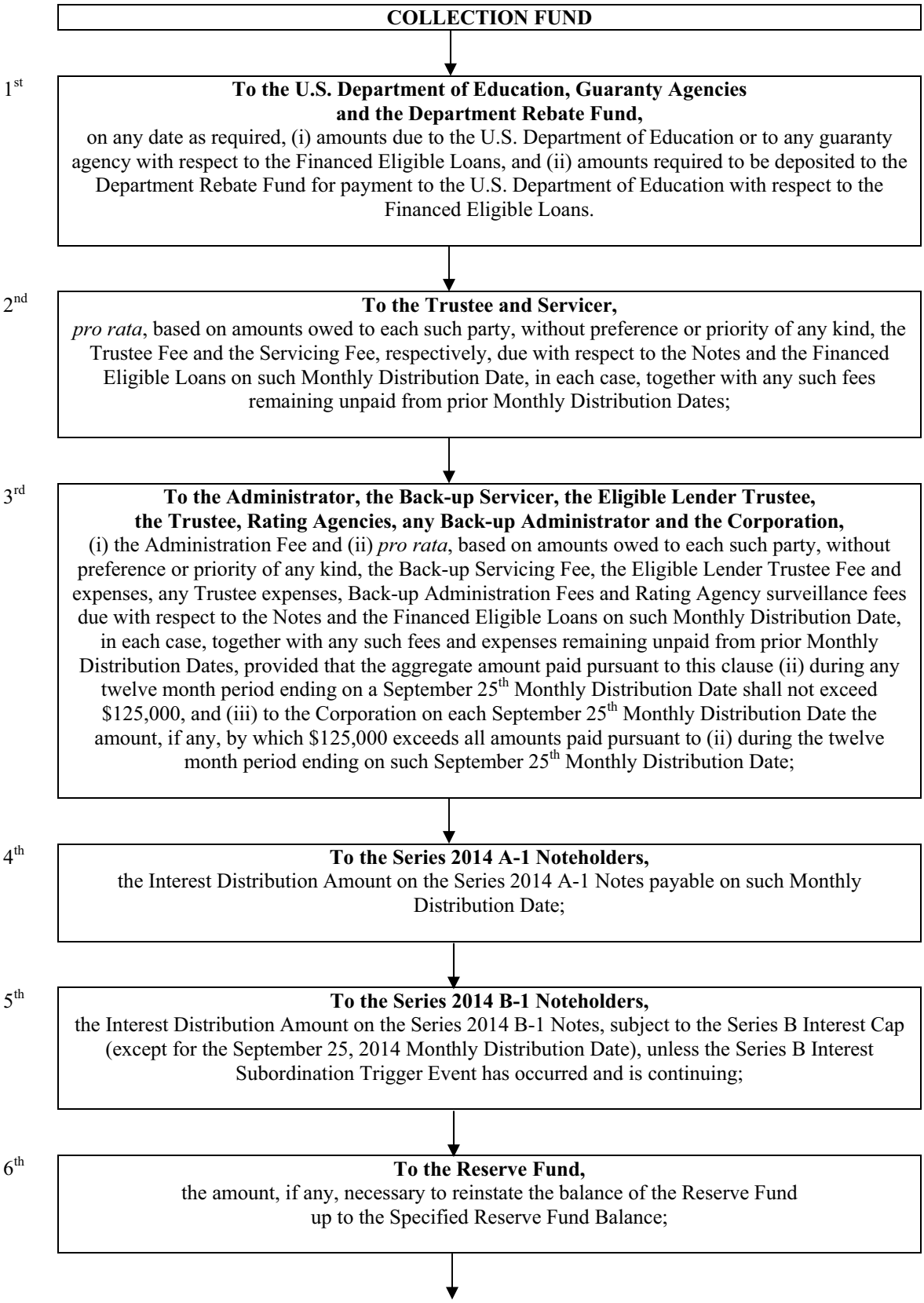
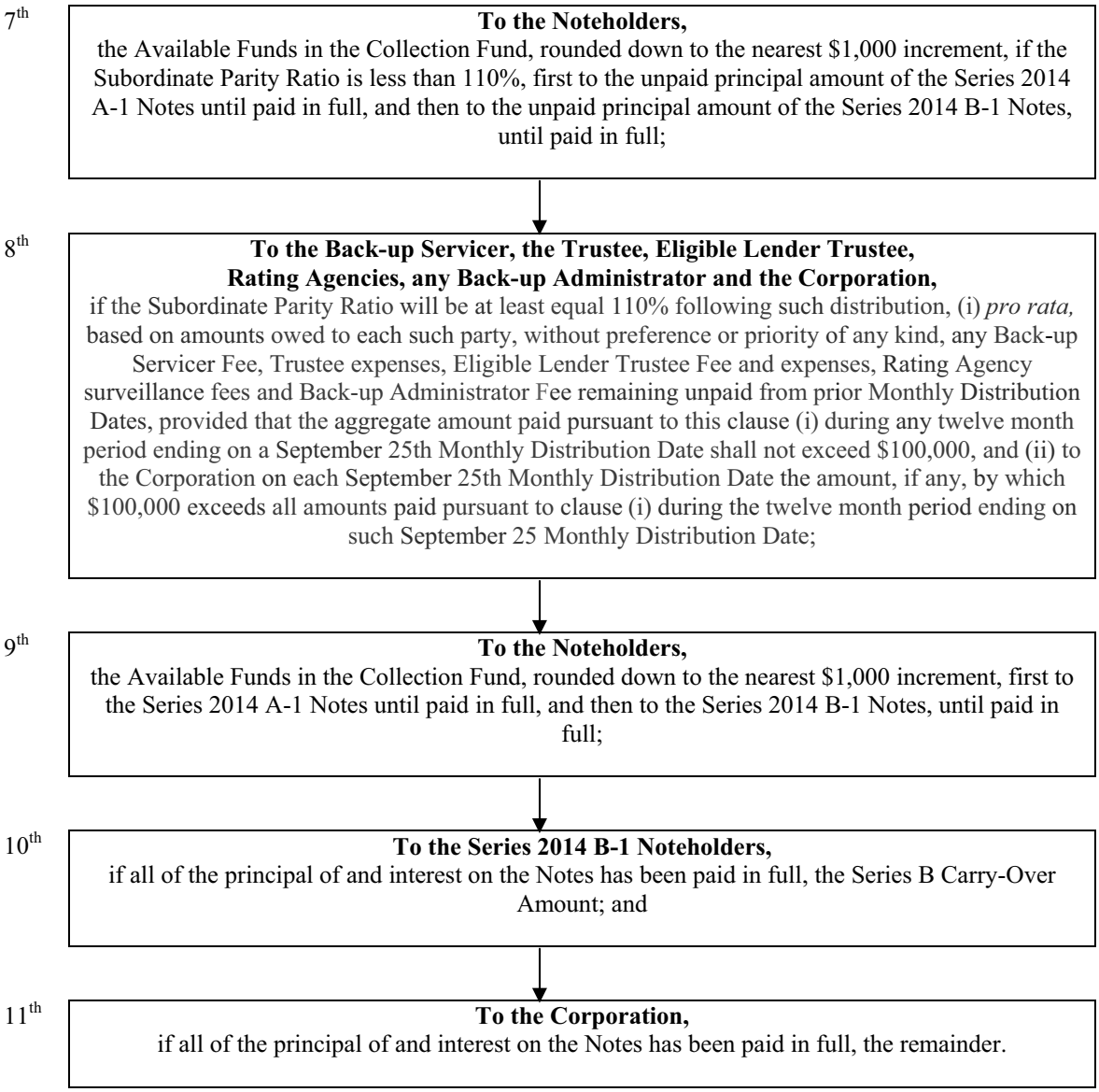

COLLECTION FUND
1st
To the U.S. Department of Education, Guaranty Agencies and the Department Rebate Fund,
on any date as required, (i) amounts due to the U.S. Department of Education or to any guaranty agency with respect to the Financed Eligible Loans, and (ii) amounts required to be deposited to the Department Rebate Fund for payment to the U.S. Department of Education with respect to the Financed Eligible Loans.
2nd
To the Trustee and Servicer,
pro rata, based on amounts owed to each such party, without preference or priority of any kind, the Trustee Fee and the Servicing Fee, respectively, due with respect to the Notes and the Financed Eligible Loans on such Monthly Distribution Date, in each case, together with any such fees remaining unpaid from prior Monthly Distribution Dates;
3rd
To the Administrator, the Back-up Servicer, the Eligible Lender Trustee, the Trustee, Rating Agencies, any Back-up Administrator and the Corporation,
(i) the Administration Fee and (ii) pro rata, based on amounts owed to each such party, without preference or priority of any kind, the Back-up Servicing Fee, the Eligible Lender Trustee Fee and expenses, any Trustee expenses, Back-up Administration Fees and Rating Agency surveillance fees due with respect to the Notes and the Financed Eligible Loans on such Monthly Distribution Date, in each case, together with any such fees and expenses remaining unpaid from prior Monthly Distribution Dates, provided that the aggregate amount paid pursuant to this clause (ii) during any twelve month period ending on a September 25th Monthly Distribution Date shall not exceed $125,000, and (iii) to the Corporation on each September 25th Monthly Distribution Date the amount, if any, by which $125,000 exceeds all amounts paid pursuant to (ii) during the twelve month period ending on such September 25th Monthly Distribution Date;
4th
To the Series 2014 A-1 Noteholders,
the Interest Distribution Amount on the Series 2014 A-1 Notes payable on such Monthly Distribution Date;
5th
To the Series 2014 B-1 Noteholders,
the Interest Distribution Amount on the Series 2014 B-1 Notes, subject to the Series B Interest Cap (except for the September 25, 2014 Monthly Distribution Date), unless the Series B Interest Subordination Trigger Event has occurred and is continuing;
6th
To the Reserve Fund,
the amount, if any, necessary to reinstate the balance of the Reserve Fund up to the Specified Reserve Fund Balance;



There will also be paid on August 25, 2014 any amounts described in clauses 1st through 3rd above then due and payable using Available Funds on deposit in the Collection Fund on August 25, 2014.

See "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE" for additional information with respect to the flow of funds in the Collection Fund for the Notes.

Cost of Issuance Fund

On the Date of Issuance, certain cash will be transferred to the Cost of Issuance Fund in the amount set forth in the Indenture. Moneys on deposit in the Cost of Issuance Fund shall be used to pay the costs of issuance of the Notes on the Date of Issuance. Any funds remaining on deposit in the Cost of Issuance Fund ninety (90) days after the Date of Issuance will be transferred to the Corporation.

Investment of Funds Held by Trustee

The Trustee will invest amounts credited to any Fund established under the Indenture in investment securities described in the Indenture pursuant to orders received from the Corporation. In the absence of an order, and to the extent practicable, the Trustee will invest amounts held under the Indenture in Investment Securities described in clause (iv) of the definition thereof. The Trustee is not responsible or liable for any losses on investments made by it or for keeping all funds held by it fully invested at all times. Its only responsibility is to comply with investment instructions in a non-negligent manner.

Prepayment of Financed Eligible Loans

Generally, all of the Financed Eligible Loans are prepayable in whole or in part, without penalty, by the borrowers at any time, or as a result of a borrower's default, death, disability or bankruptcy and subsequent liquidation or collection of guaranty payments with respect to such loans. The rates of payment of principal on the Notes and the yield on the Notes may be affected by prepayments of the Financed Eligible Loans. Because prepayments generally will be paid through to Noteholders as redemptions of Notes, it is likely that the actual final payments on the Notes will occur prior to the final maturity dates. Accordingly, in the event that the Financed Eligible Loans experience significant prepayments, the actual final payments on the Notes may occur substantially before the final maturity date, causing a shortening of the Notes' weighted average life. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a Note until each dollar of principal of such Note will be repaid to the investor.

Release of Financed Eligible Loans

The Indenture provides that for administrative purposes, the Corporation may release Financed Eligible Loans free from the lien of the Indenture, so long as the Corporation deposits an amount at least equal to the principal amount of Financed Eligible Loans and accrued interest thereon, and the collective aggregate balance of all such releases does not exceed 5.00% of the initial Pool Balance and the collective aggregate balance of all such releases in any calendar year does not exceed 1.00% of the Pool Balance as of January 1, of such calendar year (or as of the Date of Issuance with respect to the first calendar year). See "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE – CERTAIN COVENANTS – Sale of Financed Eligible Loans" hereto.

THE NOTES

General Terms of the Notes

The Notes will bear interest from the Date of Issuance. The Noteholders will receive monthly distributions of interest on each Monthly Distribution Date, which is defined as the 25th day of each month (or if such day is not a Business Day, the next succeeding Business Day), commencing on September 25, 2014.

The Notes will be issued in fully registered form, without coupons and shall be issued in denominations of $100,000 and any integral multiple of $1,000 above $100,000.

Interest Payments

Interest will accrue on the outstanding principal balance of the Notes at the respective interest rates described below for each applicable Series of Notes during each applicable Interest Accrual Period. The amount of interest actually payable on each Monthly Distribution Date is equal to the Interest Distribution Amount (as defined below), which includes any Interest Distribution Amounts payable as of any prior Monthly Distribution Date but not previously paid plus, to the extent lawful, interest on prior unpaid Interest Distribution Amounts at the interest rate applicable to such Series of Notes. The Interest Distribution Amount will be payable on each Monthly Distribution Date to the Noteholders of record as of the close of business on the record date (the Business Day preceding the related Monthly Distribution Date) until maturity or earlier payment of the Notes. Interest distributions on the Series 2014 B-1 Notes are subject to the Series B Interest Subordination Trigger Event. The Series B Interest Subordination Trigger Event occurs when the Subordinate Parity Ratio is less than 101.00% and the Series 2014 A-1 Notes remain Outstanding. If the Series B Interest Subordination Trigger Event has occurred and is continuing, the interest accruing on the Series 2014 B-1 Notes during any related Interest Accrual Period will be characterized as a Series B Carry-Over Amount, and will be paid as described in clause tenth under "SOURCES OF PAYMENT FOR THE NOTES – Collection Fund; Flow of Funds" herein. If the Series B Interest Subordination Trigger Event is no longer continuing (either because the Subordinate Parity Ratio is at least equal to

101.00% or none of the Series 2014 A-1 Notes remain outstanding), the Interest Distribution Amount payable on the Series 2014 B-1 Notes on any Monthly Distribution Date will be paid as described in clause fifth under "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES – Collection Fund; Flow of Funds" herein in this Offering Memorandum.

Interest distributions on the Series 2014 B-1 Notes are subject to the Series B Interest Cap, which, for any Monthly Distribution Date, may result in the Interest Accrual Amount for the Series 2014 B-1 Notes exceeding the Interest Distribution Amount for the Series 2014 B-1 Notes. Any such excess is characterized herein as a Series B Carry-Over Amount. To the extent lawful, the Series B Carry-Over Amount shall bear interest at the interest rate applicable to the Series 2014 B-1 Notes.

Interest payments on the Notes for any Monthly Distribution Date will generally be funded from Available Funds remaining after all required prior distributions, including, with respect to the Series 2014 B-1 Notes, interest distributions on the Series 2014 A-1 Notes; and if necessary, from amounts on deposit, in the Capitalized Interest Fund and the Reserve Fund, in that order. Interest Distribution Amounts relating to an Interest Accrual Period will be paid on the following Monthly Distribution Date first to the Series 2014 A-1 Notes, and second to the Series 2014 B-1 Notes, in that order. Failure to make interest payments on the Series 2014 B-1 Notes is not an Event of Default under the Indenture if any Series 2014 A-1 Notes remain outstanding. Payment of the Series B Carry-Over Amount is payable at a lower priority, and the failure to pay such Series B Carry-Over Amount is not an Event of Default under the Indenture. To the extent that there are insufficient Available Funds for the payment of Series B Carry-Over Amount on or after the Note Final Maturity Date of the Series 2014 B-1 Notes, such Series B Carry-Over Amount and the interest thereon shall be cancelled and shall not be paid. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES – Collection Fund; Flow of Funds" herein in this Offering Memorandum. To the extent that there are insufficient Available Funds for the payment of the Interest Distribution Amount on the Series 2014 B-1 Notes, the Interest Shortfall with respect to the Series 2014 B-1 Notes, will be allocated pro rata to the Series 2014 B-1 Noteholders, based upon the principal amount held by each Series 2014 B-1 Noteholder. To the extent that there are insufficient Available Funds for the payment of Interest Distribution Amount for the Series 2014 A-1 Notes, the Interest Shortfall with respect to the Series 2014 A-1 Notes, will be allocated pro rata to the Series 2014 A-1 Noteholders, based upon the principal amount held by each Series 2014 A-1 Noteholder. If an Event of Default under the Indenture has occurred that results in the acceleration of the Notes, the payment of interest on the Series 2014 B-1 Notes is further subordinated to payments of principal on the Series 2014 A-1 Notes. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds" in this Offering Memorandum and APPENDIX A — "SUMMARIES OF CERTAIN PROVISIONS OF THE INDENTURE — DEFAULTS AND REMEDIES — Possession of Trust Estate and Acceleration of Payment".

The interest rate on the Notes (the "Note Rate") for each Interest Accrual Period, except for the Initial Interest Accrual Period, will be equal to:

Series	Interest Rate
Series 2014 A-1 Notes	One-month LIBOR plus 0.68% per annum
Series 2014 B-1 Notes	One-month LIBOR plus 1.00% per annum*

* Subject to the Series B Interest Cap and Series B Interest Subordination Trigger Event.

The interest rate for the Notes for the Initial Interest Accrual Period will be calculated by reference to the following formula:

x + [(a / b) * (y-x)] plus (0.68% with respect to the Series 2014 A-1 Notes and 1.00% with respect to the Series 2014 B-1 Notes), as calculated by the Trustee.

where:

x = One-Month LIBOR two Business Days prior to the Date of Issuance;

y = Two-Month LIBOR two Business Days prior to the Date of Issuance;

a = the actual number of days from the maturity date of One-Month LIBOR to the first Monthly Distribution Date; and

b = the actual number of days from the maturity date of One-Month LIBOR to the maturity date of Two-Month LIBOR.

The Trustee will determine LIBOR for the specified maturity for each Interest Accrual Period on the LIBOR Determination Date as described under "THE NOTES—Determination of LIBOR" below. The Trustee will also calculate the Note Rate on the LIBOR Determination Date.

"Interest Distribution Amount" means, for any Monthly Distribution Date:

(a) with respect to the Series 2014 A-1 Notes, the sum of (i) the Interest Accrual Amount with respect to Series 2014 A-1 Notes and (ii) the Interest Shortfall for such Monthly Distribution Date with respect to Series 2014 A-1 Notes; and

(b) with respect to the Series 2014 B-1 Notes, the sum of (i) the lesser of (A) Interest Accrual Amount on the Series 2014 B-1 Notes and (B) the Series B Interest Cap and (ii) the Interest Shortfall for such Monthly Distribution Date with respect to the Series 2014 B-1 Notes.

"Interest Accrual Amount" means, for any Monthly Distribution Date, with respect to any Series of the Notes, the aggregate amount of interest accrued for such Series of the Notes at the related Note Rate set forth above for each such Series of the Notes for the related Interest Accrual Period on the Outstanding Amount of such Series of the Notes since the immediately preceding Monthly Distribution Date after giving effect to all principal distributions to the related Noteholders on that preceding Monthly Distribution Date, or in the case of the first Monthly Distribution Date, on the Date of Issuance. The Interest Accrual Amount will be determined by the Administrator.

"Interest Shortfall" means, for any Monthly Distribution Date and any Series of Notes, the excess of (i) the Interest Distribution Amount for such Series of Notes on the preceding Monthly Distribution Date, over (ii) the amount of interest actually distributed to the Noteholders of such Series of Notes on that preceding Monthly Distribution Date, minus (iii) with respect to the Series 2014 B-1 Notes, the Interest Distribution Amount on the Series 2014 B-1 Notes for such preceding Monthly Distribution Date not distributed on that preceding Monthly Distribution Date due to a Series B Interest Subordination Trigger Event, plus interest on the such amount, to the extent permitted by law, at the applicable Note Rate for such Series of Notes from that preceding Monthly Distribution Date to the current Monthly Distribution Date. Interest Shortfall shall be determined by the Corporation.

"Series B Carry-Over Amount" means, with respect to any Interest Accrual Period, (i) the amount, if any, by which the Interest Accrual Amount on the Series 2014 B-1 Notes for such Interest Accrual Period exceeds the Series B Interest Cap, and (ii) the Interest Distribution Amount on the Series 2014 B-1 Notes for such Interest Accrual Period remaining unpaid while a Series B Interest Subordination Trigger Event has occurred and is continuing, plus the Series B Carry-Over Amount from prior periods plus interest on the amount of that Series B Carry-Over Amount, to the extent permitted by law, at the Note Rate applicable for the Series 2014 B-1 Notes from that preceding Monthly Distribution Date to the current Monthly Distribution Date. The Series B Carry-over Amount will be determined by the Corporation.

"Series B Interest Cap" means, with respect to any Monthly Distribution Date, an amount equal to (a) the actual number of days in the current year divided by 360 and multiplied by the difference between (i) the sum of all non-principal amounts that accrued on the Financed Eligible Loans during the related Collection Period, whether received or receivable from a borrower, a Guaranty Agency or the Department (including, without limitation, Special Allowance Payments and Interest Subsidy Payments) and (ii) the sum of all non-principal amounts that accrued on the Financed Eligible Loans during the related Collection Period, whether paid or payable to the Department (including, without limitation, Special Allowance Payments and consolidation rebate fees); less (b) the Trustee Fee, the Eligible Lender Trustee Fee, the Servicing Fees, the Back-up Servicing Fee, the Administration Fee, the Back-up Administration Fee and Rating Agency surveillance fees accrued during the related Collection Period and less (c) the Interest Accrual Amount on the Series 2014 A-1 Notes for such Monthly Distribution Date. The Series B Interest Cap may not be less than zero and does not apply on the September 25, 2014, Monthly Distribution Date. The Series B Interest Cap will be determined by the Corporation.

The Series B Interest Subordination Trigger Event occurs on any Monthly Distribution Date when the Subordinate Parity Ratio is less than 101.00% and the Series 2014 A-1 Notes remain Outstanding.

Interest due for any Interest Accrual Period will always be determined based on the actual number of days elapsed in the Interest Accrual Period over a 360-day year (and rounding to the fifth decimal place the resultant figure equal to the actual number of days elapsed divided by 360).

Payment of Principal

The aggregate outstanding principal balance of the Notes will be due and payable in full on the following Monthly Distribution Dates:

(i) with respect to the Series 2014 A-1 Notes, October 25, 2035; and

(ii) with respect to the Series 2014 B-1 Notes, May 25, 2044.

The actual dates on which the final distribution on a Series of Notes will be made may be earlier than the respective maturity date set forth above as a result of a variety of factors.

Principal payments will be made on each Monthly Distribution Date in an amount equal to the funds available for the payment of such principal in the Collection Fund (rounded down to the nearest $1,000 increment). Principal will be paid sequentially by Series (i.e., the funds available in the Collection Fund to pay principal on a Monthly Distribution Date will be disbursed as follows: first, to the Holders of the Series 2014 A-1 Notes until paid in full; and second, to the Holders of the Series 2014 B-1 Notes until paid in full). Any amounts to be paid to Noteholders on a Monthly Distribution Date will be paid to the Noteholders on a pro rata basis based on their respective principal balances. Principal distributions will be made and treated by DTC in accordance with its rules and procedures as a "Pro Rata Pass-Through Distribution of Principal". At least two days prior to each Monthly Distribution Date for the Notes, the Trustee will give written notice to DTC (so long as DTC is the Registered Owner of the Notes) specifying the principal amount to be paid to Noteholders. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES—Collection Fund; Flow of Funds" herein.

Amounts on deposit in the Reserve Fund in excess of the Specified Reserve Fund Balance will be transferred to the Collection Fund and will be applied as described under "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES—Collection Fund; Flow of Funds" herein. Other than such excess amounts, principal payments due on the Notes will be made from the Reserve Fund only (a) on the Note Final Maturity Date for a Series of Notes if Available Funds on deposit in the Collection Fund are insufficient to make such principal payment or (b) on any Monthly Distribution Date when the market value of securities and cash in the Collection Fund and the Reserve Fund is sufficient to pay the remaining principal amount of and interest accrued on the Notes.

Optional Redemption of Notes in Full

The Corporation shall have the option to redeem all of the Notes on the Monthly Distribution Date next succeeding the last day of the Collection Period on which the then outstanding Pool Balance is 10% or less of the Initial Pool Balance and on each Monthly Distribution Date thereafter. If this redemption option is exercised, the Financed Eligible Loans will be released to the Corporation free from the lien of the Indenture.

If the Corporation exercises its redemption option, the Corporation must deposit with the Trustee an amount that, when combined with amounts on deposit in the Funds and Accounts held under the Indenture, would be sufficient to

- reduce the outstanding principal amount of the Notes then outstanding on the related Monthly Distribution Date to zero;
- pay to the Noteholders the interest payable on the related Monthly Distribution Date;
- pay to the Series 2014 B-1 Noteholders, any unpaid accrued Series B Carry-over Amount; and
- pay any unpaid Administration, Back-up Administration, Servicing, Back-up Servicing, Rating Agency, Eligible Lender Trustee and Trustee fees and Eligible Lender Trustee and Trustee expenses.

"Pool Balance" for any date means the aggregate principal balance of Financed Eligible Loans in the Loan Portfolio on that date, plus accrued interest thereon. The Pool Balance will be calculated by the Corporation as part of the Monthly Distribution Report.

Determination of LIBOR

"LIBOR Rate", "One-Month LIBOR Rate" and "Two-Month LIBOR Rate" shall mean, with respect to any Interest Accrual Period, the London interbank offered rate for deposits in U.S. dollars having the applicable Index Maturity as it appears on Reuters Screen LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, as of 11:00 a.m., London time, on the related LIBOR Determination Date as obtained by the Trustee from such source. If this rate does not appear on Reuters Screen LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, the rate for that day will be determined on the basis of the rates at which deposits in U.S. dollars, having the applicable Index Maturity and in a principal amount of not less than $1,000,000, are offered at approximately 11:00 a.m., London time, on that LIBOR Determination Date, to prime banks in the London interbank market by the Reference Banks. The Trustee will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two Reference Banks provide quotations, the rate for that day will be the arithmetic mean of the quotations. If fewer than two Reference Banks provide quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Administrator at approximately 11:00 a.m., Eastern time, on that LIBOR Determination Date, for loans in U.S. dollars to leading European banks having the applicable Index Maturity and in a principal amount of not less than $1,000,000. If the banks selected as described above do not provide such quotations, One-Month LIBOR or Two-Month LIBOR as the case may be, in effect for the applicable Interest Accrual Period will be One-Month LIBOR or Two-Month LIBOR, as the case may be, in effect for the previous Interest Accrual Period.

"Business Day" means for purposes of calculating the LIBOR Rate, any day on which banks in New York, New York and London, England are open for the transaction of international business.

"Index Maturity" means with respect to any Interest Accrual Period, a period of time equal to one month with respect to One-Month LIBOR Rate or two months with respect to Two-Month LIBOR Rate, as applicable.

"Reference Banks" means, with respect to a determination of LIBOR for any Interest Accrual Period by the Trustee, four major banks in the London interbank market selected by the Trustee.

Prepayment and Maturity Considerations

Generally, all of the Financed Eligible Loans are pre-payable in whole or in part, without penalty, by the borrowers at any time, or as a result of a borrower's default, death, disability or bankruptcy and subsequent liquidation or collection of Guaranty Payments with respect to such loans. The rates of payment of principal on the Notes may be affected by prepayments of the Financed Eligible Loans. Because prepayments generally will be paid through to Noteholders as distributions of principal, it is likely that the actual final payments on the Notes will occur prior to the final maturity date of the Notes. Accordingly, in the event that the Financed Eligible Loans experience significant prepayments, the actual final payments on the Notes may occur substantially before their final maturity dates, causing a shortening of the weighted average life of the Notes. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a Note until each dollar of principal of such Note will be repaid to the investor.

However, scheduled payments with respect to the Financed Eligible Loans may be reduced and the maturities of Financed Eligible Loans may be extended, including pursuant to grace periods, deferral periods and forbearance periods. The rate of payment of principal on the Notes may also be affected by the rate of defaults resulting in losses on the Financed Eligible Loans that may have been liquidated, by the severity of those losses and by the timing of those losses, which may affect the ability of the guaranty agencies to make Guaranty Payments on such Financed Eligible Loans. In addition, the maturity of certain of the Financed Eligible Loans may extend beyond the final maturity date for the Notes.

The rate of prepayments on the Financed Eligible Loans cannot be predicted due to a variety of factors, some of which are described above, and any reinvestment risks resulting from a faster or slower incidence of prepayment of Financed Eligible Loans will be borne entirely by the Noteholders. Such reinvestment risks may include the risk that interest rates and the relevant spreads above particular interest rate indices are lower at the time Noteholders receive

payments from the Corporation than those interest rates and those spreads would otherwise have been if those prepayments had not been made or had those prepayments been made at a different time.

More information on weighted average lives, expected maturities and percentages of original principal remaining at each monthly distribution date is set forth in "APPENDIX D — WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT EACH MONTHLY DISTRIBUTION DATE FOR THE NOTES" hereto.

Book-Entry Notes

The Series 2014 A-1 Notes will be delivered in book-entry form through The Depository Trust Company. Series 2014 A-1 Noteholders will not receive a certificate representing their Series 2014 A-1 Notes except in very limited circumstances. See "APPENDIX C — BOOK ENTRY SYSTEM".

FEES

The annual fees payable by the Corporation are set forth in the table below. In addition, the Eligible Lender Trustee and the Trustee are paid or reimbursed for their expenses. The priority of payment of such fees and expenses is described above in "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES — Collection Fund; Flow of Funds".

Fees	Recipient	Amount
Administration Fee	Education Services Foundation	0.40%[(1)]
Servicing Fee	ACS Education Loan Services LLC	$3.55[(2)]
Trustee Fee	U.S. Bank National Association	0.005%[(3)]
Back-up Administration Fee	Nelnet Servicing, LLC	[(4)]
Eligible Lender Trustee Fee	U.S. Bank National Association	$25,000[(5)]
Back-up Servicing Fee	Nelnet Servicing, LLC	$20,000[(6)]
Rating Agency Surveillance Fees	Fitch and S&P	$27,500[(7)]

(1) As a percentage of the principal balance of the Financed Eligible Loans as of the end of the preceding month. One-twelfth of the amount referenced above is payable on each Monthly Distribution Date, with a minimum of $25,000 per month.

(2) Monthly servicing fees paid from the Trust Estate are paid monthly at an amount approximately equal to $3.55 per borrower per month (subject to 3% annual increase). For the first full month of the transaction, the servicing fees will be approximately 0.28% per annum of the Financed Eligible Loans. The amount of the servicing fees is not subject to a cap.

(3) The Trustee fee will be one-twelfth of the amount referenced above as a percentage of the principal amount of the notes outstanding immediately preceding each Monthly Distribution Date and is payable on each Monthly Distribution Date.

(4) There is no Back-up Administration Fee. Fee will only be charged if and when the Back-up Administrator becomes the Administrator.

(5) Annual fee paid quarterly.

(6) Annual fee paid annually.

(7) Initially, an aggregate annual amount of $27,500 per year, subject to a cap in an aggregate amount of $40,000 per year.

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PLAN OF FINANCE

The expected sources and uses of funds are as follows:

Estimated Sources of Funds:	
Series 2014 A-1 Note Proceeds	$385,355,250
Total	$385,355,250
Estimated Uses of Funds:	
Acquire Eligible Loans held under Prior Indentures[(1)]	$364,492,950
Acquire Eligible Loans held by the Corporation[(2)]	12,491,037
Deposit Cash to the Capitalized Interest Fund	6,523,513
Deposit Cash to the Reserve Fund[(3)]	992,500
Deposit Cash to the Cost of Issuance Fund	855,250
Total	$385,355,250

(1) Approximately $364,492,950 in principal amount of Eligible Loans (as of the May 31, 2014 statistical cut-off date) will be transferred from the Prior Indentures and pledged to the Trustee under the Indenture upon the deposit of an amount sufficient to pay the $287,650,000 outstanding principal amount of notes and bonds outstanding under the Prior Indentures.

(2) Approximately $24,375,095 in principal amount of Eligible Loans (as of the May 31, 2014 statistical cut-off date) upon the payment of $12,491,037 to the Corporation.

(3) The initial Specified Reserve Fund Balance will be 0.25% of the principal amount of the Notes.

A portion of the proceeds from the sale of the Series 2014 A-1 Notes will be used to refinance Eligible Loans held by or for the benefit of the Corporation. As part of such refinancing the Currently Outstanding Obligations of the Corporation will be paid in full and retired. All Eligible Loans securing the Currently Outstanding Obligations, together with all of the Eligible Loans held by the Corporation, will be released and pledged to the Trustee. The Eligible Loans securing the Currently Outstanding Obligations and the Eligible Loans held by the Corporation which are being refinanced are referred to herein as the "Financed Eligible Loans". Estimated assets in the Trust Estate, after payment of costs of issuance, are expected to provide an initial collateralization of approximately 104.04% of the principal amount of the Series 2014 A-1 Notes and approximately 101.42% of the principal amount of both the Series 2014 A-1 Notes and the Series 2014 B-1 Notes. The Financial Eligible Loans pledged under the Indenture on the Date of Issuance will have characteristics that differ somewhat from the characteristics of the Eligible Loans described herein due to payments received on and other changes in these Eligible Loans that occur during the period from the Statistical Cut-off Date to the Date of Issuance. These changes could result in the percentages shown above to vary somewhat on the Date of Issuance. However, the Corporation does not expect the actual percentages on the Date of Issuance will differ materially from the estimated percentages set forth above. See "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS" herein.

The Series 2014 B-1 Notes are being retained by the Corporation as additional consideration for the purchase of its Eligible Loans.

THE FINANCED ELIGIBLE LOANS

General

On the Date of Issuance, the Corporation will use amounts deposited into the Acquisition Fund, representing substantially all of the net proceeds from the issuance of the Notes, to acquire Eligible Loans that are released from the liens of the Prior Indentures and to refinance Eligible Loans currently held and owned by the Corporation. The Corporation will pledge and transfer such Financed Eligible Loans to the Trust Estate. Before the end of the Acquisition Period, any remaining moneys in the Acquisition Fund may be used to make payments if needed to reconcile the amounts paid in connection with the acquisition of Financed Eligible Loans with the actual outstanding principal and accrued borrower interest on such Eligible Loans and, if necessary, to complete the acquisition of such Eligible Loans.

The Acquisition Period will begin on the Date of Issuance and will end thirty (30) calendar days thereafter. Any amounts remaining in the Acquisition Fund at the end of the Acquisition Period will be transferred on the first Business Day after the end of the Acquisition Period to the Collection Fund.

Student Loan Eligibility Criteria

The Eligible Loans the Corporation expects to acquire on or about the Date of Issuance and pledge and transfer to the Trust Estate were selected using several criteria, including that as of the Statistical Cut-off Date, each such Student Loan:

- is guaranteed as to principal and interest by a Guaranty Agency under a Guaranty Agreement and the Guaranty Agency is reinsured by the Department in accordance with the FFELP, except for approximately $90,000 in principal amount of Eligible Loans which are uninsured or not guaranteed;

- contains terms in accordance with those required under the FFELP, the Guaranty Agreements and other applicable requirements;

- is not a private student loan; and

- has Special Allowance Payments, if any, based on the one-month LIBOR rate or the 91-day Treasury bill rate.

CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS

As of May 31, 2014 (the "Statistical Cut-off Date"), the characteristics of the Financed Eligible Loans the Corporation expects to pledge under the Indenture resulting from the refinancing were as described below. The pool of Eligible Loans described below is the pool that the Corporation expects to pledge to the Trustee on the Date of Issuance. Available amounts in the Acquisition Fund will be used to acquire up to $5,000,000 of additional Eligible Loans from the Corporation not described herein. The aggregate outstanding principal balance of the Financed Eligible Loans in each of the following Financed Eligible Loan tables includes the principal balance due from borrowers, which does not include total accrued interest of approximately $6,451,650 (of which approximately $3,943,422 is expected to be capitalized upon commencement of repayment).

Please note that percentages and numbers appearing in the following tables have been rounded to the nearest one-hundredth of one percent and nearest whole number respectively. Due to such rounding, the sum of the percentages or numbers in any particular column may not exactly equal the totals shown.

In the event that the principal amount of Eligible Loans required to provide collateral for the Notes varies from the amounts anticipated herein, whether by reason of a change in the collateral requirement necessary to obtain the rating on the Notes described on the cover page of this Offering Memorandum, the rate of amortization or prepayment on the portfolio of Eligible Loans from the Statistical Cut-off Date to the Date of Issuance varying from the rates that were anticipated, or otherwise, the portfolio of Eligible Loans to be pledged to the Trustee may consist of a subset of the pool of Eligible Loans described herein or may include additional Eligible Loans not described below.

The aggregate characteristics of the entire pool of Financed Eligible Loans, including the composition of the Financed Eligible Loans and the related borrowers, the related guarantors, the distribution by student loan type, the distribution by interest rate and the distribution by remaining term to scheduled maturity, may vary from the information presented herein, since the information presented herein is as of the Statistical Cut-off Date, and the date that the Financed Eligible Loans will be pledged to the Trustee under the Indenture will occur after that date. The aggregate characteristics may also vary as a result of the inclusion of Financed Eligible Loans not described herein or the exclusion of Financed Eligible Loans that are described herein, in each case for the reasons described in the preceding paragraph.

The Corporation believes that the information set forth in this Offering Memorandum with respect to the pool of Financed Eligible Loans as of the Statistical Cut-off Date is materially representative of the characteristics of the pool of Financed Eligible Loans as they will exist as of the end of the Acquisition Period. During the Acquisition Period, any Available Funds on deposit in the Acquisition Fund may be used to acquire or purchase the pool of Eligible Loans described below or other Eligible Loans not described below. All funds remaining on deposit in the Acquisition Fund at the end of the Acquisition Period will be transferred to the Collection Fund on the first Business Day following the end

of the Acquisition Period and shall constitute Available Funds on the next Monthly Distribution Date. Potential investors should consider potential variances when making an investment decision concerning the Notes.

COMPOSITION OF THE FINANCED ELIGIBLE LOANS
(As of the Statistical Cut-off Date)

Summary

Aggregate Outstanding Principal Balance	$388,866,397
Total Accrued Interest	$6,451,650
Accrued Interest to be Capitalized	$3,943,422
Number of Borrowers[(1)]	24,981
Average Outstanding Principal Balance Per Borrower	$15,566
Number of Loans	45,213
Average Outstanding Principal Balance Per Loan	$8,601
Weighted Average Remaining Term to Maturity[(2) (3)]	157
Weighted Average Payments Made (months)[(4)]	94
Weighted Average Annual Borrower Interest Rate[(5)]	4.44%
Weighted Average Special Allowance Payment Repayment Margin to One-month LIBOR Index[(6)]	2.55%
Weighted Average Special Allowance Payment Repayment Margin to 91-Day Treasury Bill[(6)]	2.99%

(1) A single borrower can have only one account.

(2) The weighted average remaining term to scheduled maturity shown in the table above was determined from the Statistical Cut-off Date to the stated maturity date of the applicable student loan, excluding any current deferral or forbearance periods, and without giving effect to any deferral or forbearance periods that may be granted in the future.

(3) For loans that have a borrower payment status of "In School" or "Grace", the remaining term to scheduled maturity is assumed to be 120 months.

(4) For loans that have a Loan Type of "Stafford", "PLUS", or "SLS", payments made is calculated assuming the original term to maturity is equal to the maximum of (a) 120 months, (b) number of months from maturity date of loan to the Statistical Cut-off Date, (c) number of months from the maturity date of loan to last date of the deferment period, and (d) number of months from maturity date of loan to the first payment date of the loan, minus the applicable remaining term to scheduled maturity.

(5) The weighted average annual borrower interest rate shown in the table above was determined without including any special allowance payments or any rate reductions that may be earned by borrowers in the future.

(6) The Weighted Average Special Allowance Payment Repayment Margin refers to the margin (assuming all Eligible Loans are in repayment) by which the combination of interest (net of the excess over the special allowance support level) and Special Allowance Payment rates, assuming all payments are made when due, exceeds the One-month LIBOR rate or 91-day US Treasury bill rate index. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM — Special Allowance Payments". The margin has not been reduced to take into account any interest rate reductions as a result of the repayment incentives described under "CHARACTERISTICS OF THE FINANCED ELIGIBLE LOANS — Borrower Benefits".

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DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY LOAN TYPE
(As of the Statistical Cut-off Date)

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Consolidation	16,466	$294,059,302	75.62%
Stafford - Subsidized	16,475	47,695,774	12.27
Stafford - Unsubsidized	11,675	43,871,512	11.28
PLUS	540	2,612,744	0.67
Grad PLUS	57	627,065	0.16
Total:	**45,213**	**$388,866,397**	**100.00%**

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY RANGE OF ANNUAL BORROWER INTEREST RATE
(As of the Statistical Cut-off Date)

Range of Annual Borrower Interest Rate	Number of Loans	Outstanding Principal Balance	Percent of Loans By Outstanding Principal Balance
1.00% - 1.99%	2,714	$7,828,479	2.01%
2.00% - 2.99%	13,695	97,338,217	25.03
3.00% - 3.99%	5,846	101,566,389	26.12
4.00% - 4.99%	3,314	56,455,515	14.52
5.00% - 5.99%	1,177	22,737,069	5.85
6.00% - 6.99%	16,905	77,783,821	20.00
7.00% - 7.99%	539	11,645,134	2.99
8.00% or greater	1,023	13,511,772	3.47
Total:	**45,213**	**$388,866,397**	**100.00%**

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY SCHOOL TYPE
(As of the Statistical Cut-off Date)

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans By Outstanding Principal Balance
4-Year/Consolidation	34,989	$360,212,904	92.63%
2-Year	7,046	18,139,255	4.66
Proprietary	3,178	10,514,238	2.70
Total:	**45,213**	**$388,866,397**	**100.00%**

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY SAP INTEREST RATE INDEX
(As of the Statistical Cut-Off Date)

SAP Interest Rate Index	Number of Loans	Outstanding Principal Balance	Percent of Loans By Outstanding Principal Balance
One-month LIBOR Index[(1)]	42,618	$374,641,657	96.34%
91-day T-Bill Index	2,595	14,224,741	3.66
Total:	**45,213**	**$388,866,397**	**100.00%**

(1) Reflects the effect of the affirmative elections made by prior holders of the trust's student loans under Public Law 112-74 (described under "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM"), whereby such prior holders permanently changed the index for special allowance payment calculations on substantially all FFELP loans in their portfolios disbursed after January 1, 2000 from the three-month commercial paper rate to the one-month LIBOR index, commencing with the special allowance payment calculations for the calendar quarter beginning on April 1, 2012.

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY BORROWER PAYMENT STATUS
(As of the Statistical Cut-off Date)

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans By Outstanding Principal Balance
School	655	$2,105,621	0.54%
Grace	311	964,872	0.25
Deferment	7,437	51,212,968	13.17
Forbearance	4,023	30,778,426	7.91
Repayment (First Year)	6,785	28,456,010	7.32
Repayment (Second Year)	2,336	8,703,455	2.24
Repayment (Third Year)	1,354	4,640,011	1.19
Repayment (More than 3 Years)	21,735	258,872,205	66.57
Claim	577	3,132,830	0.81
Total:	**45,213**	**$388,866,397**	**100.00%**

Current borrower payment status refers to the status of the borrower of each initial Financed Eligible Loan as of the Statistical Cut-off Date. The borrower:

- may still be attending school – in-school;
- may be in a grace period after completing school and prior to repayment commencing – grace;
- may have temporarily ceased repaying the loan through a deferment or a forbearance period; or
- may be currently required to repay the loan – repayment.

See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

Each of the Financed Eligible Loans provides or will provide for the amortization of its outstanding principal balance over a series of regular payments. Except as described below, each regular payment consists of an installment of interest which is calculated on the basis of the outstanding principal balance of the Financed Eligible Loan. The amount received is applied first to interest accrued to the date of payment and the balance of the payment, if any, is applied to reduce the unpaid principal balance. Accordingly, if a borrower pays a regular installment before its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be less than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly greater. Conversely, if a borrower pays a monthly installment after its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be greater than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly less. In addition, if a borrower pays a monthly installment after its scheduled due date, the borrower may owe a fee on that late payment. If a late fee is applied, that payment will be applied first to the applicable late fee, second to interest and third to principal. As a result, the portion of the payment applied to reduce the unpaid principal balance may be less than it would have been had the payment been made as scheduled. In either case, subject to any applicable deferment periods or forbearance periods, and except as provided below, the borrower pays a regular installment until the final scheduled payment date, at which time the amount of the final installment is increased or decreased as necessary to repay the then outstanding principal balance of that Financed Eligible Loan.

In accordance with the terms of the FFELP and the terms of its loan program, the Corporation makes available, through the Servicer, to borrowers of the Financed Eligible Loans, payment terms that may result in the lengthening of the remaining term of the Financed Eligible Loans. For example, not all of the Financed Eligible Loans provide for level payments throughout the repayment term of such Financed Eligible Loans. Some Financed Eligible Loans provide for interest only payments to be made for a designated portion of the term of the Financed Eligible Loans, with amortization of the principal of the loans occurring only when payments increase in the latter stage of the term of the Financed Eligible Loans. Other Financed Eligible Loans provide for a graduated phase in of the amortization of principal with a greater portion of principal amortization being required in the latter stages than would be the case if amortization were on a level payment basis. Some of the Financed Eligible Loans are or may be subject to an income-sensitive repayment plan, under which repayments are based on the borrower's income. Under that plan, ultimate repayment may be delayed up to five years. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

The following table provides certain information about the Financed Eligible Loans subject to the repayment terms described in the preceding paragraphs.

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY REPAYMENT TERMS
(As of the Statistical Cut-off Date)

Repayment Terms	Number of Loans	Aggregate Outstanding Balance	Percent of Loans by Aggregate Outstanding Balance
Level repayment	38,751	$303,088,467	77.94%
Other repayment options	6,462	85,777,930	22.06
Total:	**45,213**	**$388,866,397**	**100.00%**

Borrowers that are not entitled to other repayment options as of the Statistical Cut-off Date may become entitled or eligible for such options in the future. If such repayment terms are offered to and accepted by borrowers, the weighted average life of the notes could be lengthened. See "THE NOTES — Prepayment and Maturity Considerations" and "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY RANGE OF DAYS DELINQUENT
(As of the Statistical Cut-off Date)

Range of Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans By Outstanding Principal Balance
Less than 31 days	36,094	$324,688,586	83.50%
31 - 60	2,248	16,922,312	4.35
61 - 90	1,498	11,077,888	2.85
91 - 120	1,290	8,777,302	2.26
121 - 150	793	6,171,411	1.59
151 - 180	851	5,733,438	1.47
181 - 210	798	4,784,528	1.23
211 - 240	391	3,002,269	0.77
241 - 270	390	2,835,680	0.73
Greater than 270 days	860	4,872,983	1.25
Total:	**45,213**	**$388,866,397**	**100.00%**

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY DATE OF DISBURSEMENT[(1)]
(As of the Statistical Cut-off Date)

Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans By Outstanding Principal Balance
Pre October 1, 1993	220	$751,639	0.19%
October 1, 1993 - June 30, 2006	26,900	292,613,475	75.25
July 1, 2006 or later	18,093	95,501,283	24.56
Total:	**45,213**	**$388,866,397**	**100.00%**

(1) FFELP Loans disbursed on or after October 1, 1993, and before July 1, 2006, are generally 98% guaranteed by the guaranty agency. FFELP Loans disbursed on or after July 1, 2006, are generally 97% guaranteed by the guaranty agency. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM."

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY DATE OF DISBURSEMENT[(1)]
(As of the Statistical Cut-off Date)

Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans By Outstanding Principal Balance
Pre April 1, 2006	26,160	$282,048,354	72.53%
April 1, 2006 - September 30, 2007	14,994	91,465,552	23.52
October 1, 2007 and after	4,059	15,352,491	3.95
Total:	**45,213**	**$388,866,397**	**100.00%**

(1) For FFELP Loans disbursed prior to April 1, 2006, Special Allowance Payments were paid, if at all, in addition to borrower payments or interest subsidy payments to the extent provided by the applicable statutory formula. For FFELP Loans that were first disbursed on or after April 1, 2006, if the stated interest rate is higher than the rate applicable to such loan including Special Allowance Payments, the holder of the loan is to credit the difference to the Department of Education. FFELP Loans that were first disbursed on or after October 1, 2007, have a higher SAP margin for eligible not-for-profit lenders such as the Issuer than for for-profit lenders, but a 40 bps to 70 bps lower SAP margin than loans originated on or after January 1, 2000 and before October 1, 2007.

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS
BY RANGE OF REMAINING TERM TO SCHEDULED MATURITY
(As of the Statistical Cut-off Date)

Range of Remaining Term to Scheduled Maturity[1][2]	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than 25 months	1,940	$1,648,271	0.42%
25 - 48	3,242	6,914,242	1.78
49 - 72	5,624	21,212,053	5.45
73 - 96	5,685	28,762,320	7.40
97 - 120	12,957	70,179,733	18.05
121 - 144	8,507	75,085,023	19.31
145 - 168	2,675	36,268,563	9.33
169 - 192	1,730	37,236,920	9.58
193 - 216	992	26,908,516	6.92
217 - 240	741	26,944,206	6.93
241 - 264	457	19,879,747	5.11
265 - 288	304	15,373,467	3.95
Greater than 288 months	359	22,453,336	5.77
Total:	**45,213**	**$388,866,397**	**100.00%**

(1) The weighted average remaining term to scheduled maturity shown in the table above was determined from the Statistical Cut-off Date to the stated maturity date of the applicable student loan, including any current deferral or forbearance periods, but without giving effect to any deferral or forbearance periods that may be granted in the future.

(2) For loans that have a borrower payment status of "In School" or "Grace", the remaining term to scheduled maturity is assumed to be 120 months plus school term.

DISTRIBUTION OF THE FINANCED ELIGIBLE
LOANS BY REHAB STATUS
(As of the Statistical Cut-off Date)

Rehabilitation Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Non-Rehabilitation	45,207	$388,841,140	99.99%
Rehabilitation	6	25,257	0.01
Total:	**45,213**	**$388,866,397**	**100.00%**

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY GEOGRAPHIC LOCATION
(As of the Statistical Cut-off Date)

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	1,254	$10,175,301	2.62%
Alaska	23	327,215	0.08
Arizona	226	4,014,401	1.03
Arkansas	200	1,837,128	0.47
California	905	13,593,083	3.50
Colorado	272	3,311,100	0.85
Connecticut	100	1,532,758	0.39
Delaware	23	510,405	0.13
District of Columbia	71	1,145,105	0.29
Florida	734	9,842,850	2.53
Georgia	858	11,805,559	3.04
Guam	2	26,847	0.01
Hawaii	39	592,564	0.15
Idaho	66	1,330,051	0.34
Illinois	609	7,580,881	1.95
Indiana	152	2,085,965	0.54
Iowa	138	1,788,703	0.46
Kansas	124	1,692,322	0.44
Kentucky	183	2,341,414	0.60
Louisiana	1,170	7,994,627	2.06
Maine	28	616,158	0.16
Maryland	233	3,662,311	0.94
Massachusetts	254	3,512,132	0.90
Michigan	326	4,561,196	1.17
Minnesota	203	2,736,584	0.70
Mississippi	30,390	202,079,440	51.97
Missouri	269	3,347,015	0.86
Montana	19	389,885	0.10
Nebraska	50	648,880	0.17
Nevada	94	1,066,221	0.27
New Hampshire	22	477,478	0.12
New Jersey	260	4,055,475	1.04
New Mexico	55	840,091	0.22
New York	573	9,284,347	2.39
North Carolina	406	6,050,086	1.56
North Dakota	18	299,017	0.08
Ohio	441	6,400,869	1.65
Oklahoma	88	1,259,570	0.32
Oregon	141	2,449,029	0.63
Other	54	691,590	0.18
Pennsylvania	264	4,539,029	1.17
Puerto Rico	10	133,682	0.03
Rhode Island	37	575,188	0.15
South Carolina	199	2,840,677	0.73
South Dakota	22	303,372	0.08

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Tennessee	1,099	11,236,731	2.89
Texas	1,494	16,262,012	4.18
Utah	39	767,729	0.20
Vermont	13	242,852	0.06
Virgin Islands	2	38,101	0.01
Virginia	389	5,721,227	1.47
Washington	233	2,862,124	0.74
West Virginia	75	1,231,995	0.32
Wisconsin	245	3,766,025	0.97
Wyoming	19	390,002	0.10
Total:	**45,213**	**$388,866,397**	**100.00%**

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY SERVICER
(As of the Statistical Cut-off Date)

Servicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
ACS	45,213	$388,866,397	100.00%
Total:	**45,213**	**$388,866,397**	**100.00%**

DISTRIBUTION OF THE FINANCED ELIGIBLE LOANS BY GUARANTY AGENCY
(As of the Statistical Cut-off Date)

Guaranty Agency	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
American Student Assistance Corp	8,659	$149,152,045	38.36%
United Student Aid Funds	18,580	100,765,922	25.91
Pennsylvania Higher Education Assistance Agency	3,718	66,462,199	17.09
Nebraska Student Loan Program	7,054	26,915,205	6.92
Student Loan Guarantee Foundation of Arkansas	999	18,631,307	4.79
Tennessee Student Assistance Corporation	2,746	11,395,185	2.93
Educational Credit Management Corp	312	4,916,520	1.26
Texas Guaranteed Student Loan Corporation	1,584	4,723,055	1.21
Kentucky Higher Education Assistance Authority	1,426	3,689,099	0.95
New York Higher Education Service Corporation	74	1,401,125	0.36
Missouri Student Loan Program	34	689,562	0.18
Great Lakes Higher Education Corp	5	48,233	0.01
Louisiana Student Financial Assistance Commission	5	39,313	0.01
Office of Student Financial Assistance	17	37,630	0.01
Total:	**45,213**	**$388,866,397**	**100.00%**

Borrower Benefits

For Financed Eligible Loans financed in connection with the issuance of the Notes, the Corporation offers certain borrower benefits in the form of interest rate reductions for prompt and regular payments or payments made by automatic bank draft.

As of the Statistical Cut-off Date, approximately 20% of the Aggregate Outstanding Balance of Financed Eligible Loans are receiving an interest rate reduction for borrowers who make monthly payments by automatic bank draft. The interest rate reduction for automatic bank draft ranges from 0.25% to 2.00%. Approximately 69% of the Aggregate Outstanding Balance of Financed Eligible Loans may be eligible in the future for an interest rate reduction for automatic bank draft. As of the Statistical Cut-off Date, approximately 16% of the Aggregate Outstanding Balance of Financed Eligible Loans are eligible or have already received an interest rate reduction ranging from 0.50% to 2.00% after 1 to 60 months of prompt and regular payments. Approximately 84% of the Aggregate Outstanding Balance of Financed Eligible Loans are not eligible for such interest rate reduction.

The Corporation cannot predict which borrowers will qualify for or decide to participate in these programs. The effect of these incentive programs may be to reduce the yield on the Financed Eligible Loans. Although such repayment incentives and borrower benefits may decrease the payments to be received from the Financed Eligible Loans, the Corporation does not expect these repayment incentives and borrower benefits to impair its ability to make payments of principal and interest on the Notes when due.

THE CORPORATION

Organization and Powers

The Corporation is a Mississippi nonprofit corporation organized under Title 79, Chapter 11, Mississippi Code of 1972, as amended. The Corporation was organized in January, 1980, at the request of the Board of Trustees of State Institutions of Higher Learning of the State and the Post-Secondary Financial Assistance Board of the State, for the exclusive purpose of acquiring student loans incurred under the Higher Education Act of 1965 (the "Higher Education Act") in accordance with Section 103(e) of the Internal Revenue Code of 1954 (subsequently recodified as Section 150(d) of the Internal Revenue Code of 1986, as amended). The requests of such Boards were made on January 17, 1980, and January 18, 1980, respectively. Additionally, the Division of Federal-State-Local Programs within the office of the Governor of the State, on July 30, 1981, requested that the Corporation be organized and exercise its powers and confirmed on behalf of the State the requests previously made by the Board of Trustees of State Institutions of Higher Learning and the Post-Secondary Financial Assistance Board. The Corporation is not an agency or instrumentality of the State or any agency or political subdivision thereof.

The Corporation has received Internal Revenue Service ("IRS") determination letters to the effect that it is a tax-exempt organization under Section 501(c)(3) of the Code and that the Corporation is not a private foundation within the meaning of Section 509(a) of the Code because it is classified as a public charity described in Section 509(a)(2) of the Code. The original IRS determination letter was dated effective as of January 11, 1983. The most recent IRS determination letter was dated December 5, 2013.

The Corporation's Articles of Incorporation currently provide, among other things, that the Corporation is established and shall be operated exclusively for the purpose of acquiring student loan notes incurred under the Higher Education Act. Following the issuance of the Notes, the Corporation intends to amend its Articles. See "THE CORPORATION - Changes to the Corporation and the Foundation".

Directors, Officers and Staff

The Corporation is governed by a Board of Directors consisting of seven members. The Directors of the Corporation are authorized to select their successors. The Corporation's Officers are elected by the Board of Directors. The present Directors and Officers of the Corporation are:

Name and Office	Principal Occupation
W. Stan Pratt Board Chair and Director	President Canebrake Development Company
J. Murray Underwood Board Vice Chair and Director	Retired Partner KPMG
Dr. Jayne B. Sargent Secretary, Treasurer and Director	Retired Superintendent Jackson Public Schools
David L. Martin Director	Special Counsel Jones Walker LLP
Dr. Andrew P. Mullins, Jr. Director	Chief of Staff to the Chancellor Emeritus The University of Mississippi
Ronald G. Smith Director	Senior Executive Vice President Mid-America Region President Regions Bank
Jack L. Woodward Director	Retired Dean of Student Aid Financial Planning Millsaps College
William F. Alvis Interim Executive Director, Interim Chief Executive Officer and Chief Financial Officer	Interim Executive Director, Interim Chief Executive Officer and Chief Financial Officer Education Services Foundation and Mississippi Higher Education Assistance Corporation
Minette D. Ketchings Controller and Assistant Secretary	Controller, Education Services Foundation Assistant Secretary, Education Services Foundation and Mississippi Higher Education Assistance Corporation

The Corporation does not currently have any members. The Corporation has no staff. The business operations of the Corporation are managed by Education Services Foundation (the "Foundation") pursuant to a management services agreement. For further information about the Foundation's management of the business operations of the Corporation, see "General Information Regarding the Foundation" immediately below.

General Information Regarding the Foundation

The Foundation was established on March 24, 1995 by persons who were, at the time, serving as the Board of Directors of the Corporation. The Foundation was established under Title 79, Chapter II, Mississippi Code of 1972, as amended, as a nonprofit corporation to engage in a variety of activities intended to increase the level of appropriate quality education in the State and elsewhere.

The Foundation has received an IRS determination letter to the effect that it is a tax-exempt organization under Section 501(c)(3) of the Code and that the Foundation is not a private foundation within the meaning of Section 509(a) of the Code because it is classified as a public charity described in Section 509(a)(2) of the Code.

The Foundation began management of the Corporation as of May 1, 1997, pursuant to a management services agreement. In addition, the Foundation acquired all or substantially all of the operating assets of the Corporation (not including student loans), pursuant to an asset purchase agreement, dated as of April 11, 1997, for an amount based on their appraised fair market value. In connection with the transfer of such assets, the Foundation employed former employees of the Corporation to provide management services to the Corporation. The Corporation pays a management fee to the Foundation for such services.

The Foundation's Articles of Incorporation provide, among other things, that the Foundation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code. In the event of dissolution of the Foundation, the assets of the Foundation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the chancery court of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes. Following the issuance of the Notes, the Foundation intends to amend its Articles. See "THE CORPORATION - Changes to the Corporation and the Foundation".

The Foundation is governed by a Board of Directors consisting of seven members. The directors of the Foundation are authorized to select their successors. The Foundation's officers are elected by the Board of Directors. The officers and directors of the Foundation are identical to the officers and directors of the Corporation. The Foundation does not currently have any members.

The following is biographical information of the executive staff of the Foundation:

William F. Alvis currently serves as the Interim Executive Director and Interim Chief Executive Officer of the Foundation and the Corporation. Mr. Alvis also serves as the Chief Financial Officer of the Foundation and the Corporation. Mr. Alvis started working for the Corporation in 1989 as a Financial Analyst, then as the Manager of Accounting and finally as Controller. Prior to joining the Corporation, Mr. Alvis was an auditor with Arthur Andersen & Co. in New Orleans, Louisiana and an auditor with Mississippi Power & Light Co. in Jackson, Mississippi. Mr. Alvis holds a Bachelor of Professional Accountancy degree from Mississippi State University and is a licensed CPA.

Minette D. Ketchings serves as the Controller of the Foundation. Ms. Ketchings also serves as the Assistant Secretary of the Foundation and the Corporation. Ms. Ketchings started working for the Corporation in 1991 as a Senior Auditor. During her employment at the Foundation, Ms. Ketchings has served as Manager of Program Development, Assistant Controller and Controller. Prior to joining the Corporation, Ms. Ketchings worked as an Internal Auditor with Trustmark National Bank in Jackson, Mississippi, as an Accountant for Lindsey and Company in Searcy, Arkansas, and as Assistant to the Operations Officer at Farmers and Merchants Bank (now Community Bank) in Forest, Mississippi. Ms. Ketchings holds a Bachelor of Professional Accountancy degree from Mississippi State University and is a licensed CPA.

Changes to the Corporation and the Foundation

On March 30, 2010, President Obama signed into law H.R. 4872 – the Health Care and Education Reconciliation Act of 2010 ("HCERA"). Effective July 1, 2010, the HCERA eliminated the Federal Family Education Loan Program in favor of federal student loans being financed and disbursed through the Federal Direct Loan Program. See "APPENDIX B – DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

In response to the significant changes to the student loan program brought about by HCERA, the Boards of the Corporation and the Foundation began evaluating the business and charitable activities of the Corporation and the Foundation. As discussed below, certain changes are expected to be made to the Corporation and the Foundation following the issuance of the Notes; however, the evaluation process is ongoing and additional changes are likely.

Following the issuance of the Notes, the Corporation intends to amend its Articles. The amendment will provide that the Corporation will be operated exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code. The amendment will further provide that in the event of dissolution of the Corporation, the assets of the Corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose and that any such asset not so disposed of shall be disposed of by the chancery court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Following the issuance of the Notes, the Foundation also intends to amend its Articles. The amendment will provide that the Board of Directors of the Corporation will elect the members of the Foundation's Board of Directors. The amendment will further state the Foundation's intention to be a Section 509(a)(3) supporting organization of the Corporation. The Foundation intends to request an IRS determination letter reclassifying it as a support organization under Section 509(a)(3).

Following receipt of such determination letter, the Corporation intends to make one or more contributions of all or substantially all of its general fund assets to the Foundation. The Corporation may also make one or more contributions of its general fund assets to the Foundation prior to receipt of such determination letter. It is expected that in the near future the Trust Estate will constitute all, or substantially all, of the assets of the Corporation.

The Boards of the Corporation and the Foundation also expect to appoint a permanent Executive Director and Chief Executive Officer of the Corporation and the Foundation as part of the ongoing evaluation process.

Outstanding Indebtedness of the Corporation

The Corporation has previously issued various series of student loan bonds and notes pursuant to the Prior Indentures. As of June 30, 2014, the Corporation had outstanding approximately $287,650,000 in principal amount of student loan bonds and notes issued under the Prior Indentures, all of which will be refunded or refinanced with proceeds of the Notes. See "PLAN OF FINANCE" in this Offering Memorandum.

Other Information

The Corporation's mailing address is Mississippi Higher Education Assistance Corporation, P.O. Box 5006, Jackson, Mississippi 39296, and its telephone number is (601) 321-5555. The Corporation will provide without charge to any Holder, upon written request of such Holder, copies of its audited financial statements. Copies of the Corporation's audited financial statements are available at www.esfweb.com/AuditedFinancials.html.

THE CORPORATION'S STUDENT LOAN FINANCE PROGRAM

General

Since its inception, the Corporation has established its student loan program for financing certain student loans originated pursuant to the Federal Family Education Loan Program ("FFELP" or the "FFELP Program"), authorized by Title IV of the Higher Education Act (such loans, "FFELP loans"). The FFELP Program authorized by the Higher Education Act is described in APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM. The FFEL Program is a program of reinsurance of FFELP Loans guaranteed or insured by a state agency or by a private non-profit corporation. Accordingly, the discussion of the Corporation's Loan Finance Program under this caption primarily relates to the FFEL Program. For a description of the FFEL Program, see "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto.

Federal Student Loan Programs

The Higher Education Act provides for a program of (i) direct federal insurance of student loans ("FISLP") and (ii) reinsurance of FFELP Loans guaranteed or insured by a state agency or private non-profit corporation. Several types of loans are currently authorized as FFELP Loans pursuant to the FFEL Program. These include: (a) loans to students with respect to which the federal government makes interest payments available to reduce student interest cost during periods of enrollment ("Subsidized Federal Stafford Loans"); (b) loans to students with respect to which the federal government does not make such interest payments ("Unsubsidized Federal Stafford Loans" and, collectively with Subsidized Federal Stafford Loans, "Federal Stafford Loans"); (c) supplemental loans to parents of dependent students ("Federal PLUS Loans"); (d) supplemental loans to graduate students ("Federal Graduate PLUS Loans"); and (e) loans to fund payment and consolidation of certain of the borrower's obligations ("Federal Consolidation Loans"). Prior to July 1, 1994, the FFEL Program also included a separate type of loan to graduate and professional students and independent undergraduate students and, under certain circumstances, dependent undergraduate students to supplement their Stafford Loans ("Federal Supplemental Loans for Students" or "Federal SLS Loans").

No assurance can be given that the Higher Education Act or other relevant federal or State laws, rules and regulations and the programs implemented thereunder will not be amended or modified in the future in a manner which might adversely impact the Corporation's Loan Finance Program, or might adversely affect the availability and flow of funds to the Corporation or the overall financial condition of the Corporation. Existing legislation and future measures to reduce the federal budget deficit or for other purposes may affect the amount and nature of federal financial assistance available to students in a manner which may affect demand for the FFEL Program. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto for a description of the FFEL Program and related matters.

Lack of Liability of Eligible Guaranty Agencies. Neither the guarantee funds nor any other assets or revenues of the eligible guaranty agencies, including amounts payable to the guaranty agencies by the Secretary, as described above, are pledged as security for the Notes or are available for payment of the Notes. However, amounts paid from such assets and revenues by the eligible guaranty agencies to the Corporation in fulfillment of the eligible guaranty agencies' insurance obligations with respect to Loans are so pledged.

Reimbursement. The original principal amount of loans guaranteed by a guaranty agency which are in repayment for purposes of computing reimbursement payments to a guaranty agency means the original principal amount of all loans guaranteed by a guaranty agency less: (1) guaranty payments on such loans, (2) the original principal amount of such loans that have been fully repaid, and (3) the original amount of such loans for which the first principal installment payment has not become due.

In addition, the Secretary may withhold reimbursement payments if a guaranty agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental Guaranty Agreement is subject to annual renegotiation and to termination for cause by the Secretary. The Corporation has no knowledge that any aforementioned supplemental Guaranty Agreement will not be renegotiated on the same terms as are currently in effect.

Under the Guaranty Agreements and the supplemental guaranty agreements, if a payment on an Eligible Loan guaranteed by a guaranty agency is received after reimbursement by the Secretary, the guaranty agency is entitled to receive an equitable share of the payment.

Any originator of any student loan guaranteed by a guaranty agency is required to discount from the proceeds of the loan at the time of disbursement, and pay to the guaranty agency, an insurance premium which may not exceed that permitted under the Higher Education Act and other applicable law.

The Corporation (or any other holder of an Eligible Loan) is required to exercise due care and diligence in the servicing of the Eligible Loan and to utilize practices which are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a guaranty agency has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the guaranty agency may take reasonable action including withholding payments or requiring reimbursement of funds. The guaranty agency may also terminate the agreement for cause upon notice and hearing.

THE ADMINISTRATOR AND BACK-UP ADMINISTRATOR

Education Services Foundation in its capacity as Administrator will perform administrative duties under the Indenture and the Administration Agreement. The Corporation has entered into a Back-up Servicing Agreement that provides, among other things, that Nelnet Servicing, LLC, as Back-up Administrator, will assume the obligation of the Administrator under the Administration Agreement upon request. See "STUDENT LOAN SERVICING – Description of the Back-up Servicing Agreement".

Under the Administration Agreement, the Administrator will be paid an Administration Fee. The Administration Fee is equal to (i) for each Monthly Distribution Date, a monthly fee equal to the greater of (a) $1/12^{th}$ of 0.40% of the then outstanding Principal Balance of the Financed Eligible Loans as of the last day of the previous month and (b) $25,000.

In carrying out the duties or any of its other obligations under the Administration Agreement, the Administrator may act directly or through agents, attorneys, independent contractors and auditors and enter into agreements with any of them. The Administration Agreement continues in force until the Notes are satisfied in full unless the Administrator resigns or is removed. The Administrator has the right to resign by providing at least sixty (60) days' prior written notice to the Corporation and the Trustee. If directed to do so by the Noteholders holding in the aggregate in excess of 50% of the Outstanding Highest Priority Obligations, the Trustee shall remove the Administrator without cause upon sixty (60) days' prior written notice to the Administrator. The Trustee may remove the Administrator immediately upon written notice to the Administrator upon the occurrence of certain events specified therein, including a default by the Administrator of any of its material duties under the Administration Agreement. No resignation or removal of the Administrator will be effective until a successor Administrator will have been appointed by the Corporation and such successor Administrator will have agreed in writing to be bound by the terms of the Administration Agreement in the same manner and to the same extent as the Administrator is bound thereunder.

The Administration Agreement provides that the Administrator will take all appropriate action that is the duty of the Corporation to take pursuant to the Indenture and the other Basic Documents or under the Higher Education Act. The duties of the Administrator under the Administration Agreement include (i) consulting the Trustee regarding the Corporation's duties under the Basic Documents, (ii) monitoring the performance of the Corporation and advising the Trustee when action is necessary to comply with the Corporation's duties under the Indenture, (iii) preparing for execution by the Corporation, or causing the preparation by other appropriate persons or entities of, all such documents, reports, filings, instruments, certificates and opinions that it shall be the duty of the Corporation to prepare, file or deliver pursuant to the Basic Documents. The Corporation has no employees. It is expected that the Corporation will rely entirely on the Administrator to take, on its behalf, all actions that is the duty of the Corporation to take pursuant to the Indenture and the other Basic Documents or under the Higher Education Act.

The Back-up Servicing Agreement contains provisions that require the Back-up Administrator to assume all of the obligations of the Administrator under the Administration Agreement upon request. During the term of the Notes, the Corporation is required to maintain a Back-up Administration Agreement (unless the Back-up Administrator has become the successor Administrator). If required to assume the obligations of the Administrator under the Administration Agreement, the Back-up Administrator will be paid a portfolio administration fee at a cost of twenty-five basis points (.0025) per year of the outstanding portfolio balance, calculated as of the last day of each month and billed on a monthly basis in 1/12 increments.

STUDENT LOAN SERVICING

General

The Corporation has entered into a Servicing Agreement pursuant to which ACS will service all of the Financed Eligible Loans. The Corporation reserves the right to contract with other servicers to the extent permitted by applicable laws, regulations and contractual commitments and to the extent allowed under the Indenture.

The Servicing Agreement contains detailed provisions relating to the servicing of the Financed Eligible Loans, including provisions regarding recordkeeping, collection of loans and making insurance or guarantee claims. In addition to the detailed provisions of the Servicing Agreement, ACS has agreed to comply with the procedures manual or guidelines established by a Guaranty Agency. The Corporation or the Trustee may require the Servicer to change its procedures under the Servicing Agreement if a change is required to comply with the Higher Education Act, upon written advice from the Secretary of revised procedures, rules or regulations or upon changes in the criteria of a Guaranty Agency.

The Corporation, by and through U.S. Bank National Association, as eligible lender trustee, and ACS entered into a Back-up Servicing Agreement with Nelnet Servicing, LLC, dated as of July 14, 2014. See "Description of the Back-up Servicing Agreement" herein. The Back-up Servicing Agreement governs the appointment and acceptance of Nelnet Servicing, LLC as successor servicer with respect to the Financed Eligible Loans serviced by ACS under its Servicing Agreement, after the occurrence of certain Conversion Events (as hereafter defined) specified therein and the removal of ACS, as the servicer.

The Corporation may appoint additional Servicers or remove the existing Servicer and appoint a substitute Servicer, provided that it has sent a Rating Notification and that any additional Servicer or successor Servicer is one of the Department's Title IV Additional Servicers or if such additional Servicer or successor Servicer is not one of the

Department's Title IV Additional Servicers, shall have entered into a Back-up Servicing Agreement with the Corporation and a Back-up Servicer.

Servicing and Due Diligence

The Corporation has covenanted in the Indenture to have the Financed Eligible Loans serviced and collected in accordance with all applicable requirements of the Higher Education Act, the Department, the Indenture, and the Guaranty Agreements. The Higher Education Act requires that the originating lender, and their agents exercise due diligence in the making, servicing and collection of student loans and that a Guaranty Agency exercise due diligence in collecting loans which it holds. The Higher Education Act defines "due diligence" as requiring the holder of a student loan to utilize servicing and collection practices at least as extensive and forceful as those generally practiced by financial institutions for the collection of consumer loans, and requires that certain specified collection actions be taken within certain specified time periods with respect to a delinquent loan or a defaulted loan. The Guaranty Agencies have established procedures and standards for due diligence to be exercised by each Guaranty Agency with regard to loans that are guaranteed by the respective Guaranty Agency.

ACS

The following information has been furnished by ACS Education Loan Services LLC ("ACS") 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 ACS or Xerox (defined below) subsequent to the date hereof.

ACS Education Loan Services LLC is a for-profit limited liability company and an indirect, wholly-owned subsidiary of Xerox Education Services, LLC ("XEROX-ES") which is a for-profit limited liability company and an indirect, wholly-owned subsidiary of Xerox Corporation ("Xerox"). Headquartered in Norwalk, Connecticut, Xerox is a Fortune 500 company providing document technology, services, software and supplies for production and office environments, as well as business process and technology outsourcing solutions to world-class commercial and government clients. Xerox's common stock trades on the New York Stock Exchange under the symbol "XRX." XEROX-ES has its headquarters at 2277 E. 220th Street, Long Beach, CA 90810, and has domestic regional processing centers in various locations including Long Beach and Bakersfield, California; Utica, New York; Aberdeen, South Dakota and Madison, Mississippi.

The Guaranteed Loan Servicing Group (which includes ACS) is operated by XEROX-ES (formerly ACS Education Services, Inc.) as a third party education loan servicer with approximately 1,000 employees, providing loan origination and servicing for the Federal Stafford, PLUS and Consolidation education loan programs and many alternative/private loan programs, as well as post-origination conversion and private loan origination. As of May 2014, the Guaranteed Loan Servicing Group of XEROX-ES currently services approximately 3.0 million education loan accounts.

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

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

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

Description of the Servicing Agreement

The Servicing Agreement is subject to termination at such time as the student loans subject to the Servicing Agreement are paid in full unless terminated by either party pursuant to the Servicing Agreement. Pursuant to the terms of the Servicing Agreement, the Servicer provides certain student loan servicing activities, as more fully set forth in the Servicing Agreement, with respect to the student loans it services. Such services generally include maintaining custody of copies of promissory notes and related documentation, billing for and processing payments from borrowers, establishing and maintaining records with respect to its servicing activities, and providing certain reporting data and schedules of its activities and the student loan portfolios serviced by it. The Servicing Agreement provides that the Corporation will be indemnified for any loss, liability and expense, including reasonable attorney's fees, arising out of or relating to the Servicer's willful misconduct or negligence with respect to the services provided under the Servicing Agreement or the breach of its obligations under the Servicing Agreement. The Servicing Agreement further provides that the Servicer will purchase or provide for the purchase of any student loan that is denied or threatened to be denies guaranty benefits by a Guaranty Agency.

ACS will be paid fees for the servicing of Financed Eligible Loans serviced by it according to the fee schedule set forth in the Servicing Agreement. The fees are subject to periodic increases. See "FEES" in this Offering Memorandum.

The Servicing Agreement may be terminated by ACS in the case of a non-payment default with at least 30 days' notice thereof, unless the default is cured within the 30 days and upon certain bankruptcy or insolvency events of either party. In the event of certain transfers by the Corporation of its student loans from the Servicer's system, the Corporation is required to pay the Servicer a deconversion and file preparation fee as set forth in the Servicing Agreement.

The Trustee will be a third party beneficiary of the Servicing Agreement entitled to enforce the rights thereunder as if it were directly a party thereto.

Description of the Back-up Servicing Agreement

Nelnet Servicing, LLC is Back-up Servicer (the "Back-up Servicer") for the Financed Eligible Loans serviced by ACS pursuant to the Back-up Third Party Servicing Agreement (the "Back-up Servicing Agreement") by and among the Back-up Servicer, the Corporation and ACS (the "Back-up Servicing Agreement").

The Back-up Servicer generally agrees to act as Back-up Servicer for the Financed Eligible Loans currently serviced by ACS and to provide certain student loan servicing activities, as more fully set forth therein, following the occurrence of a Conversion Event unless the Corporation enters into a servicing agreement with a replacement servicer as permitted under the Indenture. A "Conversion Event" means a Conversion Event as defined in a Back-up Servicing Agreement. The expiration of the Servicing Agreement is not a Conversion Event. The student loan servicing activities the Back-up Servicer will perform upon the occurrence of a Conversion Event will generally include maintaining custody of copies of promissory notes and related documentation, billing for and processing payments from borrowers, establishing and maintaining records with respect to its servicing activities, and providing certain reports of its activities and the student loan portfolios serviced by it. Following a Conversion Event, the Back-up Servicer has agreed to service the Financed Eligible Loans pursuant to the Servicing Agreement, in accordance with the Higher Education Act, rules, regulations, instructions or procedures issued by the Secretary or by a Guaranty Agency, directives pertaining to the Higher Education Act and all applicable guarantor program requirements, as may be in effect from time to time when published in final form.

The Back-up Servicer will be paid fees for acting as a Back-up Servicer for the Financed Eligible Loans currently serviced by ACS and for the servicing of Financed Eligible Loans following a Conversion Event according to the fee schedule set forth in the Back-up Servicing Agreement. The fees are subject to periodic increases. See "FEES" in this Offering Memorandum. Under the Back-up Servicing Agreement, past-due fees of the Back-up Servicer will bear interest at 1.25% per month on the unpaid balance until fully paid. If such fees are not paid within sixty (60) days of receipt of an invoice, a default will occur under the Back-up Servicing Agreement. If such default is not cured within thirty (30) days of notice thereof, the Back-up Servicer has the right to immediately terminate the Back-up Servicing Agreement.

The Back-up Servicing Agreement may be terminated by either party upon a material breach of the Back-up Servicing Agreement by the other party that remains unremedied for sixty (60) days following notice thereof. The Back-up Servicing Agreement may also be terminated upon, among other things, certain bankruptcy or insolvency events of the Back-up Servicer, certain failures of the Corporation to make payments or deposits to be made by it, certain failures of the

Back-up Servicer to remain eligible to service Financed Eligible Loans under the Higher Education Act or the inability of the Back-up Servicer and the Corporation to agree to an increase in fees. In the event that the Back-up Servicing Agreement is terminated by the Corporation for any reason other than a default by the Back-up Servicer, the Corporation will pay the Back-up Servicer an early termination fee as set forth in the Back-up Servicing Agreement. The Back-up Servicing Agreement will terminate one (1) years after its effective date, subject to successive one (1) year period extensions prior to any Conversion Event unless either the Back-up Servicer or the Corporation provides written notice of its intent to terminate the Back-up Servicing Agreement at least ninety (90) days prior to the next scheduled termination date. Upon the occurrence of a Conversion Event, the term of the Back-up Servicing Agreement shall extend until such time as the principal of and interest on the Financed Eligible Loans are paid in full, unless terminated pursuant to the termination provisions of the Back-up Servicing Agreement.

The maximum liability on the part of the Back-up Servicer under the Back-up Servicing Agreement for all losses incurred by the Corporation or the Eligible Lender Trustee on Financed Eligible Loans serviced by the Back-up Servicer as a result of servicing deficiencies shall not exceed the fees received by the Back-up Servicer during the twelve (12) months immediately preceding the event giving rise to the liability of the Back-up Servicer.

The Trustee will be a third party beneficiary of the Back-up Servicing Agreement with the power and right to enforce the provisions thereof as if it were directly a party thereto.

In the Indenture, the Corporation has covenanted that the Financed Eligible Loans serviced by ACS will always be covered by a Back-up Servicing Agreement.

The Back-up Servicing Agreement also contains a provision that requires Nelnet Servicing, LLC to assume the obligations of the Administrator under the Administration Agreement upon request.

GUARANTY AGENCIES

General

All of the Financed Eligible Loans held under the Indenture will be guaranteed as to principal and interest by a Guaranty Agency to at least the minimum percentage of the principal of and accrued interest on such Financed Eligible Loan allowed by the terms of the Higher Education Act and reinsured by the Secretary under the Higher Education Act, and in all cases other than unsubsidized loans, must be eligible for Interest Subsidy Payments paid by the Secretary.

If a Student Loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the eligible lender is reimbursed by the Guaranty Agency for 98% for student loans first disbursed on or after October 1, 1993 through June 30, 2006 and 97% for student loans first disbursed on or after July 1, 2006 through June 30, 2010. The eligible lender is reimbursed 100% of the unpaid principal balance of the Student Loan plus accrued unpaid interest on any defaulted student loan so long as the eligible lender has properly originated and serviced such Student Loan for (i) student loans first disbursed before October 1, 1993; (ii) any filing by or against the borrower thereof of a petition in bankruptcy pursuant to any chapter of the Federal bankruptcy code, as amended; (iii) the death of the borrower thereof; (iv) the total and permanent disability of the borrower, as certified by a qualified physician; and (v) lender of last resort student loans. The Guaranty Agency's guaranty obligation is unaffected by its particular recovery rate or claims rate experience. To the extent, however, that the Guaranty Agency is financially unable to pay claims under its guarantee, whether due to reductions in reimbursement from the Department or for other reasons, and to the extent the Department does not step in and perform the Guaranty Agency's obligations as they become due but instead requires holders of defaulted student loans to first make claims against the Guaranty Agency and thereafter to make claims directly against the Department, payment to holders of student loans may be delayed.

There can be no assurance that the claims rate experience of any of the Guaranty Agencies for which information is provided below for any future year will be similar to the historical claims rate experience set forth below. See "CERTAIN RISK FACTORS — The Financed Eligible Loans are Unsecured and the Ability of a Guaranty Agency to Honor its Guarantee May Become Impaired" herein.

Federal Reinsurance

The Higher Education Act establishes a program of federal reimbursement to certain state agencies or other private nonprofit corporations administering student loan insurance programs of losses sustained in the operation of their student loan guarantee programs. These Guaranty Agencies are reimbursed by the Secretary pursuant to certain agreements between the Secretary and the state agency or organization for amounts expended in discharging their student loan guarantee obligations. See "APPENDIX B — DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

Pursuant to its respective Guaranty Agreement, each of the Guaranty Agencies guarantees payment of 100% of the principal (including any interest capitalized from time to time) and accrued interest for each Student Loan guaranteed by it as to which any one of the following events has occurred:

(a) failure by the borrower thereof to make monthly principal or interest payments on such Student Loan when due, provided such failure continues for a period of 270 days (except that such guarantee against such failures will be 98% of principal and accrued interest for student loans first disbursed on or after October 1, 1993 through June 30, 2006 and 97% of principal and accrued interest for student loans first disbursed on or after July 1, 2006 through June 30, 2010);

(b) any filing by or against the borrower thereof of a petition in bankruptcy pursuant to any chapter of the Federal bankruptcy code, as amended;

(c) the death of the borrower thereof; or

(d) the total and permanent disability of the borrower, as certified by a qualified physician.

When the conditions in (b) or (d) above are satisfied, the Higher Education Act requires the Guaranty Agencies generally to pay the claim within forty-five (45) days of its submission by the lender, and within ninety (90) days when the conditions in (a) or (c) are satisfied. The obligations of the Guaranty Agencies pursuant to their respective Guaranty Agreements are obligations solely of the Guaranty Agencies, respectively, and are not supported by the full faith and credit of any state government.

Each of the Guaranty Agencies' guarantee obligations with respect to any Student Loan are conditioned upon the satisfaction of all the conditions set forth in the applicable Guaranty Agreement. These conditions include, but are not limited to, the following: (i) the origination and servicing of such Student Loan being performed in accordance with the Higher Education Act and other applicable requirements, (ii) the timely payment to the Guaranty Agencies of any guarantee fee charged with respect to such Student Loan, (iii) the timely submission to the Guaranty Agencies of all required pre-claim delinquency status notifications and of the claim with respect to such Student Loan and (iv) the transfer and endorsement of the promissory note evidencing such Student Loan to the Guaranty Agencies, upon and in connection with making a claim to receive Guaranty Payments thereon. Failure to comply with any of the applicable conditions, including the foregoing, may result in the refusal of the Guaranty Agencies to honor their Guaranty Agreements with respect to such Student Loan, in the denial of guarantee coverage with respect to certain accrued interest amounts with respect thereto or in the loss of certain Interest Subsidy Payments and Special Allowance Payments with respect thereto. In such event, the Corporation may have recourse under the Servicing Agreement or may be able to require the seller to repurchase such loan under a Student Loan Purchase Agreement.

Information Concerning Guaranty Agencies

Entities that serve as Guaranty Agencies for a significant portion (at least 10%) of Financed Eligible Loans expected to be included in the Trust Estate as of the Statistical Cut-off Date include American Student Assistance, United Student Aid Funds, Inc. and Pennsylvania Higher Education Assistance Agency. Additional information with respect to such Guaranty Agencies is set forth below. Other entities that serve as Guaranty Agencies for the Financed Eligible Loans expected to be included in the Trust Estate (each such Guaranty Agency guarantees less than 10% of the Financed Eligible Loans as of the Statistical Cut-off Date) include:

- Nebraska Student Loan Program
- Kentucky Higher Education Assistance Authority
- New York State Higher Education Services Corporation

- Educational Credit Management Corporation
- Texas Guaranteed Student Loan Corporation
- Great Lakes Higher Education Guaranty Corporation
- Student Loan Guarantee Foundation of Arkansas
- Louisiana Student Financial Assistance Commission
- Missouri DHE Student Loan Program
- Tennessee Student Assistance Corporation
- Office of Student Financial Assistance

American Student Assistance

Massachusetts Higher Education Assistance Corporation, doing business as American Student Assistance ("ASA"), a not for profit corporation organized in 1956, will guarantee a portion of the Financed Eligible Loans. ASA is one of the oldest and largest guaranty agencies in the United States, and is the designated guarantor for the Commonwealth of Massachusetts and the District of Columbia. Since 1956, ASA has been a provider of higher education financing products and services to students, parents, schools and lenders across the country. ASA guarantees more than $32 billion in outstanding (non ASA held) loans as of June 30, 2013. Originally created by the General Court of the Commonwealth of Massachusetts as Massachusetts Higher Education Assistance Corporation, ASA currently acts on behalf of the U.S. Department of Education to ensure that the public policy purposes and regulatory requirements of the FFEL Program are met. ASA has its principal offices located at 100 Cambridge Street, Boston, MA 02114.

Guaranty Volume. The following table sets forth the original principal amount of FFEL Program Loans (excluding Consolidation Loans) guaranteed by ASA in each of its last five fiscal years:

ASA Fiscal Year (Ending June 30)	Net FFEL Program Loans Guaranteed by ASA (Dollars in Millions)
2009	$1,956
2010	1,601
2011	-21
2012	-1
2013	3

The information in the following tables has been provided by ASA from reports provided by or to the U.S. Department of Education. No representation is made by ASA as to the accuracy or completeness of the information.

Recovery Rates. A Guarantee Agency's recovery rate, which provides a measure of the effectiveness of the collection efforts against defaulting borrowers after the guarantee claim has been satisfied, is determined by dividing the aggregate amount recovered from borrowers by the aggregate amount of default claims paid by the Guarantee Agency. The table below sets forth the recovery rates for ASA as taken from the U.S. Department of Education Guarantee Agency Financial Report form 2000, for each of the last five federal fiscal years:

Federal Fiscal Year (Ending September 30)	Cumulative Recovery Rate
2009	55.3%
2010	56.1
2011	63.1
2012	70.1
2013	74.0

Reserve Ratio. A Guarantee Agency's reserve ratio is determined by dividing the sum of its Federal Reserve Fund balance plus certain allowances and other non-cash charges by the original principal amount of loans outstanding. ASA's reserve ratio for the last five federal fiscal years ending September 30 is as follows:

Federal Fiscal Year (Ending September 30)	Reserve Rate
2009	0.252%
2010	0.297
2011	0.241
2012	0.254
2013	(not yet available)

Claims Rate. ASA's claims rate represents the percentage of loans in repayment at the beginning of a federal fiscal year which defaulted during the ensuing federal fiscal year, net of repurchases, refunds and rehabilitations. For the federal fiscal years 2009-2013, ASA's claims rate has not exceeded 5%, and as a result, all claims of ASA have been fully reimbursed at the maximum allowable level by the U.S. Department of Education. See the description or summary of the FFEL Program herein for more detailed information concerning the FFEL Program. Nevertheless, there can be no assurance the Guarantee Agencies will continue to receive full reimbursement for such claims. The following table sets forth the claims rate of ASA for the last five federal fiscal years:

Federal Fiscal Year (Ending September 30)	Claims Rate
2009	2.0%
2010	2.0
2011	1.7
2012	1.5
2013	2.0

Net Loan Default Claims. The following table sets forth the dollar value of default claims paid, net of repurchases, refunds and rehabilitations for the last five ASA fiscal years:

ASA Fiscal Year (Ending June 30)	Default Claims (Dollars in Millions)
2009	$830
2010	764
2011	683
2012	595
2013	657

Default Recoveries. The following table sets forth the amount of recoveries returned to the U.S. Department of Education for the last five ASA fiscal years:

ASA Fiscal Year (Ending June 30)	Default Claims (Dollars in Millions)
2009	$184
2010	344
2011	459
2012	512
2013	487

United Student Aid Funds, Inc.

United Student Aid Funds, Inc. ("USA Funds") was organized as a private, nonprofit corporation under the General Corporation Law of the State of Delaware in 1960. In accordance with its Certificate of Incorporation, USA Funds: (i) maintains facilities for the provision of guarantee services with respect to approved education loans made to or for the benefit of eligible students who are enrolled at or plan to attend approved educational institutions; (ii) guarantees education loans made pursuant to certain loan programs under the Higher Education Act, as well as loans made under certain private loan programs; and (iii) serves as the designated guarantor for education-loan programs under the Higher Education Act of 1965, as amended ("the Act") in Arizona, Hawaii and certain Pacific Islands, Indiana, Kansas, Maryland, Mississippi, Nevada and Wyoming.

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

For the purpose of providing loan guarantees under the Act, USA Funds has entered into various agreements (collectively, the "Federal Reinsurance Agreements") with the U.S. Secretary of Education (the "Secretary"). Pursuant to the Federal Reinsurance Agreements, USA Funds serves as a "guaranty agency" as defined in Section 4350) of the Act. The Act allows the Secretary, after giving the guaranty agency notice and the opportunity for a hearing, to terminate the Federal Reinsurance Agreements if the Secretary determines that the administrative or financial condition of the guaranty agency jeopardizes the agency's continued ability to perform its responsibilities under its guaranty agreement, it is necessary to protect the federal financial interest, or to ensure the continued availability of loans to student- or parent-borrowers.

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

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

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

As of September 30, 2013, USA Funds held net assets on behalf of the federal reserve fund of approximately $193 million. Through September 30, 2013, the outstanding, unpaid, aggregate amount of principal and interest on loans that had been directly guaranteed by USA Funds under the Federal Family Education Loan Program was approximately $61.6 billion. Also, as of September 30, 2013, USA Funds had operating fund assets totaling almost $1.2 billion, which includes the $193 million of net assets held on behalf of the Federal Reserve Fund.

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

	Reserve Ratio				
	Federal Fiscal Year				
Guarantor	**2009**	**2010**	**2011**	**2012**	**2013**
United Student Aid Funds, Inc.	0.380%	0.400%	0.394%	0.354%	0.313%

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

	Recovery Rate				
	Federal Fiscal Year				
Guarantor	**2009**	**2010**	**2011**	**2012**	**2013**
United Student Aid Funds, Inc.	36.19%	32.90%	32.17%	31.82%	30.55%

USA Funds' "loss rate" represents the percentage of claims purchased from lenders but not covered by reinsurance. For the last five fiscal years, the "loss rate" was as follows:

	Loss Rate				
	Federal Fiscal Year				
Guarantor	**2009**	**2010**	**2011**	**2012**	**2013**
United Student Aid Funds, Inc.	4.48%	4.66%	4.71%	4.73%	4.74%

In addition, USA Funds' "claims rate" represents the percentage of federal reinsurance claims paid by the Secretary during any fiscal year, less amounts remitted to the Secretary for defaulted loans that are rehabilitated relative to USA Funds' existing portfolio of loans in repayment at the end of the prior fiscal year. For the last five fiscal years, the "claims rate" was as follows:

	Claims Rate				
	Federal Fiscal Year				
Guarantor	**2009**	**2010**	**2011**	**2012**	**2013**
United Student Aid Funds, Inc.	1.92%	1.69%	1.69%	1.58%	1.41%

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

Pennsylvania Higher Education Assistance Agency

PHEAA is a body corporate and politic constituting a public corporation and government instrumentality created pursuant to the Pennsylvania Act of August 7, 1963, P.L. 549, as amended (the "Pennsylvania Act").

PHEAA has been guaranteeing student loans since 1964. As of March 31, 2014, PHEAA has guaranteed a total of approximately $48.8 billion principal amount of Stafford Loans, $7.9 billion principal amount of PLUS and SLS Loans, and $52.1 billion principal amount of Consolidation Loans under the Higher Education Act. PHEAA initially guaranteed loans only to residents of the Commonwealth of Pennsylvania (the "Commonwealth") or persons who planned to attend or were attending eligible education institutions in the Commonwealth. In May 1986, PHEAA began guaranteeing loans to borrowers who did not meet these residency requirements pursuant to its national guarantee program. Under the

Pennsylvania Act, guaranty payments on loans under PHEAA's national guarantee program may not be paid from funds appropriated by the Commonwealth.

Effective April 1, 2013 PHEAA was designated as the guarantor for the State of Georgia. PHEAA accepted the transfer and assignment of the rights, duties and responsibilities as a Guaranty Agency under the Federal Family Education Loan Program from the Georgia Higher Education Assistance Corporation's ("GHEAC"), the previous designated guarantor for the State of Georgia. As a result PHEAA accepted the transfer and assignment of student loans with an aggregate of $687.8 million in original principal, net of cancellations. All percentages and results for PHEAA in the charts below for periods of activity after April 1, 2013 include the impact of the additional guaranty volume received in the transfer.

PHEAA has adopted a default prevention program consisting of (i) informing new borrowers of the serious financial obligations incurred by them and stressing the financial and legal consequences of failure to meet all terms of the loan, (ii) working with institutions to make certain that student borrowers are enrolled in sound education programs and that the proper individual enrollment records are being maintained, (iii) assisting lenders with operational programs to ensure sound lending policies and procedures, (iv) maintaining up-to-date student status and address records of all borrowers in the guaranty program, (v) initiating prompt collection actions with borrowers who become delinquent on their loans, do not establish repayment schedules or "skip", (vi) taking prompt action, including legal action and garnishment of wages, to collect on all defaulted loans, and (vii) adopting a general policy that no loan will be automatically "written off". Since the loan servicing program was initiated in 1974, PHEAA has never exceeded an annual default claims percentage of 5 percent and, as a result, federal reimbursement for default claims has thus far been at the maximum federal reimbursement level.

For the last five federal fiscal years (ending September 30), the annual default claims percentages have been as follows:

Fiscal Year	Annual Default Claims
2009	1.95
2010	1.75
2011	1.54
2012	1.88
2013	1.67

As of March 31, 2014, PHEAA had total federal reserve-fund assets of approximately $101.8 million. Through March 31, 2014, the outstanding amount of original principal on loans that had been directly guaranteed by PHEAA and transferred from GHEAC under the Federal Family Education Loan Program was approximately $36.1 billion. In addition, as of March 31, 2014, PHEAA had total assets of $8.3 billion, which does not include Federal Reserve Fund assets.

Guarantee Volume. PHEAA's guaranty volume (the approximate aggregate principal amount of federally reinsured education loans, including PLUS Loans but excluding federal Consolidation Loans) was as follows for the last five federal fiscal years (ending September 30):

Fiscal Year	Guaranty Volume (Millions)
2009	4,086
2010	913
2011	0
2012	0
2013	0

Reserve Ratio. Under current law, PHEAA is required to manage the Federal Fund so net assets are greater than 0.25% of the original principal balance of outstanding guarantees. The table below shows the reserve ratio for PHEAA for the last five federal fiscal years (ending September 30):

Fiscal Year	Reserve Ratio
2009	0.25
2010	0.44
2011	0.40
2012	0.35
2013	0.25

The table displays PHEAA's calculation of the reserve ratio on a regulatory basis of accounting. In addition to gain contingencies not recognized under generally accepted accounting principles, starting with fiscal year 2010 the reserve ratio includes an adjustment related to foregoing the transfer of default aversion fees from the Federal Reserve Fund to the Agency Operating Fund as agreed to in the management plan approved by the Department on May 22, 2007.

Recovery Rates. A guarantor's recovery rate, which provides a measure of the effectiveness of the collection efforts against defaulting borrowers after the guarantee claim has been satisfied, is determined for each year by dividing the current year collections by the total outstanding claim portfolio for the prior fiscal year. The table below shows the cumulative recovery rates for PHEAA for the five federal fiscal years (ending September 30):

Fiscal Year	Recovery Rates
2009	29.32
2010	32.28
2011	31.50
2012	30.98
2013	29.85

TRUSTEE

U.S. Bank National Association is a national banking association and a wholly-owned subsidiary of U.S. Bancorp. The corporate trust office administering this transaction is located at 425 Walnut Street, Cincinnati, Ohio 45202. A diversified financial services company, U.S. Bancorp. provides banking, insurance, trust, mortgage and consumer finance services throughout the United States and internationally. U.S. 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. U.S. Bank National Association has provided corporate trust services since 1924. Other than the information provided in this section by the Trustee, the Trustee has not participated in the preparation of and assumes no responsibility for this Offering Memorandum and has not reviewed or undertaken to verify any information contained herein.

ELIGIBLE LENDER TRUSTEE

U.S. Bank National Association, is the Eligible Lender Trustee for the Corporation under an Eligible Lender Trust Agreement, dated as of June 6, 2014 (the "Eligible Lender Trust Agreement"). The Eligible Lender Trustee will acquire on behalf of the Corporation legal title to all of the Financed Eligible Loans. The Eligible Lender Trustee, on behalf of the Corporation, has entered into a separate guarantee agreement with each of the guarantee agencies described in this Offering Memorandum with respect to the Financed Eligible Loans. The Eligible Lender Trustee qualifies as an eligible lender and the holder of the Financed Eligible Loans for all purposes under the Higher Education Act and the guarantee agreements. Other than the information provided in this section by the Eligible Trustee, the Eligible Trustee has not participated in the preparation of and assumes no responsibility for this Offering Memorandum and has not reviewed or undertaken to verify any information contained herein.

The liability of the Eligible Lender Trustee in connection with the issuance and sale of the Notes will consist solely of discharging the express obligations specified in the Eligible Lender Trust Agreement. The Eligible Lender Trustee will be entitled to be indemnified by the Corporation (payable solely from assets in the Trust Estate) for any loss,

liability or expense (including reasonable attorneys' fees) incurred by it in connection with the performance of its duties under the Eligible Lender Trust Agreement except for any loss, liability or expenses caused by the Eligible Lender Trustee's willful misconduct or negligence.

The Eligible Lender Trustee may resign at any time by giving written notice to the Corporation. The Corporation may also remove the Eligible Lender Trustee at any time upon payment to the Eligible Lender Trustee of all moneys, fees and expenses then due it under the Eligible Lender Trust Agreement. Such resignation or removal of the Eligible Lender Trustee and appointment of a successor will become effective only when a successor accepts its appointment.

REPORTS TO NOTEHOLDERS

Not later than four Business Days prior to each Monthly Distribution Date, the Corporation will prepare and deliver to the Trustee a report which will specify the amounts to be deposited or distributed by the Trustee on the next Monthly Distribution Date (the "Monthly Distribution Report"). Each Monthly Distribution Report shall be in substantially the form attached hereto as Appendix E. The Trustee may conclusively rely and accept the information described in the Monthly Distribution Report from the Corporation, with no further duty to know, determine or examine such reports. On or prior to each Monthly Distribution Date, the Corporation will post and provide electronic access to the Monthly Distribution Report on the Corporation's website at http://www.esfweb.com/mheac.html. The website is not incorporated into and shall not be deemed to be a part of this Offering Memorandum. Any Noteholder requesting a copy of the Monthly Distribution Report from the Trustee will be directed to the electronic form posted on the Corporation's website. Such Monthly Distribution Report will not be audited and will not constitute financial statements prepared in accordance with generally adopted accounting principles.

In the event the Corporation no longer maintains, or is no longer able to maintain, its website for this purpose, the Trustee will post and provide electronic access to the Monthly Distribution Reports on a website, currently http://www.usbank.com/abs. The website is not incorporated into and shall not be deemed to be part of this Offering Memorandum.

For each Quarterly Reporting Period, the Corporation will post on its website reports setting forth information with respect to the Notes and the Financed Eligible Loans as of the end of such period, including descriptions of portfolio characteristics.

TAX MATTERS

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, NOTEHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY NOTEHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON NOTEHOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCLOSURE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) NOTEHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

General

The following is a summary of certain anticipated U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes. The summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those described below. The summary generally addresses Notes held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Notes as a hedge against currency risks or as a position in a "straddle", "hedge", "constructive sale transaction" or "conversion transaction" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers except where otherwise specifically noted. Potential purchasers of the

Notes should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Notes.

The Corporation has not sought and will not seek any rulings from the Internal Revenue Service ("IRS") with respect to any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term ''U.S. Holder'' means a beneficial owner of Notes that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for U.S. 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), (c) an estate whose income is subject to U.S. federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury Regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Notes, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Notes, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Notes.

Characterization of the Notes as Indebtedness

In the opinion Jones Walker LLP, the Notes will be characterized as debt for U.S. federal income tax purposes. The Corporation intends to treat the Notes as debt for federal income tax purposes, except where otherwise stated. If, however, the IRS were to successfully assert that the Notes were not indebtedness, the Notes could be treated as interests in a partnership.

The remainder of this federal income tax discussion assumes that the Corporation is treated as the owner of the Financed Eligible Loans for U.S. federal income tax purposes, and that the Notes are treated as indebtedness for federal income tax purposes.

Stated Interest

Interest on the Notes is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to U.S. federal income taxation. Noteholders (other than those who purchase Notes in the initial offering at their principal amounts) will be subject to U.S. federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Notes. In general, interest paid on the Notes and recovery of any accrued market discount will be treated as ordinary income to a Noteholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the Noteholder's basis in the Notes and capital gain to the extent of any excess received over such basis.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Notes issued with original issue discount ("Discount Notes"). A Note will be treated as having been issued at an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Notes of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Note's stated redemption price at maturity multiplied by the number of complete years to its maturity.

A Note's "stated redemption price at maturity" is the total of all payments provided by the Note that are not payments of "qualified stated interest". Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Note is the sum of the "daily portions" of original issue discount with respect to such Note for each day during the taxable year in which such holder held such Note. The daily portion of original issue discount on any Discount Note is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Note, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the sum of the issue price of the Discount Note plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Note that were not qualified stated interest payments. Under these rules, holders will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Noteholders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Note by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount

Any Noteholder who purchases a Note at a price which includes market discount in excess of a prescribed de minimis amount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original Noteholder) will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such Noteholder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Note as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

A Noteholder who acquires such Note at a market discount also may be required to defer, until the maturity date of such Notes or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Note in excess of the aggregate amount of interest (including original issue discount) includable in such Noteholder's gross income for the taxable year with respect to such Note. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Note for the days during the taxable year on which the Noteholder held the Note and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Note matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the Noteholder elects to include such market discount in income currently as described above.

Bond Premium

A Noteholder who purchases a Note at a cost greater than its remaining redemption amount will have amortizable bond premium. If the Noteholder elects to amortize this premium under Section 171 of the Code (which election will apply to all Notes held by the Noteholder on the first day of the taxable year to which the election applies and to all Notes thereafter acquired by the Noteholder), such a Noteholder must amortize the premium using constant yield principles based on the Noteholder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Noteholders who acquire such Notes at a premium should consult with their own tax advisors with respect to state and local tax consequences of owning such Notes.

Surtax on Unearned Income

Recently enacted legislation generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this legislation in their particular circumstances.

Sale or Redemption of Notes

A Noteholder's tax basis for a Note is the price such owner pays for the Note plus the amount of OID and market discount previously included in income and reduced on account of any amortized bond premium and by the amount of principal payments previously received on the Note. Gain or loss recognized on a sale, exchange or redemption of a Note, measured by the difference between the amount realized and the Note basis as so adjusted, will generally give rise to capital gain or loss if the Note is held as a capital asset (except in the case of Notes acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income). Capital losses generally may be used by a corporate taxpayer only to offset capital gains, and by an individual taxpayer only to the extent of capital gains plus $3,000 of other income. For noncorporate Noteholders, capital gain recognized on the sale or other disposition of a Note held for more than one year is taxed at a maximum rate of 20%.

If the terms of the Notes are materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral.

EACH POTENTIAL NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE OR REDEMPTION OF THE NOTES, AND (2) THE CIRCUMSTANCES IN WHICH NOTES WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain U.S. federal income and estate tax consequences resulting from the beneficial ownership of Notes by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "Non-U.S. Holder").

Subject to the discussion of backup withholding and newly enacted legislation below, payments of principal by the Corporation or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to U.S. withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, U.S. withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10-percent or more of the voting equity interests of the Corporation, (2) is not a controlled foreign corporation for U.S. federal income tax purposes that is related to the Corporation (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS FormW-8 (series) to the Corporation or its agent under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Notes must certify to the Corporation or its

agent under penalties of perjury that such statement on IRS Form W-8BEN or W-8IMY has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from U.S. withholding tax depending on the terms of an existing Federal Income Tax Treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and OID payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including OID. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide the Corporation or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Note held by such Non-U.S. Holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such Non-U.S. Holder timely furnishes the required certification to claim such exemption), may be subject to U.S. federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Note will be included in the earnings and profits of the Non-U.S. Holder foreign corporation if the interest is effectively connected with the conduct of its trade or business in the United States. A Non-U.S. Holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Any capital gain realized on the sale, exchange, retirement or other disposition of a Note by a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of U.S. withholding and other taxes upon income realized in respect of the Notes.

Foreign Account Tax Compliance Act

Non-U.S. Holders should be aware that United States tax legislation ("FATCA") enacted in 2010 provides that a 30% withholding tax will be imposed on certain payments (which could include interest in respect of the Notes and gross proceeds from the sale, exchange, redemption or other disposition of such Notes) made to a foreign entity if such entity fails to satisfy certain new disclosure and reporting rules. FATCA generally requires that (i) in the case of a foreign financial institution (defined broadly to include a foreign hedge fund, a private equity fund, a mutual fund, a securitization vehicle or other investment vehicle), the entity identifies and provides information in respect of financial accounts with such entity held (directly or indirectly) by U.S. persons and U.S.-owned foreign entities and (ii) in the case of a Noteholder that is a non-financial foreign entity, the Noteholder identifies and provides information in respect of substantial U.S. owners of such entity.

To the extent required to establish an exemption from withholding under FATCA, each Noteholder agrees, to the extent it is legally able to do so, to (1) provide the Corporation (i) any forms and certificates that are required to be provided by the Noteholder pursuant to the Indenture, and (ii) any other forms or certificates required by FATCA, as applicable to establish that such Noteholder is a United States person as defined in Section 7701(a)(30) of the Code (a "United States person"), or a United States owned foreign person as described in FATCA (a "United States owned foreign entity"), and (2) if it is a United States person or a United States-owned foreign entity, to (x) provide the Corporation with, in the case of any such United States person, such forms or certificates as may be required by FATCA, and (y) update any such forms or certificates provided in clause (x) promptly upon learning that such forms or certificates have become obsolete or incorrect in any material respect.

FATCA generally exempts from withholding any payments on, or proceeds in respect of, debt instruments held by entities and outstanding on December 31, 2014. The United States Treasury is also in the process of signing IGAs (as defined below) with other countries to implement the exchange of information required under FATCA.

Non-U.S. Noteholders are strongly encouraged to consult with their own tax advisors regarding the potential application and impact of FATCA and any Intergovernmental Agreement between the United States and their home jurisdiction in connection with FATCA compliance.

"FATCA" means Sections 1471 through 1474 of the Code, any current or future Treasury Regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b) of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement ("IGA") entered into in connection with the implementation of such sections of the Code or analogous provisions of non-US. law.

Information Reporting and Backup Withholding

For each calendar year in which the Notes are outstanding, the Corporation is required to provide the IRS with certain information, including a Noteholder's name, address and taxpayer identification number (either the Noteholder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that Noteholder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain Noteholders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a Noteholder 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, the Corporation, its agents or paying agents or a broker may be required to withhold tax on each payment on the Notes. This backup withholding is not an additional tax and may be credited against the Noteholder's federal income tax liability, provided that the Noteholder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by the Corporation or any of its agents (in their capacity as such) to a Non-U.S. Holder if such Non-U.S. Holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under "— Non-U.S. Holders" above), or has otherwise established an exemption (provided that neither the Corporation nor its agent has actual knowledge that the Non-U.S. Holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Note to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following:

- a U.S. person;
- a controlled foreign corporation for U.S. tax purposes;
- a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or
- a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Note to or through the United States office of a broker is subject to information reporting and backup withholding unless the Noteholder certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a Noteholder's particular situation. Noteholders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Notes, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

Tax Shelter Disclosure and Investor List Requirements.

Treasury Regulations directed at "potentially abusive" tax shelter activity can apply to transactions not conventionally regarded as tax shelters. These Treasury Regulations require taxpayers to report certain information on IRS Form 8886 if they participate in a "reportable transaction" and to retain certain information relating to such transactions. Organizers and sellers of the transaction are required to maintain records including investor lists containing identifying information and to furnish those records to the IRS upon demand. A transaction may be a "reportable transaction" based upon any of several indicia, one or more of which may be present with respect to an investment in the Notes. Noteholders may be required to report their investment in the Notes even if the Notes are treated as debt for U.S. federal income tax purposes. Significant penalties can be imposed for failure to comply with these disclosure and investor list requirements. Prospective Noteholders should consult their tax advisors concerning any possible disclosure obligation with respect to their investment.

You should consult your tax advisor concerning any possible disclosure obligation with respect to your investment in the Notes, and should be aware that the Corporation and other participants in each transaction intend to comply with such disclosure and investor list requirement as each participant in its own discretion determines apply to them with respect to such transaction.

IN ALL EVENTS, ALL NOTEHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES.

STATE TAX CONSIDERATIONS

In addition to the federal income tax consequences described under "TAX MATTERS" in this Offering Memorandum, potential Noteholders should consider the state income tax consequences of the acquisition, ownership, and disposition of the Notes. 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. Potential Noteholders are strongly encouraged to consult their own tax advisors with respect to the various state tax consequences of an investment in the Notes.

CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS

Subject to the following discussion, the Notes may be acquired with assets of pension, profit-sharing or other employee benefit plans, as well as individual retirement accounts or annuities, Keogh plans and other plans covered by Section 4975 of the Code and entities the underlying assets of which are considered to include "plan assets" of such plans, accounts and arrangements (each a "Plan"). Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the Code prohibit a Plan subject to those provisions (each, a "Benefit Plan Investor") from engaging in certain transactions with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to such Benefit Plan Investor. A violation of these "prohibited transaction" rules may result in an excise tax or other penalties and liabilities under ERISA and the Code for such persons or the fiduciaries of such Benefit Plan Investor. In addition, Title I of ERISA requires fiduciaries of a Benefit Plan Investor subject to ERISA to make investments that are prudent, diversified, and in accordance with the governing plan documents. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA) and non-electing church plans (as defined in Section 3(33) of ERISA) are not subject to the fiduciary and prohibited transaction provisions of ERISA or Section 4975 of the Code. However, such plans may be subject to similar restrictions under applicable state, local, or other law ("Similar Law").

Certain transactions involving the Corporation might be deemed to constitute prohibited transactions under ERISA and the Code with respect to a Benefit Plan Investor that purchased Notes if assets of the Corporation were deemed to be assets of the Benefit Plan Investor. Under ERISA Section 3(42) and United States Department of Labor Regulation Section 2510.3-101 (the "Regulation"), the assets of the Corporation would be treated as plan assets of a Benefit Plan Investor for the purposes of ERISA and the Code only if the Benefit Plan Investor acquired an "equity interest" in the Corporation and none of the exceptions contained in the Regulation was applicable. An equity interest is defined under the Regulation as an interest other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Although not free from doubt, the Corporation believes that, at the time of their issuance, the Notes as described herein should be treated as indebtedness of the Corporation under applicable local law without substantial equity features for purposes of the Regulation. This determination is based upon the traditional debt features of the Notes,

including the reasonable expectation of purchasers of Notes that the Notes will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Notes for ERISA purposes could change subsequent to their issuance. In the event of a withdrawal or downgrade to below investment grade of the rating of the Notes or a characterization of the Notes as other than indebtedness under applicable local law, the subsequent purchase of the Notes or any interest therein by a Benefit Plan Investor is prohibited.

In the event that the Notes cannot be treated as indebtedness for purposes of ERISA, under an exception to the Regulation, the assets of a Plan will not include an interest in the assets of an entity, the equity interests of which are acquired by the Plan, if at no time do Plans in the aggregate own 25% or more of the value of any class of equity interests in such entity, as calculated under Section 3(42) of ERISA and the Regulation. Because the availability of this exception depends upon the identity of the holders of the Notes at any time, there can be no assurance that the Notes 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, a Plan should not acquire or hold Notes in reliance upon the availability of this exception under the Regulation.

However, without regard to whether the Notes are treated as an equity interest for purposes of the Regulation, the acquisition or holding of Notes by or on behalf of a Benefit Plan Investor could be considered to give rise to a prohibited transaction if the Corporation, the Administrator, the Back-up Administrator, the Servicer, the Back-up Servicer, the Guarantors, the Underwriter or the Trustee is or becomes a party in interest or a disqualified person with respect to such Benefit Plan Investor. Certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of Notes by a Benefit Plan Investor depending on the type and circumstances of the Plan fiduciary making the decision to acquire such Notes and the relationship of the party in interest to the Benefit Plan Investor. Included among these exemptions are: Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Benefit Plan Investor and non-fiduciary service providers to the Benefit Plan Investor; Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transaction effected by "in-house asset managers"; PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investments funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers". Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts that might be construed as prohibited transactions. There can be no assurance that any of these, or any other exemption, will be available with respect to any particular transaction involving the Notes, and prospective purchasers that are Benefit Plan Investors should consult with their legal advisors regarding the applicability of any such exemption.

By acquiring a Note (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Note (or interest therein) with the assets of a Benefit Plan Investor, governmental plan or church plan; or (ii) the acquisition and holding of the Note (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. Benefit Plan Investors may not purchase the Notes at any time that the ratings on the Notes are below investment grade or the Notes have been characterized as other than indebtedness for applicable local law purposes. A purchaser or transferee who acquires Notes with assets of a Benefit Plan Investor represents that such purchaser or transferee has considered the fiduciary requirements of ERISA or other similar laws and has consulted with counsel with regard to the purchase or transfer.

A plan fiduciary considering the purchase of Notes should consult its legal advisors regarding the matters discussed above and other applicable legal requirements before purchasing the Notes.

THE CUSTODIAN

Pursuant to the Servicing Agreement, the Servicer as Custodian will have physical possession of the promissory notes and related documents evidencing the respective Eligible Loans (as used in this section, the "Student Loan Notes"). The Trustee will not have physical possession of any Student Loan Notes. The Trustee will have no responsibility for loss of or damage to the Student Loan Notes held by the Custodian, or for any action or omission of the Custodian.

FINANCIAL ADVISOR

The Corporation has entered into an agreement with SecondMarket, Inc. (the "Financial Advisor") whereunder the Financial Advisor provides financial recommendations and guidance to the Corporation with respect to preparation for sale of the Notes, timing of sale, bond market conditions, costs of issuance and other factors related to the sale of the Notes. The Financial Advisor has also provided financial advisory services to the Corporation in the past. The Financial Advisor has read and participated in the drafting of certain portions of this Offering Memorandum and has supervised the completion and editing thereof. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in this Offering Memorandum, or any other related information available to the Corporation, with respect to accuracy and completeness of disclosure of such information, and the Financial Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of this Offering Memorandum or any other matter related to this Offering Memorandum. The Financial Advisor also has security trading relationships with affiliates of the Underwriter, the Back-up Servicer and the Back-up Administrator.

UNDERWRITING

Under a note purchase agreement (the "Note Purchase Agreement") entered into between the Corporation and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), the Series 2014 A-1 Notes are being purchased at a purchase price of $385,355,250, which amount is equal to par, less Underwriter's discount of $1,644,750.

The Purchase Agreement provides that the Underwriter will purchase all of the Series 2014 A-1 Notes, if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2014 A-1 Notes is subject to various conditions contained in the Purchase Agreement.

The Underwriter intends to offer the Notes to the public initially at the respective offering prices set forth on the front cover page of this Offering Memorandum, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices other than the public offering prices set forth on the front cover page of this Offering Memorandum, and such offering prices may be changed, from time to time, by the Underwriter.

It is expected that delivery of the Series 2014 A-1 Notes will be made only in book-entry form through the same day funds settlement system of DTC on or about the Date of Issuance, against payment therefor in immediately available funds.

In the Note Purchase Agreement, the Underwriter has agreed, subject to the terms and conditions set forth therein, to purchase the Series 2014 A-1 Notes. The Note Purchase Agreement provides that the obligation of the Underwriter to pay for and accept delivery of its Series 2014 A-1 Notes is subject to, among other things, the receipt of certain legal opinions and the satisfaction of other conditions.

The sale of the Series 2014 A-1 Notes by the Underwriter may be effected from time to time in one or more negotiated transactions, or otherwise, at varying prices to be determined at the time of sale. The Underwriter may effect such transactions by selling Series 2014 A-1 Offered Notes to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the Underwriter for whom they act as agent.

The Note Purchase Agreement provides that the Corporation will indemnify the Underwriter, and that under limited circumstances the Underwriter will indemnify the Corporation against certain civil liabilities under federal or state securities laws.

The Notes are a new class of securities with no established trading market. Although the Underwriter has advised that it may from time to time make a market in the Series 2014 A-1 Notes, the Underwriter is under no obligation to do so, a market may fail to develop despite some degree of market-making activities and the Underwriter may discontinue market-marking activities at any time without prior notice. There can be no assurance that a secondary market for the Series 2014 A-1 Notes will develop or, if it does develop, that it will continue or that the prices at which the Notes will sell in the market after this offering will not be lower or higher than the initial offering price. The primary source of ongoing information available to investors concerning the Series 2014 A-1 Notes will be the statements discussed in this Offering Memorandum under "REPORTS TO NOTEHOLDERS". There can be no assurance that any additional information regarding the Notes will be available through any other source. In addition, the Corporation is not aware of any source

through which price information about the Series 2014 A-1 Notes will be generally available on an ongoing basis. The limited nature of such information regarding the Notes may adversely affect the liquidity of the Series 2014 A-1 Notes, even if a secondary market for the Notes becomes available.

The Underwriter and some of its affiliates have in the past engaged, and may in the future engage, in commercial or investment banking activities with the Corporation, and may trade in their securities. In this regard, as of the Date of Issuance, Merrill Lynch, Pierce, Fenner & Smith Incorporated and/or its affiliates collectively expect to own approximately $88,500,000 of the Currently Outstanding Obligations which will be sold to the Corporation on the Date of Issuance at a purchase price of par plus accrued interest and cancelled. See "PLAN OF FINANCE" in this Offering Memorandum. Merrill Lynch, Pierce, Fenner & Smith Incorporated is an affiliate of Bank of America, N.A. (the "Bank").

The Corporation may, from time to time, invest the funds in the accounts in eligible investments acquired from the Underwriter.

Merrill Lynch, Pierce, Fenner & Smith Incorporated may be contacted at its principal office at One Bryant Park, NY1-100-04-00, New York, New York 10036, telephone (646) 855-9095 Attention: Managing Director, ABS Trading.

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, investors 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 "CERTAIN RISK FACTORS — Experience May Vary from Assumptions" which could cause the actual results to differ from expectations.

Forward-looking statements speak only as of the date of the document in which they are made. The Corporation disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which the forward-looking statement is based.

RATINGS

It is a condition to the issuance of the Notes that the Series 2014 A-1 Notes be rated "AAAsf" by Fitch and "AA+(sf)" by S&P. The Series 2014 B-1 Notes will not be rated. The Corporation has furnished Fitch and S&P with certain information and materials concerning the Notes and the Corporation, some of which is not included in this Offering Memorandum. Generally, a Rating Agency bases its rating on such information and materials and also on such investigations, studies, and assumptions as each may undertake or establish independently.

A rating is not a recommendation to buy, sell or hold the Notes and any such rating should be evaluated independently. Each rating is subject to change or withdrawal at any time and any such change or withdrawal may affect the market price or marketability of the Notes. Neither of the Corporation nor the Underwriter has undertaken any responsibility either to bring to the attention of the Noteholders any proposed change in or withdrawal of the rating of the Notes or to oppose any such change or withdrawal.

LEGAL MATTERS

Certain legal matters, including certain income tax matters, will be passed upon for the Corporation by Jones Walker LLP, Jackson, Mississippi and certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP.

ACCOUNTING CONSIDERATIONS

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

LITIGATION

There is currently no litigation pending, or, to the knowledge of the Corporation, threatened, that would have the effect of prohibiting, restraining or enjoining the issuance, sale, or delivery of the Notes, or in any way contesting or affecting the validity of the Notes, any proceedings of the Corporation taken with respect to the issuance or sale thereof, or the pledge of the Trust Estate as provided by the Indenture or the due existence or powers of the Corporation.

MISCELLANEOUS

All quotations from, and summaries and explanations of the State laws, the Higher Education Act, the Indenture and other agreements contained herein do not purport to be complete and reference is made to said laws, regulations, Indenture and agreements for full and complete statements of their provisions. The Appendices attached hereto are a part of this Offering Memorandum. Copies, in reasonable quantity, of the applicable State laws, the Indenture and other agreements may be inspected upon request directed to Mississippi Higher Education Assistance Corporation, P.O. Box 5006, Jackson Mississippi, Attn: Executive Director.

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 purchasers or Holders of any of the Notes.

The Trustee and the Eligible Lender Trustee have not participated in the preparation of and they assume no responsibility for this Offering Memorandum, and they have not reviewed or undertaken to verify any information contained herein.

The execution and delivery of this Offering Memorandum have been duly authorized by the Corporation.

MISSISSIPPI HIGHER EDUCATION ASSISTANCE CORPORATION

By: /s/ William F. Alvis
Chief Financial Officer and Interim Executive Director

APPENDIX A

SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE

The following are certain limited summaries from the Indenture, which is subject to change until the Date of Issuance. Upon request, the full Indenture is available from the Corporation.

DEFINITIONS

"Account" means any of the accounts which may be created and established within any Fund pursuant to the Indenture.

"Acquisition Fund" means the Fund by that name further described in "Establishment of Funds and Account" herein.

"Acquisition Period" means the period beginning on the Date of Issuance of the Notes and ending on the thirtieth (30^{th}) calendar day thereafter.

"Administration Agreement" means (i) the Administration Agreement dated as of July 1, 2014, by and among the Corporation, Education Services Foundation, the Trustee and the Eligible Lender Trustee, as it may be amended and supplemented pursuant to the terms thereof and (ii) any replacement agreement among the Corporation, any other Administrator (including, but not limited to the Back-up Administrator), the Trustee and the Eligible Lender Trustee.

"Administration Fee" means the fee for performing the administrative duties under the Indenture (as further described under the caption "FEES" in this Offering Memorandum). The fee will initially be paid to the Administrator. In the event a party (including but not limited to the Back-up Administrator) other than Education Services Foundation shall become Administrator, a portion of the Administration Fee equal to the amount (if any) set forth in the successor Administration Agreement will be paid to the successor Administrator and the remainder, if any, will be paid to Education Services Foundation for performance of residual administrative duties.

"Administrator" means Education Services Foundation, when it is performing administrative duties for the Corporation under the terms of the Administration Agreement and any successor appointed pursuant to the terms of the Indenture to perform any administrative duties under the Indenture, including, if applicable, the Back-up Administrator.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Articles of Incorporation" means the articles of incorporation filed with the Secretary of State of the State establishing the Corporation under Mississippi law, as amended from time to time.

"Authorized Denominations" means a minimum denomination of $100,000 and integral multiples of $1,000 in excess thereof.

"Authorized Representative" means, when used with reference to the Corporation, the Executive Director, Chief Financial Officer, President, Vice President and Secretary (including any acting or interim Executive Director, Chief Financial Officer, President, Vice President and Secretary) and any other Person duly authorized to act on the Corporation's behalf, with notice to the Trustee.

"Available Funds" means, as to a Monthly Distribution Date, the following amounts received during the related Collection Period (to the extent not previously disbursed):

(a) all collections on the Financed Eligible Loans by the Servicer and received by the Trustee, including any Guaranty Payments received on the Financed Eligible Loans, but net (to the extent that funds have been applied during such related Collection Period) of:

(i) any collections in respect of the Financed Eligible Loans applied to repurchase Guaranteed student loans (to the extent such student loans were previously Financed Eligible Loans) from a Guaranty Agency under the applicable Guaranty Agreement or from the Servicer pursuant to the Servicing Agreement, and

(ii) amounts required by the Higher Education Act to be paid to the Department (including, but not limited to, any Monthly Rebate Fees and any Department Rebate Fund Requirement to be deposited into the Department Rebate Fund or paid directly to the Department), any Guaranty Agency (other than as set forth in clause (i)) or to be repaid to borrowers, whether or not in the form of a principal reduction of the applicable Financed Eligible Loan, on the Financed Eligible Loans for that Collection Period or prior Collection Periods, if any;

(b) any Interest Subsidy Payments and Special Allowance Payments received by the Trustee or the Corporation with respect to the Financed Eligible Loans;

(c) all proceeds of any Financed Eligible Loans which are in default and liquidated by the Servicer (not including any Financed Eligible Loans on which payments are received from a Guaranty Agency) or which the Servicer has determined to charge off during that Collection Period in accordance with the Servicer's customary servicing procedures, and all recoveries (whether principal or otherwise) which were written off in prior Collection Periods or during that Collection Period;

(d) the aggregate amounts, if any, received on the Financed Eligible Loans from (1) a seller pursuant to a Student Loan Purchase Agreement, (2) the Servicer as reimbursement of non-guaranteed interest amounts, or lost Interest Subsidy Payments and Special Allowance Payments pursuant to the Servicing Agreement, and (3) the Corporation (or on behalf of the Corporation) from any other Person in connection with the optional release of the Financed Eligible Loans from the lien of the Indenture pursuant to the Indenture;

(e) amounts received pursuant to the Servicing Agreement and during that Collection Period as yield or principal adjustments or any other amounts payable to the Trust Estate by the Servicer pursuant to the Servicing Agreement;

(f) investment earnings or gains realized from the investment of amounts on deposit in each Fund;

(g) on the March 25, 2016, Monthly Distribution Date, those funds then on deposit in the Capitalized Interest Fund that are required under the Indenture to be transferred into the Collection Fund for payment on that Monthly Distribution Date;

(h) all funds then on deposit in the Acquisition Fund that are required under the Indenture to be transferred into the Collection Fund on the first Business Day following the end of the Acquisition Period;

(i) amounts in excess of the Specified Reserve Fund Balance transferred from the Reserve Fund as of that Monthly Distribution Date pursuant to the Indenture;

(j) any other amounts deposited in the Collection Fund; and

(k) any moneys remaining in the Collection Fund after disbursements on the previous Monthly Distribution Date;

provided that if on any Monthly Distribution Date there would not be sufficient funds, after application of Available Funds as defined above, to pay certain items specified in the Indenture relating to such distribution, and after application of amounts available from (1) the Capitalized Interest Fund and (2) the Reserve Fund (in that order),

then Available Funds for that Monthly Distribution Date will include amounts held by the Trustee for deposit into the Collection Fund on the fourth Business Day prior to the Monthly Distribution Date which would have constituted Available Funds for the Monthly Distribution Date following that Monthly Distribution Date, up to the amount necessary to pay such items, and the Available Funds for the following Monthly Distribution Date will be adjusted accordingly.

"Available Funds" means, other than with respect to a particular Monthly Distribution Date, any moneys described in clauses (a) through (k) above, without regard to subclauses (a)(i) and (a)(ii).

"Back-up Administration Agreement" means initially, the Back-up Servicing Agreement, dated as of July 14, 2014, among the Corporation, Nelnet Servicing, LLC, and ACS Education Services LLC, as amended or supplemented from time to time, and any subsequent agreement pursuant to which a party will agree to serve as Back-up Administrator.

"Back-up Administration Fee" means the fee, if any, payable to the Back-up Administrator specified in the Back-up Administration Agreement (as further described under the caption "FEES" in this Offering Memorandum).

"Back-up Administrator" means Nelnet Servicing, LLC, or any successor or replacement which enters into a Back-up Administration Agreement.

"Back-up Servicer" means Nelnet Servicing, LLC or any other additional or successor Servicer who is one of the Department's Title IV Additional Servicers and has entered into a Back-up Servicing Agreement with the Corporation.

"Back-up Servicing Agreement" means the Back-up Third Party Servicing Agreement, dated as of July 14, 2014, by and among the Corporation, Nelnet Servicing, LLC, and ACS Education Loan Services LLC, as amended and supplemented pursuant to the terms thereof, and any additional or successor Back-up Servicing agreement entered into among the Corporation, a Servicer and a Back-up Servicer.

"Back-up Servicing Fee" means the fee payable to the Back-up Servicer specified in the Back-up Servicing Agreement (as further described under the caption "Fees" in this Offering Memorandum).

"Basic Documents" means the Indenture, any Administration Agreement, any Back-up Administration Agreement, any Servicing Agreement, any Back-up Servicing Agreement, any Student Loan Purchase Agreement, the Guaranty Agreements, the Eligible Lender Trust Agreement, and other documents and certificates delivered in connection with any thereof.

"Business Day" means (a) for purposes of calculating LIBOR, any day on which banks in New York, New York and London, England are open for the transaction of international business; and (b) for all other purposes, any day other than a Saturday, a Sunday, a holiday or any other day on which banks located in New York, New York or the city in which the principal operations office of the Trustee is located, are authorized or permitted by law, regulation or executive order to close.

"Capitalized Interest Fund" means the Fund by that name further described in "Establishment of Funds and Accounts" herein.

"Certificate" means a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations, including applicable temporary and proposed regulations relating to such section which are applicable to the Notes or the use of the proceeds thereof. A reference to any specific section of the Code will be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code thereunder from time to time.

"Collateral" means that portion of the Trust Estate consisting of the Financed Eligible Loans and all rights to payment thereunder, the funds and investments held in the Collection Fund, the Capitalized Interest Fund and the Reserve Fund, all rights and interests of the Corporation in and to the agreements and instruments pertaining to the Financed Eligible Loans, and the Available Funds derived from the Collateral.

"Collection Fund" means the Fund by that name further described in "Establishment of Funds and Accounts" herein.

"Collection Period" means, with respect to the first Monthly Distribution Date, the period beginning on the Date of Issuance and ending on August 31, 2014, and with respect to each subsequent Monthly Distribution Date, the Collection Period means the calendar month immediately following the preceding Collection Period.

"Contract of Insurance" means the contract of insurance between the Eligible Lender and the Secretary.

"Conversion Event" means a Conversion Event as defined in a Back-up Servicing Agreement.

"Corporation" means the Mississippi Higher Education Assistance Corporation, a non-profit corporation organized and existing under the laws of the State, and any successor thereto.

"Corporation Order" means a written order signed in the name of the Corporation by an Authorized Representative.

"Cost of Issuance Fund" means the Fund by that name further described in "Establishment of Funds and Accounts" herein.

"Currently Outstanding Obligations" means the bonds and notes outstanding under the Prior Indentures in the aggregate principal amount of $287,650,000.

"Date of Issuance" means the date the Notes are initially issued.

"Department" means the United States Department of Education, an agency of the Federal government.

"Department Rebate Fund" means the Fund by that name further described in "Establishment of Funds and Accounts" herein.

"Department Rebate Fund Requirement" means as of any date, an amount accrued through the date of calculation required to be added to or deducted from amounts then on deposit in the Department Rebate Fund to bring the balance in the Department Rebate Fund to be equal to the net payable to the Department with respect to Interest Subsidy Payments and Special Allowance Payments as of such date of calculation, as evidenced by a certificate of the Corporation.

"Eligible Lender" means (i) the Eligible Lender Trustee and (ii) any "eligible lender", as defined in the Higher Education Act, and which has received an eligible lender number or other designation from the Secretary with respect to Eligible Loans made under the Higher Education Act.

"Eligible Lender Trust Agreement" means the Eligible Lender Trust Agreement, dated as of June 6, 2014, between the Corporation and U.S. Bank National Association, as eligible lender trustee, as amended from time to time thereafter.

"Eligible Lender Trustee" means U.S. Bank National Association, in its capacity as eligible lender trustee under the Indenture and under the terms of the Eligible Lender Trust Agreement, or any successor eligible lender trustee designated pursuant to the Indenture and the Eligible Lender Trust Agreement.

"Eligible Lender Trustee Fee" means the fee payable to the Eligible Lender Trustee pursuant to the Eligible Lender Trust Agreement.

"Eligible Loan" means any loan made to finance post-secondary education that is made under the Higher Education Act.

"Event of Bankruptcy" means (a) the Corporation will have commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or will have made a general assignment for the benefit of creditors, or will have declared a moratorium with respect to its debts or will have failed generally to pay its debts as they become due, or will have taken any action to authorize any of the foregoing; or (b) an involuntary case or other proceeding will have been commenced against the Corporation seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property provided such action or proceeding is not dismissed within 60 days.

"Event of Default" will have the meaning specified in "Defaults and Remedies" herein.

"Favorable Opinion of Note Counsel" means a Note Counsel's Opinion addressed to the Corporation and the Trustee to the effect that the action proposed to be taken is authorized or permitted by the Indenture.

"Financed" or "Financing" when used with respect to Eligible Loans, means or refers to Eligible Loans (a) financed, refinanced or purchased by the Corporation or otherwise pledged to the Trustee and constituting a part of the Trust Estate and (b) substituted or exchanged for Financed Eligible Loans, but does not include Eligible Loans released from the lien of the Indenture and sold or transferred, to the extent permitted by the Indenture.

"Financed Eligible Loans" means or refers to the Loan Portfolio containing Financed Eligible Loans Financed by the Corporation with proceeds of the Notes.

"Fiscal Year" means the fiscal year of the Corporation (initially January 1 to December 31) as established from time to time.

"Fitch" means Fitch Ratings and its successors and assigns.

"Funds" means each of the Funds further described in "Establishment of Funds and Accounts" herein.

"Guarantee" or "Guaranteed" means, with respect to an Eligible Loan, the insurance or guarantee by a Guaranty Agency pursuant to such Guaranty Agency's Guaranty Agreement of the maximum percentage of the principal of and accrued interest on such Eligible Loan allowed by the terms of the Higher Education Act with respect to such Eligible Loan at the time it was originated and the coverage of such Eligible Loan by the federal reimbursement contracts, providing, among other things, for reimbursement to such Guaranty Agency for payments made by it on defaulted Eligible Loans insured or guaranteed by such Guaranty Agency of at least the minimum reimbursement allowed by the Higher Education Act with respect to a particular Eligible Loan.

"Guaranty Agency" means any entity authorized to guarantee student loans under the Higher Education Act and with which the Trustee or the Eligible Lender Trustee on behalf of the Corporation maintains a Guaranty Agreement.

"Guaranty Agreement" means a guaranty or lender agreement between the Corporation and/or the Eligible Lender Trustee and any Guaranty Agency, and any amendments thereto.

"Guaranty Payments" means any payment made by a Guaranty Agency pursuant to a Guaranty Agreement in respect of a Financed Eligible Loan.

"Higher Education Act" means the Higher Education Act of 1965, as amended or supplemented from time to time, or any successor federal act and all regulations, directives, bulletins and guidelines promulgated from time to time thereunder.

"Highest Priority Obligations" means (a) at any time when Series 2014 A-1 Notes are Outstanding, the Series 2014 A-1 Notes and (b) at any time when no Series 2014 A-1 Notes are Outstanding, the Series 2014 B-1 Notes.

"Indenture" means the Series 2014 Indenture of Trust, including all supplements and amendments thereto.

"Independent" means, when used with respect to any specified Person, that the Person (a) is in fact independent of the Corporation, any other obligor upon the Notes and any Affiliate of any of the foregoing Persons; (b) does not have any direct financial interest or any material indirect financial interest in the Corporation, any such other obligor or any Affiliate of any of the foregoing Persons; and (c) is not connected with the Corporation, any such other obligor or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, placement agent, trustee, partner, director or person performing similar functions.

"Index Maturity" means (i) for One-Month LIBOR, one month and (ii) for Two-Month LIBOR, two months.

"Initial Interest Accrual Period" means the period beginning on the Date of Issuance and ending on the day before the first Monthly Distribution Date for the Notes.

"Initial Pool Balance" means the Pool Balance for the Notes as of the Date of Issuance, plus the amount of Eligible Loans, if any, subsequently acquired during the Acquisition Period from cash deposited in the Acquisition Fund on the Date of Issuance.

"Insurance" or "Insured" or "Insuring" means, with respect to an Eligible Loan, the insuring by the Secretary (as evidenced by a certificate of insurance or other document or certification issued under the provisions of the Higher Education Act) under the Higher Education Act of all or a portion of the principal of and accrued interest on such Eligible Loan.

"Interest Accrual Amount" means, for any Monthly Distribution Date, with respect to any Series of the Notes, the aggregate amount of interest accrued for such Series of the Notes at the related Note Rate for such Series of the Notes for the related Interest Accrual Period on the Outstanding Amount of such Series of the Notes since the immediately preceding Monthly Distribution Date after giving effect to all principal distributions to the related Noteholders on that preceding Monthly Distribution Date, or in the case of the first Monthly Distribution Date, on the Date of Issuance. The Interest Accrual Amount shall be determined by the Corporation.

"Interest Accrual Period" means, initially, the period commencing on the Date of Issuance and ending on the day prior to the September 25, 2014 Monthly Distribution Date and thereafter, with respect to each Monthly Distribution Date, the period beginning on and including the immediately preceding Monthly Distribution Date and ending on the day immediately preceding such current Monthly Distribution Date.

"Interest Distribution Amount" means, for any Monthly Distribution Date:

(a) with respect to the Series 2014 A-1 Notes, the sum of (i) the Interest Accrual Amount with respect to Series 2014 A-1 Notes and (ii) the Interest Shortfall for such Monthly Distribution Date with respect to the Series 2014 A-1 Notes; and

(b) with respect to the Series 2014 B-1 Notes, the sum of (i) the lesser of (A) Interest Accrual Amount on the Series 2014 B-1 Notes and (B) the Series B Interest Cap and (ii) the Interest Shortfall for such Monthly Distribution Date with respect to the Series 2014 B-1 Notes.

"Interest Shortfall" means, for any Monthly Distribution Date and any Series of Notes, the excess of (i) the Interest Distribution Amount for such Series of Notes on the preceding Monthly Distribution Date, over (ii) the amount of interest actually distributed to the Noteholders of such Series of Notes on that preceding Monthly Distribution Date, minus (iii) with respect to the Series 2014 B-1 Notes, the Interest Distribution Amount on the Series 2014 B-1 Notes for such preceding Monthly Distribution Date not distributed on that preceding Monthly Distribution Date due to a Series B Interest Subordination Trigger Event, plus interest on the such amount, to the extent permitted by law, at the applicable Note Rate for such Series of Notes from that preceding Monthly Distribution Date to the current Monthly Distribution Date. Interest Shortfall shall be determined by the Corporation.

"Interest Subsidy Payment" means an interest payment on Eligible Loans received pursuant to the Higher Education Act and an agreement with the federal government, or any similar payments.

"Investment Securities" means:

(i) direct obligations of, or obligations on which the timely payment of the principal of and interest on which are unconditionally and fully guaranteed by, the United States of America or any agency or instrumentality thereof, including, but not limited to, direct or fully guaranteed (a) U.S. Treasury obligations, (b) Small Business Administration guaranteed participation certificates and guaranteed pool certificates, and (c) U.S. Department of Housing and Urban Development local authority bonds; provided, however, such obligations must be limited to those instruments which have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, not have an "r" suffix attached to any rating, and have interest tied to a single interest rate index plus a single fixed spread (if any), which interest will move proportionately with such index;

(ii) debentures of the Federal Housing Administration;

(iii) certain debt instruments of certain government-sponsored agencies, including: (i) Federal Home Loan Mortgage Corporation debt obligations, (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) consolidated system-wide bonds and notes, (iii) Federal Home Loan Banks consolidated debt obligations; (iv) the Federal National Mortgage Association debt obligations; and (v) Resolution Funding Corp. ("REFCORP") debt obligations and (vii) debt obligations of any agency or instrumentality of the United States of America which will be established for the purposes of acquiring the obligations of any of the foregoing or otherwise providing financing therefor; provided, however, such obligations must be limited to those instruments which have a predetermined fixed dollar amount of principal due at maturity that cannot vary, not have an "r" suffix attached to any rating, and have interest tied to a single interest rate index plus a single fixed spread (if any), which interest will move proportionately with such index;

(iv) federal funds, unsecured certificates of deposit, interest-bearing time or demand deposits, banker's acceptances, and repurchase agreements or other similar banking arrangements with a maturity of 12 months or less with any domestic commercial banks (including those of the Trustee or any affiliate); provided, however, (i) that, at the time of deposit or purchase, such depository institution has commercial paper which is rated "A 1+" by S&P and "AA-/F1+" by Fitch, (ii) that ratings of holding companies will not be considered ratings of the banks; and (iii) such banking arrangements must be limited to those instruments which have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, not have an "r" suffix attached to any rating, and have interest tied to a single interest rate index plus a single fixed spread (if any), which interest will move proportionately with such index;

(v) deposits that are fully insured by the Federal Deposit Insurance Corp. ("FDIC") which (i) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (ii) if rated, do not have an "r" suffix attached to the rating, and (iii) have interest which is tied to a single interest rate index plus a single fixed spread (if any) and move proportionately with such index;

(vi) debt obligations maturing in 365 days or less that are rated at least "AA-" by S&P and "AA-/F1+" by Fitch which (i) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (ii) if rated, do not have an "r" suffix attached to the rating, and (iii) have interest which is tied to a single interest rate index plus a single fixed spread (if any) and moves proportionately with such index;

(vii) commercial paper, including that of the Trustee and any of its Affiliates, which is rated in the single highest classification, "A 1+" by S&P and "F1+" by Fitch, and which matures not more than 365 days after the date of purchase; provided, however, such commercial paper will (i) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (ii) if rated, not have an "r" suffix attached to the rating, and (iii) have interest which is tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(viii) investments in certain short-term debt, including commercial paper, federal funds, repurchase agreements, unsecured certificates of deposit, time deposits, and banker's acceptances, of issuers rated "A-1" by S&P and "AA-/F1+" by Fitch or S&P; provided, however, (i) only amounts in the Collection Fund may be invested under this clause (h), (ii) the total amount of such investments will not represent more than 20% of the outstanding principal amount of the Notes, (iii) each such investment will not mature beyond 30 days, (iv) such investments are not eligible for the Reserve Fund, (v) such investments will have a predetermined fixed dollar amount of principal due at maturity that cannot vary, (vi) if such investments are rated, will not have an "r" suffix attached to the rating, and (vii) such investments will have interest which is tied to a single interest rate index plus a single fixed spread (if any) and move proportionately with such index;

(ix) investments in a money market fund rated at least "AAAm" or "AAAm G" by S&P and "AAA/V1+" by Fitch, if then rated by Fitch, including funds for which the Trustee or an Affiliate thereof acts as investment advisor or provides other similar services for a fee; and

(x) any other lawful investment selected by the Corporation and agreed to by the Trustee, after the requirements of a Rating Notification have been satisfied.

"LIBOR" means One-Month LIBOR or Two-Month LIBOR, as applicable.

"LIBOR Determination Date" means, for each Interest Accrual Period, the second Business Day before the beginning of that Interest Accrual Period.

"LIBOR Rate", "One-Month LIBOR Rate" or "Two-Month LIBOR Rate" means, with respect to any Interest Accrual Period, the London interbank offered rate for deposits in U.S. dollars having the applicable Index Maturity as it appears on Reuters Screen LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, as of 11:00 a.m., London time, on the related LIBOR Determination Date as obtained by the Trustee from such source. If this rate does not appear on Reuters Screen LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, the rate for that day will be determined on the basis of the rates at which deposits in U.S. dollars, having the applicable Index Maturity and in a principal amount of not less than $1,000,000, are offered at approximately 11:00 a.m., London time, on that LIBOR Determination Date, to prime banks in the London interbank market by the Reference Banks. The Trustee will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two Reference Banks provide quotations, the rate for that day will be the arithmetic mean of the quotations. If fewer than two Reference Banks provide quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Administrator at approximately 11:00 a.m., Eastern time, on that LIBOR Determination Date, for loans in U.S. dollars to leading European banks having the applicable Index Maturity and in a principal amount of not less than $1,000,000. If the banks selected as described above do not provide such quotations, One-Month LIBOR or Two-Month LIBOR, as the case may be, in effect for the applicable Interest Accrual Period will be One-Month LIBOR or Two- Month LIBOR, as the case may be, in effect for the previous Interest Accrual Period.

"Loan Portfolio" means the Financed Eligible Loans attributable to the Notes.

"Maturity" when used with respect to any Note, means the date on which the principal thereof becomes due and payable as therein or in the Indenture provided, whether at its Note Final Maturity Date, by earlier prepayment or purchase, by declaration of acceleration, or otherwise.

"Monthly Distribution Date" means the 25th day of each month, or if such 25th day is not a Business Day, the next succeeding Business Day, commencing on September 25, 2014.

"Monthly Rebate Fee" means the monthly consolidation rebate fee payable to the Department on the Financed Eligible Loans within the Loan Portfolio.

"Note Counsel" means counsel of nationally recognized standing in the field of law relating to securitizations of student loans selected by the Corporation and reasonably acceptable to the Trustee, which counsel may be the Corporation's counsel.

"Note Final Maturity Date" means the October 25, 2035 Monthly Distribution Date for the Series 2014 A-1 Notes and the May 25, 2044 Monthly Distribution Date for the Series 2014 B-1 Notes.

"Note Rate" is the interest rate on the Notes described in the body of the Offering Memorandum under "THE NOTES".

"Noteholder" or "Noteowner" or "Owner" or "Holder" or "Registered Holder" means, (a) with respect to a book-entry Note, the Person who is the owner of such book-entry Note, as reflected on the books of the Trustee, as registrar, and (b) with respect to Notes held in certificated form, the Person in whose name a Note is registered in the Note registration books of the Trustee.

"Notes" means the Series 2014 A-1 Notes and the Series 2014 B-1 Notes.

"Outstanding" means, when used in connection with any Note, a Note which has been executed and delivered pursuant to the Indenture which at such time remains unpaid as to principal or interest, excluding Notes which have been replaced and excluding Notes for which provision for payment has been made.

"Outstanding Amount" means, as of any date of determination, the aggregate principal amount of all Notes or all Notes of a Series, as the case may be, Outstanding at such date of determination.

"Parity Assets" means the (i) sum of the principal balance of the Financed Eligible Loans, accrued borrower interest on the Financed Eligible Loans, the net receivable from the U.S. Department of Education for Interest Subsidy Payments and Special Allowance Payments (but not less than $0), deposits in transit from the Servicer and investment interest receivable less (ii) the unguaranteed portion of Financed Eligible Loans in a claim filed status and the principal amount of any uninsured Financed Eligible Loans previously filed as claims and deemed uninsured by the Servicer.

"Person" means an individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization or government or agency, or political subdivision thereof.

"Pool Balance" means as of any date the aggregate principal balance of the Financed Eligible Loans in the Loan Portfolio plus accrued interest thereon. The Pool Balance will be calculated by the Corporation as part of the Monthly Distribution Report, upon which the Trustee may conclusively rely with no duty to further examine or determine such information.

"Prior Indentures" means, collectively, the Trust Indenture, dated as of July 1, 1999, between the Corporation and Trustmark National Bank, as trustee, including all supplements, amendments and appendices thereto and the Trust Indenture dated as of June 1, 2004, between the Corporation and Hancock Bank, as trustee, including all supplements, amendments and appendices thereto.

"Program" means the Corporation's program for the origination and the purchase of Eligible Loans, as the same may be modified from time to time.

"Purchase Amount" with respect to any Financed Eligible Loan means the amount required to prepay in full such Financed Eligible Loan under the terms thereof including all accrued interest thereon, it being acknowledged that any accrued and unpaid Interest Subsidy Payments or Special Allowance Payments will continue to be payable to the Trustee and constitute part of the Trust Estate.

"Quarterly Reporting Period" means, initially the period ending September 30, 2014, and thereafter means each three-month period ending on the last day of each March, June, September and December, commencing with the three-month period ending on December 31, 2014.

"Rating" means one of the rating categories of Fitch, S&P or any other Rating Agency, provided Fitch, S&P or any other Rating Agency, as the case may be, is currently rating the Notes at the request of the Corporation.

"Rating Agency" means each of Fitch, S&P and their successors and assigns or any other rating agency requested by the Corporation to maintain a Rating on any of the Notes.

"Rating Notification" means with respect to a proposed action, failure to act, or other event specified in the notice (a "Proposed Action"), that the Corporation shall have given written notice of such Proposed Action to each Rating Agency at least twenty Business Days prior to the proposed effective date thereof.

"Record Date" means, with respect to any Monthly Distribution Date, the Business Day prior to the Monthly Distribution Date or upon the occurrence of an Event of Default under the Indenture, the date fixed by the Trustee in accordance with the Indenture.

"Reference Banks" means, with respect to a determination of LIBOR for any Interest Accrual Period by the Trustee, four major banks in the London interbank market selected by the Trustee.

"Regulations" means the Regulations promulgated from time to time by the Secretary or any Guaranty Agency guaranteeing Financed Eligible Loans.

"Reserve Fund" means the Fund by that name further described in "Establishment of Funds and Accounts" herein.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice president, assistant vice president, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject, and in each case is responsible for the administration of the Indenture.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, its successors and assigns.

"Secretary" means the Secretary of the Department or any successor to the pertinent functions thereof under the Higher Education Act.

"Securities Depository" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act. The initial Securities Depository shall be The Depository Trust Company and its successors and assigns and the initial nominee for the Securities Depository shall be Cede & Co. If, however, (a) the Securities Depository resigns from its functions as depository of any of the Notes or (b) the Corporation discontinues use of the Securities Depository, the Securities Depository shall mean any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Notes and which is selected by the Corporation with the consent of the Trustee.

"Senior Parity Ratio" means (i) on the Date of Issuance or any other date prior to the expiration of the Acquisition Period, (a) the Parity Assets as of such date plus (1) remaining amounts on deposit in the Acquisition Fund and (2) the amount on deposit in the Capitalized Interest Fund and the Reserve Fund on such date divided by (b) the Outstanding Amount of the Series 2014 A-1 Notes on such date and (ii) on any Monthly Distribution Date after the end of the Acquisition Period, (a) the Parity Assets as of the end of the related Collection Period, plus the amount on deposit in the Capitalized Interest Fund and the Reserve Fund after giving effect to distributions made on that Monthly Distribution Date, divided by (b) the Outstanding Amount of the Series 2014 A-1 Notes, after giving effect to distributions made on that Monthly Distribution Date.

"Series" means the Series 2014 A-1 Notes and the Series 2014 B-1 Notes, and references to a Series of Notes shall refer to each of the Series 2014A-1 Notes and the Series 2014 B-1 Notes.

"Series 2014 A-1 Noteholders" means the Holders of the Series 2014 A-1 Notes.

"Series 2014 B-1 Noteholders" means the Holders of the Series 2014 B-1 Notes.

"Series B Carry-Over Amount" means, with respect to any Interest Accrual Period, (i) the amount, if any, by which the Interest Accrual Amount on the Series 2014 B-1 Notes for such Interest Accrual Period exceeds the Series B Interest Cap, and (ii) the Interest Distribution Amount on the Series 2014 B-1 Notes for such Interest Accrual Period remaining unpaid while a Series B Interest Subordination Trigger Event has occurred and is continuing, plus the Series B Carry-Over Amount from prior periods plus interest on the amount of that Series B Carry-Over Amount, to the extent permitted by law, at the Note Rate applicable for the Series 2014 B-1 Notes from that preceding Monthly Distribution Date to the current Monthly Distribution Date. The Series B Carry-over Amount will be determined by the Corporation.

"Series B Interest Cap" means, with respect to any Monthly Distribution Date, an amount equal to (a) the actual number of days in the current year divided by 360 and multiplied by the difference between (i) the sum of all non-principal amounts that accrued on the Financed Eligible Loans during the related Collection Period, whether received or receivable from a borrower, a Guaranty Agency or the Department (including, without limitation, Special Allowance Payments and Interest Subsidy Payments) and (ii) the sum of all non-principal amounts that accrued on the Financed Eligible Loans during the related Collection Period, whether paid or payable to the Department (including, without limitation, Special Allowance Payments and consolidation rebate fees); less (b) the Trustee Fee, the Eligible Lender Trustee Fee, the Servicing Fees, the Back-up Servicing Fee, the Administration Fee, the Back-up Administration Fee and Rating Agency surveillance fees accrued during the related Collection Period and less (c) the Interest Accrual Amount on the Series 2014 A-1 Notes for such Monthly Distribution Date. The Series B Interest Cap may not be less than zero and does not apply on the September 25, 2014, Monthly Distribution Date. The Series B Interest Cap will be determined by the Corporation.

"Series B Interest Subordination Trigger Event" means a Subordinate Parity Ratio of less than 101.00% while any of the Series 2014 A-1 Notes are Outstanding.

"Servicer" means ACS Education Loan Services LLC and any other additional Servicer or successor Servicer selected by the Corporation, including a Back-up Servicer with which the Corporation has entered into a Servicing Agreement with respect to the Financed Eligible Loans and after the requirements of a Rating Notification have been satisfied as to each such other Servicer. Any additional Servicer or successor Servicer shall either (i) be one of the Department's Title IV Additional Servicers or (ii) if such additional Servicer or successor Servicer is not one of the Department's Title IV Additional Servicers, shall have entered into a Back-up Servicing Agreement with the Corporation and a Back-up Servicer. The Corporation shall provide each Rating Agency with notice of any removal or replacement of a Servicer or the appointment of a new Servicer.

"Servicing Agreement" means (a) the Second Amended and Restated Servicing Agreement, entered into as of August 14, 2003, between the Corporation and ACS Education Loan Services LLC (as successor servicer thereunder), as amended and supplemented, and (b) any replacement agreement between the Corporation and any other Servicer, including but not limited to a Back-up Servicer.

"Servicing Fees" means the fees and expenses due to the Servicer under the terms of the Servicing Agreement for servicing the Financed Eligible Loans, which will be calculated monthly as of the end of the preceding month (as further described under the caption "Fees" in this Offering Memorandum), and any fees payable to a custodian or bailee holding any Financed Eligible Loans under any Servicing Agreement or custodian agreement or otherwise.

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

"Specified Reserve Fund Balance" is the required amount in the Reserve Fund, as described in the body of the Offering Memorandum under "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES—Reserve Fund". The Specified Reserve Fund Balance will be calculated by the Corporation and certified to the Trustee, upon which certification the Trustee may conclusively rely with no duty to further examine or determine such information.

"State" means the State of Mississippi.

"Student Loan Purchase Agreement" means a loan purchase agreement entered into by the Corporation in connection with the purchase by the Corporation of a Financed Eligible Loan, including any such Financed Eligible Loan that was purchased by the Corporation prior to becoming a Financed Eligible Loan.

"Subaccount" means any of the subaccounts which may be created and established within any Account by the Indenture.

"Subordinate Parity Ratio" means (i) on the Date of Issuance or any other date prior to the expiration of the Acquisition Period, (a) the Parity Assets as of such date plus (1) remaining amount on deposit in the Acquisition Fund and (2) the amount on deposit in the Capitalized Interest Fund and the Reserve Fund on such date divided by (b) the Outstanding Amount of the Series 2014 A-1 Notes and the Series 2014 B-1 Notes on such date and (ii) on any Monthly Distribution Date after the end of the Acquisition Period, (a) the Parity Assets as of the end of the related Collection Period, plus the amount on deposit in the Capitalized Interest Fund and the Reserve Fund after giving effect to distributions made on that Monthly Distribution Date, divided by (b) the Outstanding Amount of the Series 2014 A-1 Notes and the Series 2014 B-1 Notes, after giving effect to distributions made on that Monthly Distribution Date.

"Supplemental Indenture" means an agreement supplemental to the Indenture described under "Supplemental Indentures" in this Appendix A.

"Trust Estate" means all of the moneys, rights and properties described in the granting clauses of the Indenture, which include (i) the Available Funds (other than moneys released from the lien of the Trust Estate as provided in the Indenture), (ii) all moneys and investments held in the Funds and Accounts created under the Indenture (excluding moneys and securities held in the Department Rebate Fund and the Cost of Issuance Fund), including all proceeds thereof and all income thereon, (iii) the Financed Eligible Loans (other than Financed Eligible Loans released from the lien of the Trust Estate as provided in the Indenture) and all obligations of the obligors thereunder including all moneys accrued and paid thereunder on or after the Date of Issuance of the Notes, (iv) the rights of the Corporation and/or the Eligible Lender Trustee, as applicable, in and to the Eligible Lender Trust Agreement, the Servicing Agreement, any Student Loan Purchase Agreement and the Guaranty Agreements as the same relate to the Financed Eligible Loans, (v) to the extent constituting or directly related to the components of the Trust Estate described in the granting clauses of the Indenture, property of the Corporation in the nature of Accounts, General Intangibles (including Payment Intangibles), Promissory Notes, and Instruments (each as defined in the Mississippi UCC), but it is not necessary that an item be an Account, General Intangible, Payment Intangible, Promissory Note or Instrument for such item to be part of the Trust Estate if it is otherwise described, referenced, or included in such clauses (i) through (iv) above, or in this clause (v), and (vi) all proceeds from any property described in the granting clauses and any and all other property, rights and interests of every kind or description that from time to time is granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security under the Indenture.

"Trustee" means U.S. Bank National Association, acting in its capacity as Trustee under the Indenture, or any successor trustee designated pursuant to the Indenture.

"Trustee Fee" means the fees agreed to be paid to the Trustee for its services under the Indenture (as further described under the caption "Fees" in this Offering Memorandum).

CERTAIN COVENANTS

Covenants as to Operations

The Corporation will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in the Indenture and the other agreements to which the Corporation is a party pursuant to the transactions contemplated in the Indenture, including but not limited to the Basic Documents to which it is a party, the Guaranty Agreements and the Contracts of Insurance, and will punctually perform all duties required by the laws of the State.

The Corporation will operate on the basis of its Fiscal Year.

The Corporation will cause to be kept full and proper books of records and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the Corporation which relate to the Notes.

The Corporation, upon written request of the Trustee, will permit at all reasonable times the Trustee or its agents, accountants and attorneys, to examine and inspect the property, books of account, records, reports and other data relating to the Financed Eligible Loans, and will furnish the Trustee such other information as it may reasonably request. The Trustee will be under no duty to make any such examination unless requested in writing to do so by the Owners of 66-2/3% in collective aggregate principal amount of the Notes at the time Outstanding, and unless such Owners have offered the Trustee security and indemnity satisfactory to it against any fees, costs, expenses and liabilities which might be incurred thereby.

The Corporation will cause an annual audit of the Corporation to be made by an independent auditing firm and file one copy thereof with the Trustee and each Rating Agency within 180 days of the close of each Fiscal Year. The Trustee will be under no obligation to review or otherwise analyze such audit.

The Corporation covenants that all Financed Eligible Loans upon receipt thereof will be delivered to the Servicer which will hold the Financed Eligible Loans as custodian pursuant to the Servicing Agreement.

Notwithstanding anything to the contrary contained in the Indenture, except upon the occurrence and during the continuance of an Event of Default under the Indenture, the Corporation expressly reserves and retains the privilege to receive and, subject to the terms and provisions of the Indenture, to keep or dispose of, claim, bring suits upon or otherwise exercise, enforce or realize upon its rights and interest in and to the Financed Eligible Loans and the proceeds and collections therefrom, and neither the Trustee nor any Owner will in any manner be or be deemed to be an indispensable party to the exercise of any such privilege, claim or suit, and the Trustee will be under no obligation whatsoever to exercise any such privilege, claim or suit.

The Corporation agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises as a non-profit corporation, except as otherwise permitted as described in the Indenture. The Corporation agrees to maintain its status as an organization described in Section 501(c)(3) of the Code or to otherwise remain exempt from federal income tax under the Code. The Corporation further agrees that it will not (a) consolidate with or merge into another entity; or (b) permit one or more other entities to consolidate with or merge into it. The preceding restrictions in clauses (a) and (b) above will not apply to a transaction if (x) the transferee or the surviving or resulting entity, if other than the Corporation, by proper written instrument for the benefit of the Trustee, irrevocably and unconditionally assumes the obligation to perform and observe the agreements and obligations of the Corporation under the Indenture and (y) the Trustee is delivered a Favorable Opinion of Note Counsel.

The Corporation agrees that it will not incur or permit to exist any general debt of the Corporation or other obligation that is not a limited recourse obligation of the Corporation payable solely from a discrete and specific pool of pledged assets, excluding in each case, debt and other obligations not exceeding $10,000,000 in aggregate.

Enforcement of Servicing Agreement

The Corporation will comply and will cause the Servicer to comply with the Servicing Agreement. The Corporation will cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Servicing Agreement, including the prompt payment of all amounts due the Corporation thereunder, including, without limitation, all principal and interest payments, and Guaranty Payments which relate to any Financed Eligible Loans and cause the Servicer to specify whether payments received by it represent principal or interest.

The Corporation agrees that it will not consent or agree to or permit any amendment or modification of the Servicing Agreement which will in any manner materially adversely affect the rights or security of the Owners.

The Trustee will have no duty to monitor or supervise and will not be responsible or liable for any action or omission of the Servicer under the Servicing Agreement or for any custodian or bailee holding any Financed Eligible Loans under any Servicing Agreement or custodian agreement or otherwise.

Covenants with Respect to the Higher Education Act

While the Corporation will be the beneficial owner of the Financed Eligible Loans, it is understood and agreed that the Eligible Lender Trustee will be the legal owner thereof and the Trustee will have a security interest in the Financed Eligible Loans for and on behalf of the Owners.

The Corporation will be responsible for each of the following actions with respect to the Higher Education Act:

(1) the Corporation will be responsible for dealing with the Secretary with respect to the rights, benefits and obligations, under the Contracts of Insurance, including but not limited to the payment of all of the fees owed with respect to the Financed Eligible Loans, and the Corporation will be responsible for dealing with the Guaranty Agencies with respect to the rights, benefits and obligations under the Guaranty Agreements with respect to the Financed Eligible Loans;

(2) the Corporation will cause to be diligently enforced, and will cause to be taken all reasonable steps, actions and proceedings necessary or appropriate for the enforcement of all terms, covenants and conditions of all Financed Eligible Loans and agreements in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due thereunder;

(3) the Corporation will cause the Financed Eligible Loans to be serviced by entering into the Servicing Agreement or other agreement with the Servicer for the collection of payments made for, and the administration of the accounts of, the Financed Eligible Loans;

(4) the Corporation will cause all Available Funds, including the benefits of the Guaranty Agreements, the Interest Subsidy Payments and the Special Allowance Payments, to be deposited with the Trustee.

(5) The Corporation will cause to be diligently enforced, and take all steps, actions and proceedings reasonably necessary for the enforcement of, all terms, covenants and conditions of all Financed Eligible Loans and agreements in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due the Corporation thereunder. The Corporation will not, except as permitted by the last sentence of this subparagraph, permit the release of the obligations of any borrower under any Financed Eligible Loan and will, subject to the last sentence of this subsection, at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Corporation and the Trustee under the Indenture or with respect to each Financed Eligible Loan and agreement in connection therewith. The Corporation will not, subject to the last sentence of this subsection, consent or agree to or permit any amendment or modification of any

Financed Eligible Loan or agreement in connection therewith which will in any manner materially adversely affect the rights or security of the Owners under the Indenture. Nothing in the Indenture will be construed to prevent the Corporation from (i) granting a reasonable forbearance to a borrower pursuant to the terms of the Higher Education Act; (ii) settling a default or curing a delinquency on any Financed Eligible Loan on such terms as will be permitted by law; (iii) charging interest at a lower rate than is required by the Higher Education Act if the Corporation is currently charging such lower rate on any Financed Eligible Loan or a borrower hereafter qualifies for such lower rate under a program in existence on the Date of Issuance; or (iv) allowing a borrower to repay a Financed Eligible Loan pursuant to an income-based repayment plan pursuant to the Higher Education Act.

The Trustee will have no obligation to administer, service or collect the loans in the Trust Estate or to maintain or monitor the administration, servicing or collection of such loans and will not be responsible or liable for any acts or omissions of the Servicer or any Guaranty Agency.

Tax Treatment of the Notes

The Corporation intends and agrees that for federal income tax, state income tax, local franchise tax and financial accounting purposes, the Notes will be indebtedness and by acceptance of the Notes, the Holders thereof agree to treat the Notes as indebtedness. If one or more Series of the Notes is recharacterized as other than indebtedness, then it is intended that the relationship between the Holders of any of such Series of the Notes will be a partnership with the Corporation for such purposes. The Corporation shall prepare and file or cause to be prepared and filed all tax returns and information reports necessary for the partners and the Corporation to comply with any reporting requirements under the Code.

The Corporation shall not claim any credit on, or make any deduction from, the principal amount of any of the Notes by reason of the payment of any taxes levied or assessed upon any portion of the Trust Estate.

Certain Reports.

Not later than four Business Days prior to each Monthly Distribution Date, the Corporation will prepare a report (the "Monthly Distribution Report") and forward such Monthly Distribution Report to the Trustee. Each Monthly Distribution Report shall be in substantially the form attached hereto as Appendix E. The Corporation will post and provide electronic access to the Monthly Distribution Report on the Corporation's web site and provide it to the Rating Agencies. The Trustee shall provide the Monthly Distribution Report to the Securities Depository at Lensnotices@dtcc.com for distribution to the beneficial owners of the Notes.

For each Quarterly Reporting Period, the Corporation will post on its web site reports setting forth information with respect to the Notes and the Financed Eligible Loans as of the end of such period, including descriptions of portfolio characteristics.

In addition, the Corporation shall provide to the Rating Agencies such regular reports in the form and at the times requested by such Rating Agencies as is necessary to maintain the Rating on the Notes.

On or before January 31 of each calendar year, beginning with January 31, 2015, the Trustee shall furnish to each Person who at any time during the preceding calendar year was a Noteholder the information for the preceding calendar year, or the applicable portion thereof during which the Person was a Noteholder, any information that is required to be provided by an issuer of indebtedness under the Code to the holders of the Notes and such other customary information as is necessary to enable each Noteholder to prepare its federal income tax returns.

Sale of Financed Eligible Loans

Except (i) as provided in the Indenture, (ii) for consolidation or serialization purposes, (iii) for transfers to a Guaranty Agency, (iv) for transfers to the Servicer pursuant to its repurchase obligation under the Servicing Agreement, (v) for transfers to a seller pursuant to its repurchase obligation under its Student Loan Purchase Agreement, or (vi) as set forth in the following sentence, Financed Eligible Loans shall not be sold, transferred or

otherwise disposed of by the Corporation while any of the Notes are Outstanding. If necessary for administrative purposes, the Corporation may release Financed Eligible Loans through the Eligible Lender Trustee free from the lien of the Indenture, so long as the Corporation deposits an amount equal to the principal amount of such Financed Eligible Loan and accrued interest thereon and the collective aggregate balance of all such releases does not exceed 5.00% of the Initial Pool Balance and the collective aggregate balance of all such releases in any calendar year does not exceed 1.00% of the Pool Balance as of January 1 of such calendar year (or as of the Date of Issuance with respect to the first calendar year) and the Corporation certifies the same to the Trustee, upon which the Trustee may conclusively rely.

FUNDS AND ACCOUNTS

Establishment of Funds and Accounts

There are created and established the following Funds by the Indenture to be held and maintained by the Trustee for the benefit of the Owners:

(1) Cost of Issuance Fund;

(2) Acquisition Fund;

(3) Collection Fund;

(4) Department Rebate Fund;

(5) Capitalized Interest Fund; and

(6) Reserve Fund.

Loan Portfolios

Financed Eligible Loans, evidenced by promissory notes, will be owned in the name of the Eligible Lender Trustee and will be pledged to the Trust Estate and credited to the Trust Estate in the books and records of the Servicer. The Financed Eligible Loans will be credited to the Loan Portfolio and will be pledged to the benefit of the Noteholders.

Cost of Issuance Fund

On the Date of Issuance, the Trustee will deposit cash in the expected amount of $855,250 to the Cost of Issuance Fund from the proceeds of the Notes. Moneys on deposit in the Cost of Issuance Fund will be used to pay the costs of issuance of the Notes. Money remaining in the Cost of Issuance Fund ninety (90) calendar days after the Date of Issuance will be transferred to the Corporation.

Capitalized Interest Fund

On the Date of Issuance, the Trustee shall deposit cash in the expected amount of $6,523,513 to the Capitalized Interest Fund from the proceeds of the Notes. No additional funds will be deposited to the Capitalized Interest Fund thereafter.

On each Monthly Distribution Date through and including March 25, 2016 to the extent there are insufficient moneys in the Collection Fund to make the transfers required by clauses (1) through (5) described below under the heading "— Collection Fund — *Payments on Monthly Distribution Dates*" herein (other than transfers to repurchase Financed Eligible Loans from any Guaranty Agency or the Servicer as described in clause (a)(i) of the definition of Available Funds), the Trustee, upon receipt of instructions in the Monthly Distribution Report directing the same (which Monthly Distribution Report shall be delivered to the Trustee no later than the fourth Business Day prior to such Monthly Distribution Date) shall withdraw from the Capitalized Interest Fund on each such Monthly Distribution Date, an amount equal to such deficiency and deposit such amount in the Collection Fund for application as provided in the Indenture. On the March 25, 2016 Monthly Distribution Date,

any amounts remaining in the Capitalized Interest Fund shall be transferred by the Trustee to the Collection Fund and included in the Available Funds on that Monthly Distribution Date.

Collection Fund

Deposits to Collection Fund. There will be deposited to the Collection Fund (i) all Available Funds attributable to the Financed Eligible Loans, and all other moneys and investments derived from assets on deposit in and transfers from the Capitalized Interest Fund, the Reserve Fund and the Department Rebate Fund, (ii) amounts deposited for an optional redemption of all Notes and (iii) any other amounts deposited thereto upon receipt of deposit instructions from the Corporation. Moneys on deposit in the Collection Fund will be used to make the payments described under this caption. The Trustee may conclusively rely on all written instructions of the Corporation described in the Indenture with no further duty to examine or determine the information contained in any Monthly Distribution Report. Upon Corporation Order, moneys in the Collection Fund shall be used on any date to pay, when due, the amounts described in clause (a)(i) of the definition of Available Funds.

Payments on Monthly Distribution Dates. Except as described under "DEFAULTS AND REMEDIES – Possession of Trust Estate and Payments After Acceleration", the Corporation will instruct the Trustee in writing no later than the fourth Business Day before each Monthly Distribution Date to make the following deposits and distributions from the Available Funds in the Collection Fund received during the immediately preceding Collection Period (including any amounts transferred from the Capitalized Interest Fund first and then from the Reserve Fund) to the Persons or to the Fund specified below by 3:00 p.m. Eastern Time on such Monthly Distribution Date, in the following order of priority, and the Trustee will comply with such instructions, provided, however, that if the Available Funds received during the immediately preceding Collection Period are not sufficient to make the payments or deposits required pursuant to clauses (1) through (5) of this paragraph, then, after any required transfers from the Capitalized Interest Fund and the Reserve Fund, any other Available Funds on deposit in the Collection Fund, which the Corporation would have deemed Available Funds for the current Collection Period, shall be used to the extent required to make the payments or deposits required pursuant to clauses (1) through (5) of this paragraph:

(1) (i) for deposit into the Department Rebate Fund, the amount necessary to bring the balance of the Department Rebate Fund to the expected Department Rebate Fund Requirement for such Monthly Distribution Date, and (ii) any other required payments to the Department, including Monthly Rebate Fees, or to a Guaranty Agency with respect to the Financed Eligible Loans, including in each case, such amounts as may remain unpaid following prior periods;

(2) to pay to the Trustee and the Servicer, pro rata, based on amounts owed to each such party for the preceding Collection Period, without preference or priority of any kind, the Trustee Fee and the Servicing Fee, respectively, due with respect to the Notes and the Financed Eligible Loans on such Monthly Distribution Date, in each case, together with such fees remaining unpaid from prior Monthly Distribution Dates;

(3) to pay (i) the Administration Fee and (ii) *pro rata*, based on amounts owed to each such party, without preference or priority of any kind, the Back-up Servicing Fee, the Eligible Lender Trustee Fee and expenses, the Trustee expenses, any Back-up Administration Fees and Rating Agency surveillance fees due with respect to the Notes and the Financed Eligible Loans on such Monthly Distribution Date, in each case, together with any such fees and expenses remaining unpaid from prior Monthly Distribution Dates, provided that the aggregate amount paid pursuant to this clause (ii) during any twelve month period ending on a September 25th Monthly Distribution Date shall not exceed $125,000, and (iii) to the Corporation on each September 25th Monthly Distribution Date the amount, if any, by which $125,000 exceeds all amounts paid pursuant to (ii) during the twelve month period ending on such September 25th Monthly Distribution Date;

(4) to pay to the Noteholders of the Series 2014 A-1 Notes, the Interest Distribution Amount for the Series 2014 A-1 Notes payable on such Monthly Distribution Date, pro rata, based on amounts owed, without preference or priority of any kind;

(5) to pay to the Noteholders of the Series 2014 B-1 Notes, subject to the Series B Interest Cap (except for the September 25, 2014 Monthly Distribution Date), unless the Series B Interest Subordination Trigger Event has occurred and is continuing, the Interest Distribution Amount for the Series 2014 B-1 Notes payable on such Monthly Distribution Date, pro rata, based on amounts owed, without preference or priority of any kind;

(6) to deposit to the Reserve Fund, the amount, if any, necessary to reinstate the balance of the Reserve Fund up to the Specified Reserve Fund Balance;

(7) to pay to the Noteholders if the Subordinate Parity Ratio is less than 110%, the available funds in the Collection Fund, rounded down to the nearest $1,000 increment, sequentially in the following order:

(a) to pay principal, pro rata, to the Noteholders of the Series 2014 A-1 Notes until the Outstanding Amount of the Series 2014 A-1 Notes has been reduced to zero;

(b) to pay principal, pro rata, to the Noteholders of the Series 2014 B-1 Notes until the Outstanding Amount of the Series 2014 B-1 Notes has been reduced to zero;

(8) if the Subordinate Parity Ratio will at least equal 110% following such distribution, (i) *pro rata,* based on amounts owed to each such party, without preference or priority, any expenses of the Trustee, of any kind, any Back-up Servicer Fee, Eligible Lender Trustee Fee and expenses, Rating Agency surveillance fees and Back-up Administrator Fee remaining unpaid from prior Monthly Distribution Dates, provided that the aggregate amount paid pursuant to this clause (i) during any twelve month period ending on a September 25th Monthly Distribution Date shall not exceed $100,000, and (ii) to the Corporation on each September 25th Monthly Distribution Date the amount, if any, by which $100,000 exceeds all amounts paid pursuant to clause (i) during the twelve month period ending on such September 25 Monthly Distribution Date;

(9) to pay to the Noteholders the available funds in the Collection Fund, rounded down to the nearest $1,000 increment, sequentially in the following order:

(a) to pay principal, pro rata, to the Noteholders of the Series 2014 A-1 Notes until the Outstanding Amount of the Series 2014 A-1 Notes has been reduced to zero;

(b) to pay principal, pro rata, to the Noteholders of the Series 2014 B-1 Notes until the Outstanding Amount of the Series 2014 B-1 Notes has been reduced to zero;

(10) if all of the principal of and interest on the Notes has been paid in full, to pay to the Noteholders of the Series 2014 B-1 Notes, the Series B Carry-Over Amount; and

(11) if all of the principal of and interest on the Notes has been paid in full, to pay to the Corporation the remainder.

Any Available Funds remaining in the Collection Fund after the disbursements set forth above shall be retained in the Collection Fund and be treated as Available Funds as of the next Monthly Distribution Date.

There will also be paid on August 25, 2014 any amounts described in clauses 1st through 3rd above then due and payable using Available Funds on deposit in the Collection Fund on August 25, 2014.

Following an Event of Default. Generally, after the occurrence of certain Events of Default under the Indenture that result in an acceleration of the maturity of the Notes, the Trustee may, and, upon the occurrence and continuance of any Event of Default (other than a failure by the Corporation to satisfy certain covenants contained in the Indenture), at the written direction of the Registered Owners representing not less than a majority in aggregate principal amount of the Highest Priority Obligations Outstanding at the time of an Event of Default then

Outstanding, the Trustee shall (after the payment of certain fees and expenses) make payments of interest and then principal to the Series 2014 A-1 Notes until paid in full, and then payments of interest and then principal will be made on the Series 2014 B-1 Notes until paid in full, in each case in accordance with the provisions of the Indenture. Any amounts remaining after all other payments required by the Indenture at such time have been made will be released to the Corporation. See "APPENDIX A — SUMMARIES OF CERTAIN PORTIONS OF THE INDENTURE — DEFAULTS AND REMEDIES — Possession of the Trust Estate and Payments After Acceleration".

Acquisition Fund

On the Date of Issuance, cash in the amount descried under "PLAN OF FINANCE" will be deposited in the Acquisition Fund, payments will be made to the Prior Trustees and the Corporation, and the Prior Trustees will transfer or release Eligible Loans to the Corporation which will pledge the Eligible Loans to the Trustee. All Eligible Loans acquired by the Corporation will be deposited into the Acquisition Fund. Cash remaining in the Acquisition Fund may be used at any time within thirty (30) calendar days of the Date of Issuance (such period, the "Acquisition Period") to make payments if needed to reconcile the amounts paid in connection with the acquisition of Financed Eligible Loans with the actual outstanding principal and accrued borrower interest on such Eligible Loans and, if necessary, to complete the acquisition of such Eligible Loans. All funds remaining on deposit in the Acquisition Fund at the end of the Acquisition Period will be transferred to the Collection Fund on the first Business Day following the end of the Acquisition Period and shall constitute Available Funds on the next Monthly Distribution Date. Eligible Loans deposited in or acquired with funds deposited in the Acquisition Fund that are pledged to the Trust Estate created under the Indenture will be held by the Trustee or its agent or bailee and accounted for as a part of the Acquisition Fund. Except for (a) the acquisition or purchase of the pool of Eligible Loans described above or (b) any acquisition of student loans that were previously Financed Eligible Loans repurchased from a Guaranty Agency, or the Servicer, there will be no subsequent acquisitions of or recycling of student loans into the Trust Estate.

Reserve Fund

On the Date of Issuance, the Trustee shall deposit to the Reserve Fund the Specified Reserve Fund Balance from the proceeds of the Notes. Thereafter, the Trustee will transfer to the Reserve Fund from the Collection Fund all amounts designated for transfer thereto pursuant to clause (6) of "Collection Fund —*Payments on Monthly Distribution Dates*" herein.

(1) On the fourth Business Day prior to each Monthly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund and the Capitalized Interest Fund to make one or more of the transfers described under clauses (1) through (5) of "Collection Fund — *Payments on Monthly Payment Dates*" herein, then the Corporation will instruct the Trustee in writing, in the Monthly Distribution Report, to withdraw from the Reserve Fund on such Monthly Distribution Date, an amount equal to such deficiency and to deposit such amount in the Collection Fund. Additionally, if on the Note Final Maturity Date for a Series, and after giving effect to the distribution of the Available Funds on such Note Final Maturity Date, the principal amount of the Notes of such Series will not be reduced to zero, on the second Business Day prior to such Note Final Maturity, the Corporation will instruct the Trustee in writing to withdraw from the Reserve Fund on the Note Final Maturity Date for such Series an amount equal to the amount needed to reduce the principal amount of the Notes of such Series to zero and to deposit such amount in the Collection Fund for application to payment of the Outstanding Amount of the Notes of such Series.

(2) After giving effect to clause (1) above, if the amount on deposit in the Reserve Fund on any Monthly Distribution Date is greater than the Specified Reserve Fund Balance for such Monthly Distribution Date, then on the fourth Business Day prior to such Monthly Distribution Date, the Corporation will instruct the Trustee in writing, in the Monthly Distribution Report, to withdraw from the Reserve Fund on such Monthly Distribution Date an amount equal to such excess and to deposit such amount in the Collection Fund.

(3) Anything described under this caption to the contrary notwithstanding, if the market value of securities and cash in the Collection Fund and the Reserve Fund is on any Monthly Distribution

Date sufficient to pay the remaining principal amount of and interest accrued on the Notes, such amount will be so applied on such Monthly Distribution Date and on the fourth Business Day prior to such Monthly Distribution Date, the Corporation will instruct the Trustee in writing to make such payment.

(4) Amounts on deposit in the Reserve Fund, other than amounts in excess of the Specified Reserve Fund Balance that are transferred to the Collection Fund, will not be available to make principal payments on the Notes except upon the final Note Final Maturity Date or earlier upon the occurrence of an Event of Default and an acceleration of the Notes, in which case, the amount on deposit shall be applied in accordance with the provisions of the Indenture described herein under the heading "DEFAULTS AND REMEDIES —Possession of Trust Estate and Payments After Acceleration".

Department Rebate Fund

The Monthly Distribution Report shall include instructions that the Trustee deposit on the next Monthly Distribution Date into the Department Rebate Fund from the Collection Fund and, if necessary, the Capitalized Interest Fund, the amount necessary to bring the balance of the Department Rebate Fund to the expected net payable to the Department with respect to Interest Subsidy Payments and Special Allowance Payments attributable to the Financed Eligible Loans for such date. Upon written instructions from the Corporation to the Trustee, the Trustee will pay to the Department an amount equal to the net amount owed to the Department in respect of Interest Subsidy Payments and Special Allowance Payments attributable to the Financed Eligible Loans due on each date payments are due to the Department, first, from amounts on deposit in the Department Rebate Fund and, second, from the Collection Fund. Amounts in the Department Rebate Fund are not part of the Trust Estate and shall not be subject to a security interest, lien or charge in favor of the Trustee. If the amount on deposit in the Department Rebate Fund on the fourth Business Day prior to any Monthly Distribution Date is greater than the net amount payable to the Department on such Monthly Distribution Date, then on the fourth Business Day prior to such Monthly Distribution Date, the Corporation will instruct the Trustee in writing to withdraw from the Department Rebate Fund on such Monthly Distribution Date an amount equal to such excess and to deposit such amount in the Collection Fund.

Investment of Funds Held by Trustee

The Trustee will invest money held for the credit of any Fund or Account or Subaccount held by the Trustee as directed in writing by the Corporation, to the fullest extent practicable and reasonable, in Investment Securities which will mature or be redeemable at the option of the holder prior to the respective dates when the money held for the credit of such Fund or Account will be required for the purposes intended. In the absence of any such direction and to the extent practicable, the Trustee will invest amounts held under the Indenture in those Investment Securities described in clause (iv) of the definition of the Investment Securities. All such investments will be held by (or by any custodian on behalf of) the Trustee for the benefit of the Corporation; provided that all interest and other investment income collected (net of losses and investment expenses) on funds on deposit in any Fund or Account or Subaccount will be deposited when collected into the Collection Fund and will be deemed to constitute a portion of the Available Funds. The Trustee and the Corporation agree that unless an Event of Default will have occurred relating to the Notes, the Corporation acting by and through an Authorized Representative will be entitled to, and will, provide written direction to the Trustee with regard to investment of funds constituting Collateral.

Notwithstanding the foregoing, the Trustee will not be responsible or liable for any losses of either principal or interest on investments made by it under the Indenture or for keeping all Funds held by it fully invested at all times, its only responsibility being to comply with the investment instructions of the Corporation or its designee in a non-negligent manner.

Release

The Trustee will, upon Corporation Order and subject to the provisions of the Indenture, take all actions reasonably necessary to effect the release of any Financed Eligible Loans from the lien of the Indenture to the extent the terms permit the sale, disposition, release or transfer of such Financed Eligible Loans.

The Trustee will, at such time as there are no Notes Outstanding and all sums due the Trustee and all amounts payable to the Servicer, the Back-up Servicer, the Administrator, the Back-up Administrator, the Eligible Lender Trustee and the Rating Agencies have been paid, release any remaining portion of the Trust Estate that secured the Notes from the lien of the Indenture and release to the Corporation or any other Person entitled thereto any funds then on deposit in the Funds and Accounts.

DEFAULTS AND REMEDIES

Defaults

The following constitute Events of Default (whatever the reason for such Event of Default and whether it is voluntary or involuntary or effected by law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the due and punctual payment of any interest on any Highest Priority Obligation when the same becomes due and payable;

(2) default in the due and punctual payment of the principal of any Highest Priority Obligation when the same becomes due and payable on the respective Note Final Maturity Date;

(3) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Corporation to be kept, observed and performed contained in the Indenture or in the Notes, and continuation of such default for a period of 90 days after written notice thereof by the Trustee to the Corporation;

(4) any representation or warranty of the Corporation made in the Indenture or in any document or certificate related to the issuance of the Notes having been incorrect in any material respect as of the time when made which has a material adverse effect on the Owners and the circumstance or condition in respect of which such misrepresentation or warranty was incorrect shall not have been eliminated or otherwise cured, for a period of 30 days after there has been given, by registered mail with postage prepaid, to the Corporation by the Trustee or to the Corporation and the Trustee by the Owners of at least 25% of the aggregate principal amount of the Highest Priority Obligations at the time Outstanding, a written notice specifying such incorrect representation or warranty and requiring it to be remedied and stating that such notice is a notice of default hereunder; and

(5) the occurrence of an Event of Bankruptcy.

In no event shall the failure to pay Series B Carry-Over Amount or the failure to pay principal of the Notes (except failure to pay principal of the Notes on the applicable Note Final Maturity Date) be an Event of Default under the Indenture.

Notice

Any notice provided in the Indenture to be given to the Corporation with respect to any default will be deemed sufficiently given if sent by registered mail with postage prepaid to the Corporation, addressed to the Corporation at the post office address as shown in the Indenture or such other address as may be given as the principal office of the Corporation in writing to a Responsible Officer of the Trustee by an Authorized Representative. The Trustee shall give such notice in the case of an Event of Default known to the Trustee.

Remedies on Default; Protection of Rights

Upon the happening of any Event of Default, the Trustee may proceed to protect and enforce the rights of the Trustee and the Owners in such manner as counsel or any other agent for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of such other appropriate legal or equitable remedies as, in the opinion of such counsel, may be more effectual to protect and enforce the rights aforesaid, including but not limited to all remedies of a secured party under the Uniform Commercial Code with respect to the Trust Estate. The Trustee will take any such action or actions if requested to do so in writing by the

Owners of at least a majority in aggregate principal amount of the Highest Priority Obligations at the time Outstanding, in the event of an Event of Default, subject to the indemnity and other rights of the Trustee.

Acceleration of Maturity; Rescission and Annulment

Acceleration. If an Event of Default should occur and be continuing, then and in every such case the Registered Owners of Notes representing not less than a majority in aggregate principal amount of the Highest Priority Obligations then Outstanding may declare all the Outstanding Notes to be immediately due and payable, by a notice in writing to the Corporation and to the Trustee, and upon any such declaration the unpaid principal amount of such Outstanding Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable, subject, however, to the restrictions on sale of the Trust Estate described below under "DEFAULTS AND REMEDIES — Sale of Trust Estate Upon Acceleration". If an Event of Default other than an Event of Default described above in clauses (3) and (4) under "DEFAULTS AND REMEDIES – Defaults" should occur and be continuing, then and in every such case the Trustee may declare all the Outstanding Notes to be immediately due and payable, by a notice in writing to the Corporation, and upon any such declaration the unpaid principal amount of such Outstanding Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable, subject, however, to the restrictions on sale of the Trust Estate described below under "DEFAULTS AND REMEDIES — Sale of Trust Estate Upon Acceleration".

Rescission and Annulment. At any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee, the Owners of Notes representing a majority in aggregate principal amount of the Highest Priority Obligations then Outstanding which have been declared due and payable, by written notice to the Corporation and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Corporation has paid or deposited with the Trustee a sum sufficient to pay:

(a) all payments of principal of and interest on all Notes and all other amounts that would then be due upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(b) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, the Eligible Lender Trustee, the Administrator, the Back-up Administrator, the Servicer, the Back-up Servicer and their agents and counsel and any unpaid Rating Agency surveillance fees; and

(2) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived.

No such rescission will affect any subsequent default or impair any right consequent thereto.

Possession of Trust Estate and Payments After Acceleration

Upon the acceleration of the maturity of the Notes and subject to the Trustee's rights to indemnification and compensation, the Trustee may, and upon the written direction of the Owners representing not less than a majority in aggregate principal amount of the Highest Priority Obligations then Outstanding will, enter into and upon and take possession of such portion of the Collateral as will be in the custody of others, and all property comprising the Collateral, and each and every part thereof, and exclude the Corporation and its agents, servants and employees wholly therefrom, and have, hold, use, operate, manage, and control the same and each and every part thereof, and in the name of the Corporation or otherwise, as it will deem best, conduct the business thereof and exercise the privileges pertaining thereto and all the rights and powers of the Corporation and use all of the then existing Collateral for that purpose, and collect and receive all charges, income and Available Funds with respect to the Notes of the same and of every part thereof, and after deducting therefrom all expenses incurred under the Indenture and all other proper outlays authorized in the Indenture, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, and all other amounts owed to the Trustee under the Indenture, the Trustee will apply the rest and residue of the money received by the Trustee as follows:

FIRST, to the Department and any Guaranty Agency, amounts due and owing thereto with respect to the Collateral or the Notes;

SECOND, to the Trustee and the Eligible Lender Trustee, any Trustee Fee and Eligible Lender Trustee Fee due and owing with respect to the Notes;

THIRD, to the Servicer, the Back-up Servicer, any custodians, any Servicing Fees, Back-up Servicing Fees and custodian fees due and remaining unpaid with respect to the Financed Eligible Loans;

FOURTH, to the Administrator and the Rating Agencies, any Administration Fees and Rating Agency surveillance fees due and remaining unpaid;

FIFTH, to the Noteholders of Series 2014 A-1 Notes for amounts due and unpaid on the Series 2014 A-1 Notes for interest, ratably, without preference or priority of any kind according to the amounts due and payable on the Series 2014 A-1 Notes, such interest;

SIXTH, to the Noteholders of Series 2014 A-1 Notes for amounts due and unpaid on the Series 2014 A-1 Notes for principal, ratably, without preference or priority of any kind according to the amounts due and payable on the Series 2014 A-1 Notes, such principal;

SEVENTH, to the Noteholders of Series 2014 B-1 Notes for amounts due and unpaid on the Series 2014 B-1 Notes for interest (other than the Series B Carry-Over Amount), ratably without preference or priority of any kind according to the amounts due and payable on the Series 2014 B-1 Notes, such interest;

EIGHTH, to the Series 2014 B-1 Noteholders for amounts due and unpaid on the Series 2014 B-1 Notes for principal, ratably, without preference or priority of any kind according to the amounts due and payable on such Series 2014 B-1 Notes, such principal;

NINTH, to the Series 2014 B-1 Noteholders, the Series B Carry-Over Amount and interest thereon, ratably without preference or priority of any kind according to the amounts due and payable; and

TENTH, following payment in full of the Notes, to the Corporation.

The Trustee may fix a record date and payment date for any payment to Owners described above. At least 15 days before such record date, the Trustee will mail to each Owner and the Corporation a notice that states the record date, the payment date and the amount to be paid.

Sale of Trust Estate Upon Acceleration

Upon the happening of any Event of Default and if the principal of all of the Outstanding Notes has been declared due and payable, then and in every such case, and irrespective of whether other remedies authorized will have been pursued in whole or in part, the Trustee may, and if directed by the Registered Owners representing not less than a majority in aggregate principal amount of the Highest Priority Obligations then Outstanding will, sell, with or without entry, to the highest bidder the Financed Eligible Loans, and all right, title, interest, claim and demand thereto and the right of redemption thereof, at any such place or places, and at such time or times and upon such notice and terms as may be required by law; provided that, the Trustee (a) may engage a third party with nationally recognized experience in the sale of student loan assets, such as the Financed Eligible Loans, to undertake such sale and (b) will be entitled to indemnification.

Upon such sale the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale will be a perpetual bar both at law and in equity against the Corporation and all Persons claiming such properties. No purchaser at any sale will be bound to see to the application of the purchase money or to inquire as to the authorization, necessity, expediency or regularity of any such sale. The Trustee is irrevocably appointed the true and lawful attorney-in-fact of the Corporation, in its name and stead, to make and execute all bills of sale, instruments of assignment and transfer and such other documents of

transfer as may be necessary or advisable in connection with a sale of all or part of the Trust Estate, but the Corporation, if so requested by the Trustee or the Registered Owners representing not less than a majority in aggregate principal amount of the Outstanding Highest Priority Obligations will ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary, or in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Notwithstanding the foregoing, the Trustee is prohibited from selling the Financed Eligible Loans following an Event of Default, other than a default in the payment of any principal or interest on any Note, unless (a) the Owners of all of the Notes at the time Outstanding consent to such a sale; (b) the proceeds of such a sale will be sufficient to discharge all the Outstanding Notes at the date of such a sale; or (c) the Corporation determines that the collections on the Financed Eligible Loans would not be sufficient on an ongoing basis to make all payments on the Notes had the Notes not been declared due and payable, and the Trustee obtains the consent of the Owners of at least 66-2/3% of the aggregate principal amount of the Highest Priority Obligations at the time Outstanding.

Application of Sale Proceeds

The proceeds of any sale of the Trust Estate, together with any funds at the time held by the Trustee will be applied by the Trustee as set forth herein under "Possession of Trust Estate and Payments After Acceleration", and then to the Corporation or whomsoever will be lawfully entitled thereto.

Appointment of Receiver

In case an Event of Default occurs, and if all of the Outstanding Notes have been declared due and payable and in case any judicial proceedings are commenced to enforce any right of the Trustee or of the Owners under the Indenture or otherwise, then as a matter of right, the Trustee will be entitled to the appointment of a receiver of the Collateral, and of the earnings, income or revenue, rents, issues and profits thereof with such powers as the court making such appointments may confer.

Restoration of Position

In case the Trustee will have proceeded to enforce any rights under the Indenture by sale or otherwise, and such proceedings will have been discontinued, or will have been determined adversely to the Trustee, then and in every such case to the extent not inconsistent with such adverse decree, the Corporation, the Trustee and the Owners will be restored to their former respective positions and the rights under the Indenture in respect to the Trust Estate, and all rights, remedies and powers of the Trustee and of the Owners will continue as though no such proceeding had been taken.

Remedies Not Exclusive

The remedies described herein as conferred upon or reserved to the Trustee or the Owners of Notes are not intended to be exclusive of any other remedy, but each such remedy will be cumulative and will be in addition to every other remedy given under the Indenture or now or hereafter existing, and every power and remedy given to the Trustee or to the Owners of Notes by the Indenture, or any supplement to the Indenture, may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustee or of any Owner of Notes to exercise any power or right arising from any default under the Indenture will impair any such right or power or will be construed to be a waiver of any such default or to be acquiescence therein.

Collection of Indebtedness and Suits for Enforcement by Trustee

The Corporation covenants that if:

(1) default is made in the payment of any installment of interest, if any, on any of the Highest Priority Obligations when such interest becomes due and payable and such default continues for a period of five (5) days; or

(2) default is made in the payment of the principal of (or premium, if any, on) any of the Highest Priority Obligations at their Note Final Maturity Date,

then the Corporation will, upon demand of the Trustee but solely from the Collateral, pay to the Trustee, for the benefit of the Owners, the whole amount then due and payable on the Notes in default for principal and interest, with interest upon any overdue principal and, to the extent that payment of such interest will be legally enforceable, upon any overdue installments of interest, if any, at the rate or rates borne by or provided for in such Notes, and, in addition thereto, such further amount as will be sufficient to cover the costs and expenses of collection, including the reasonable compensation, fees, expenses, disbursements and advances of the Trustee and its agents and counsel.

Subject to the Corporation's limited liability under the Indenture, if the Corporation fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as Trustee of an express trust, may upon receiving from the Owners indemnification satisfactory to the Trustee, institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree, and may enforce the same against the Collateral, and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the Trust Estate, wherever situated.

If an Event of Default with respect to the Notes occurs and is continuing, the Trustee may, after being indemnified to its satisfaction by the affected Owners and in its discretion, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate judicial proceedings as the Trustee will deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in the Indenture or in aid of the exercise of any power granted in the Indenture, or to enforce any other proper remedy.

Direction of Trustee

Upon the happening of any Event of Default, the Owners of at least a majority of the aggregate principal amount of the Highest Priority Obligations then Outstanding, will have the right by an instrument or instruments in writing delivered to the Trustee to direct and control the Trustee as to the method of taking any and all proceedings for any sale of any or all of the Collateral, or for the appointment of a receiver, if permitted by law, and may at any time cause any proceedings authorized by the terms hereof to be so taken or to be discontinued or delayed. The Owners are required to indemnify the Trustee.

Right to Enforce in Trustee

No Owner of any Note will have any right as such Owner to institute any suit, action or proceedings for the enforcement of the provisions of the Indenture or for the execution of any trust thereunder or for the appointment of a receiver or for any other remedy under the Indenture, all rights of action under the Indenture being vested exclusively in the Trustee, unless and until such Owner will have previously given to a Responsible Officer of the Trustee written notice of a default under the Indenture, and of the continuance thereof, and also unless the Owners of the requisite principal amount of the Highest Priority Obligations then Outstanding will have made written request upon a Responsible Officer of the Trustee and the Trustee will have been afforded reasonable opportunity to institute such action, suit or proceeding in its own name, and unless the Trustee will have been offered indemnity and security satisfactory to it against the fees, costs, expenses and liabilities (including those of its counsel and agents) to be incurred therein or thereby, which offer of indemnity will be an express condition precedent under the Indenture to any obligation of the Trustee to take any such action thereunder, and the Trustee for 30 days after receipt of such notification, request and offer of indemnity, will have failed to institute any such action, suit or proceeding. It is understood and intended that no one or more Owners of the Notes will have the right in any manner whatever by his or their action to affect, disturb or prejudice the lien of the Indenture or to enforce any right thereunder except in the manner provided in the Indenture.

Waivers of Events of Default

The Trustee will waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration of Notes upon the written request of the Owners of at least a majority of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding; provided, however, that there will not be waived (a) any Event of Default in the payment of the principal of on any Outstanding Notes at the date of

maturity thereof, or any default in the payment when due of the interest on any such Notes, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal and all expenses of the Trustee, in connection with such default will have been paid or provided for; or (b) any default in the payment of compensation or indemnification to the Trustee. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default will have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the Trustee and the Owners of Notes will be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission will extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon. The Trustee will give written notice to each Rating Agency of any waiver of an Event of Default pursuant to this Section.

THE TRUSTEE

Terms of Acceptance of Trust

The Trustee has accepted the trusts imposed upon it by the Indenture, subject to the following terms and conditions:

Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee, and the Trustee will not be liable for its acts or omissions in carrying out its duties hereunder, except for its own negligence or willful misconduct; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform as to form with the requirements of the Indenture and whether or not they contain the statements required under the Indenture.

In case an Event of Default has occurred and is continuing, the Trustee, in exercising the rights and powers vested in it by the Indenture, will use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs, and the Trustee will not be liable for its acts or omissions in carrying out its duties under the Indenture, except for its own negligence or willful misconduct.

Before taking any action under the Indenture requested by the Owners, the Trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the Owners, as applicable, for the reimbursement of all fees and expenses (including those of its counsel and agents) to which it may be put and to protect it against all liability.

No provision of the Indenture will be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this provision will not be construed to limit the effect of the foregoing portions described under this caption;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it will be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee will not be liable with respect to any action taken or omitted to be taken in good faith in accordance with the directions of the Owners of a majority of the aggregate principal amount of the Highest Priority Obligations then Outstanding relating to the time, method and place of conducting any proceedings

for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture with respect to the Notes; and

(4) no provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers.

Trustee May Act Through Agents

The Trustee may execute any of the trusts or powers under the Indenture, either itself or by or through its attorneys, agents or employees, and it will not be answerable or accountable for any default, neglect or misconduct of any such attorneys, agents or employees, if reasonable care has been exercised in the appointment. All reasonable costs incurred by the Trustee and all reasonable compensation to all such persons as may reasonably be employed in connection with the trusts hereof will be paid by the Corporation.

Indemnification of Trustee

Other than with respect to its duties to make payment on the Notes when due and its duty to pursue the remedy of acceleration as described under "DEFAULTS AND REMEDIES" herein, for which no additional security or indemnity may be required, the Trustee will be under no obligation or duty to perform any act at the request of Owners or to institute or defend any suit in respect thereof unless properly indemnified and provided with security to its satisfaction. The Trustee will not be required to take notice, or be deemed to have knowledge, of any default or Event of Default of the Corporation under the Indenture and may conclusively assume that there has been no such default or Event of Default (other than an Event of Default described in clauses (1) and (2) of the Events of Default) unless and until a Responsible Officer will have been specifically notified in writing of such default or Event of Default by (a) the Owners of the required percentages in principal amount of the Notes then Outstanding hereinabove specified or (b) an Authorized Representative.

However, the Trustee may begin suit, or appear in and defend suit, execute any of the trusts created by the Indenture, enforce any of its rights or powers under the Indenture, or do anything else in its judgment proper to be done by it as Trustee, without assurance of reimbursement or indemnity, and in such case the Trustee will be reimbursed or indemnified by the Owners requesting such action, if any, or the Corporation in all other cases, for all fees, costs and expenses, liabilities, outlays and counsel and agent fees and other reasonable disbursements properly incurred in connection therewith, unless such costs and expenses, liabilities, outlays and attorneys' fees and other reasonable disbursements properly incurred in connection therewith are adjudicated to have resulted from the negligence or willful misconduct of the Trustee.

In furtherance and not in limitation of the matters described in the two preceding paragraphs, the Trustee will not be liable for, and will be held harmless by the Corporation from, following any Corporation Orders, instructions or other directions upon which the Trustee is authorized to conclusively rely pursuant to the Indenture or any other agreement to which it is a party. If the Corporation or the Owners, as appropriate, fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any money in its possession under the provisions of the Indenture, subject only to the priority of payments from the Collection Fund described in "FUNDS AND ACCOUNTS — Collection Fund" in this Appendix A. None of the provisions contained in the Indenture or any other agreement to which it is a party will require the Trustee to act or to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if the Owners will not have offered security and indemnity acceptable to it or if it will have reasonable grounds for believing that prompt repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

In no event will the Trustee be responsible or liable for any special, indirect, punitive or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of such action.

The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and will be enforceable by, the Trustee in each of its capacities under the Indenture. The provisions of this Section will survive the resignation or removal of the Trustee and the termination of the Indenture.

Trustee's Right to Reliance

The Trustee will be protected in acting upon any notice, resolution, request, consent, order, certificate, report, appraisal, opinion or document of the Corporation or the Servicer or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with experts and with counsel (who may but need not be counsel for the Corporation, the Trustee, or an Owner), and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered, and in respect of any determination made by it under the Indenture in good faith and in accordance with the opinion of such counsel.

Whenever in the administration of the Indenture the Trustee will reasonably deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action under the Indenture, the Trustee (unless other evidence specifically prescribed in the Indenture) may, in the absence of bad faith on its part, rely upon a certificate signed by an Authorized Representative or an authorized officer of the Servicer or the Administrator and, following the occurrence of an Event of Default, upon a direction from the Owners holding a majority of the Outstanding Amount of the Highest Priority Obligations.

The Trustee will not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture; provided, however, that the Trustee will be liable for its negligence or willful misconduct in taking such action.

The Trustee is authorized to enter into agreements with other Persons, in its capacity as Trustee, in order to carry out or implement the terms and provisions of the Indenture. The Trustee will not be liable with respect to any action taken, suffered or omitted to be taken in good faith in accordance with the Indenture or any other transaction document or at the direction of the Owners evidencing the appropriate percentage of the aggregate principal amount of the Outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture or any other transaction document.

Compensation of Trustee

Except as otherwise expressly provided in the Indenture, all advances, counsel fees (including without limitation allocated fees of in-house counsel) and other expenses reasonably made or incurred by the Trustee in and about the execution and administration of the trust created by the Indenture and reasonable compensation to the Trustee for its services in the premises will be paid by the Corporation. The compensation of the Trustee will not be limited to or by any provision of law in regard to the compensation of trustees of an express trust. The Trustee will not materially increase the Trustee Fee without giving the Corporation and each Rating Agency at least 90 days' written notice prior to the beginning of a Fiscal Year. If not paid by the Corporation, the Trustee will have a lien against all money held pursuant to the Indenture, subject only to the priority of payments from the Collection Fund provided for under "FUNDS AND ACCOUNTS — Collection Fund", for such reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts created by the Indenture and the exercise and performance of the powers and duties of the Trustee thereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee).

Resignation of Trustee

The Trustee and any successor to the Trustee may resign and be discharged from the trust created by the Indenture by giving to the Corporation notice in writing which notice will specify the date on which such resignation is to take effect; provided, however, that such resignation will only take effect on the day specified in such notice if

a successor Trustee will have been appointed (and is qualified to be the Trustee under the requirements of the Indenture). If no successor Trustee has been appointed by the date specified or within a period of 90 days from the receipt of the notice by the Corporation, whichever period is the longer, the Trustee may (a) appoint a temporary successor Trustee having the qualifications required under the Indenture or (b) request a court of competent jurisdiction to (i) require the Corporation to appoint a successor within three days of the receipt of citation or notice by the court, or (ii) appoint a Trustee having the qualifications required by the Indenture. In no event may the resignation of the Trustee be effective until a qualified successor Trustee will have been selected and appointed. In the event a temporary successor Trustee is appointed pursuant to clause (a) above, the Corporation may remove such temporary successor Trustee and appoint a successor thereto pursuant to the requirements of the Indenture.

Removal of Trustee

The Trustee or any successor Trustee may be removed (a) at any time by the Owners of a majority of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding, (b) by the Corporation for cause or upon the sale or other disposition of the Trustee or its corporate trust functions or (c) by the Corporation without cause so long as no Event of Default exists or has existed within the last 30 days, upon payment to the Trustee so removed of all money then due to it under the Indenture and appointment of a successor thereto by the Corporation and acceptance thereof by said successor. One copy of any such order of removal will be filed with the Trustee so removed.

The Trustee or any successor Trustee shall be removed within thirty (30) days if the Trustee or any such successor Trustee is not rated at least "BBB" by S&P.

In the event a Trustee (or successor Trustee) is removed, by any person or for any reason permitted under the Indenture, such removal will not become effective until (a) in the case of removal by the Owners, such Owners by instrument or concurrent instruments in writing (signed and acknowledged by such Owners or their attorneys-in-fact) filed with the Trustee removed have appointed a successor Trustee or otherwise the Corporation shall have appointed a successor, and (b) the successor Trustee has accepted appointment as such.

Successor Trustee

In case at any time the Trustee or any successor Trustee will resign, be dissolved, or otherwise will be disqualified to act or be incapable of acting, or in case control of the Trustee or of any successor Trustee or of its officers will be taken over by any public officer or officers, a successor Trustee may be appointed by the Corporation by an instrument in writing duly authorized by the Corporation. In the case of any such appointment by the Corporation of a successor to the Trustee, the Corporation will forthwith cause notice thereof to be mailed to the Noteholders at the address of each Noteholder appearing on the bond registration books maintained by the Trustee, as registrar.

Every successor Trustee appointed by the Noteholders, by a court of competent jurisdiction, or by the Corporation will be a bank or trust company in good standing, organized and doing business under the laws of the United States or of a state therein, which has a reported capital and surplus of not less than $50,000,000 and will be rated at least "BBB" by S&P, be authorized under the law to exercise corporate trust powers, be subject to supervision or examination by a federal or state authority, and be an Eligible Lender so long as such designation is necessary to maintain guarantees and federal benefits under the Higher Education Act with respect to the Financed Eligible Loans originated under the Higher Education Act.

Additional Covenants by the Trustee to Conform to the Higher Education Act

The Trustee has covenanted that it will at all times (a) be an Eligible Lender under the Higher Education Act so long as such designation is necessary, as determined by the Corporation, (b) maintain the guarantees and federal benefits under the Higher Education Act with respect to the Financed Eligible Loans, and (c) not knowingly dispose of or deliver any Financed Eligible Loans originated under the Higher Education Act or any security interest in any such Financed Eligible Loans to any party who is not an Eligible Lender so long as the Higher Education Act or Regulations adopted thereunder require an Eligible Lender to be the owner or holder of such Financed Eligible

Loans; provided, however, that nothing above will prevent the Trustee from delivering the Eligible Loans to the Servicer or a Guaranty Agency.

Right of Inspection

An Owner will be permitted at reasonable times during regular business hours and in accordance with reasonable regulations prescribed by the Trustee to examine at the principal office of the Trustee a copy of any report or instrument theretofore filed with the Trustee relating to the condition of the Trust Estate.

Merger of the Trustee

Any entity into which the Trustee may be merged or with which it may be consolidated, or any entity resulting from any merger or consolidation to which the Trustee will be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Trustee, will be the successor of the Trustee under the Indenture, provided such entity will be otherwise qualified and eligible under the Indenture, without the execution or filing of any paper of any further act on the part of any other parties to the Indenture.

Corporate Trustee Required; Eligibility; Conflicting Interests

There will at all times be a Trustee under the Indenture which will have a combined capital and surplus of at least $50,000,000. If such corporation publishes reports of condition at least annually, pursuant to law or the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes described under this caption, the combined capital and surplus of such corporation will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions described under this caption, it will resign immediately in the manner and with the effect specified in the Indenture. Neither the Corporation nor any Person directly or indirectly controlling or controlled by, or under common control with, the Corporation will serve as Trustee.

Trustee May File Proofs of Claim

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Corporation or any other obligor upon the Notes or the property of the Corporation or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Series of the Notes will then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee will have made any demand on the Corporation for the payment of overdue principal, premium, if any, or interest) will be entitled and empowered, by intervention in such proceeding or otherwise:

(1) to file and prove a claim for the whole amount, or such lesser amount as may be provided for in the Notes, of principal (and premium, if any) and interest, if any, owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable fees, compensation, expenses, disbursements and advances of the Trustee and its agents and counsel) and of the Owners allowed in such judicial proceeding; and

(2) to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is authorized pursuant to the Indenture by each Owner of Notes to make such payments to the Trustee, and if the Trustee shall consent to the making of such payments directly to the Owners, to pay to the Trustee any amount due to it for the reasonable fees, compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel, and any other amounts due the Trustee or any predecessor Trustee.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of the Indenture to which the Trustee shall be a party), the Trustee will be held to represent all the Noteholders, and it will not be necessary to make any Noteholders parties to any such proceedings.

No Petition

The Trustee will not at any time institute against the Corporation any bankruptcy proceeding under any United States federal or state bankruptcy or similar law in connection with any obligations of the Corporation under the Indenture.

SUPPLEMENTAL INDENTURES

Supplemental Indentures Not Requiring Consent of Owners

The Corporation and the Trustee may, without the consent of or notice to any of the Owners of any Notes enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

(1) to cure any ambiguity or formal defect or omission in the Indenture;

(2) to grant to or confer upon the Trustee for the benefit of the Owners any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners or the Trustee;

(3) to subject to the Indenture additional revenues, properties or collateral;

(4) to modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Notes for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(5) to evidence the appointment of a separate or co-Trustee or a co-registrar or transfer agent or the succession of a new Trustee under the Indenture, or any additional or substitute Guaranty Agency or Servicer;

(6) to add such provisions to or to amend such provisions of the Indenture as may be necessary or desirable to assure implementation of the Program in conformance with the Higher Education Act if along with such Supplemental Indenture there is filed an opinion of Note Counsel to the effect that the addition or amendment of such provisions will in no way impair the existing security of the Owners of any Outstanding Notes;

(7) to make any change as will be necessary in order to obtain and maintain for any of the Notes an investment grade Rating from a nationally recognized rating service, which in the judgment of the Corporation will not be materially adverse to the Owner of any of the Notes;

(8) to make any changes necessary to comply with or obtain more favorable treatment under any current or future law, rule or regulation, including but not limited to the Higher Education Act, the Regulations or the Code and the regulations promulgated thereunder;

(9) to create any additional Funds or Accounts or Subaccounts under the Indenture deemed by the Trustee to be necessary or desirable;

(10) to amend the Indenture to provide for use of a surety bond or other financial guaranty instrument in lieu of cash and/or Investment Securities in all or any portion of the Reserve Fund, so long as such action will not adversely affect the Ratings of any of the Notes; or

(11) to make any other change which, in the judgment of the Corporation, is not materially adverse to the Owners of any Notes;

provided, however, that nothing described under this caption will permit, or be construed as permitting, any modification of the trusts, powers, rights, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee, which approval will be evidenced by execution of a Supplemental Indenture.

Supplemental Indentures Requiring Consent of Owners

The Corporation and the Trustee may, without the consent of or notice to any of the Owner of any Series 2014 A-1 Notes and with the consent of all Owners of Series 2014 B Notes, enter into any indenture or indentures supplemental to the Indenture to make any changes to the terms of the Series 2014 B-1 Notes, provided that such changes to the Series 2014 B-1 Notes shall become effective only after the Series 2014 A-1 Notes are no longer Outstanding.

Exclusive of Supplemental Indentures not requiring the consent of Owners and Supplemental Indentures requiring only the consent of the Owners of the Series 2014 B-1 Notes, and subject to the terms and provisions contained below, and not otherwise, the Owners of not less than a majority of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding will have the right, from time to time, to consent to and approve the execution by the Corporation and the Trustee of such other indenture or indentures supplemental to the Indenture as will be deemed necessary and desirable by the Corporation and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing will permit, or be construed as permitting (a) without the consent of the Owner of each affected Note then Outstanding, (i) an extension of the stated maturity date of the principal of or the interest on any such Note, or (ii) a reduction in the principal amount of any such Note or the rate of interest thereon, or (iii) a privilege or priority of any Note or Notes over any other Note or Notes except as otherwise provided in the Indenture, or (iv) a reduction in the aggregate principal amount of the Notes required for consent to such Supplemental Indenture, or (v) the creation of any lien other than a lien ratably securing all of the Notes at any time Outstanding except as otherwise provided in the Indenture; or (b) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee.

If at any time the Corporation will request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee will, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Owner of an affected Note at the address shown on the registration books. Such notice (which will be prepared by the Corporation) will briefly set forth the nature of the proposed Supplemental Indenture and will state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all such Owners. If, within 60 days, or such longer period as will be prescribed by the Corporation, following the mailing of such notice, the Owners of not less than a majority of the collective aggregate principal amount of the Highest Priority Obligations Outstanding at the time of the execution of any such Supplemental Indenture will have consented in writing to and approved the execution thereof as provided in the Indenture, no Owner of any Note will have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted as described under this caption and provided, the Indenture will be and be deemed to be modified and amended in accordance therewith.

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SATISFACTION OF INDENTURE

If the Corporation will pay, or cause to be paid, or there will otherwise be paid to the Noteholders, the principal of and interest on the Notes, at the times and in the manner stipulated in the Indenture, then the pledge of the Trust Estate, and all covenants, agreements and other obligations of the Corporation to the Noteholders and all other obligations due and outstanding will thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee will execute and deliver to the Corporation all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee will pay over or deliver all money held by it under the Indenture to the party entitled to receive the same under the Indenture. If the Corporation will pay or cause to be paid, or there will otherwise be paid, to the Noteholders of any Outstanding Notes the principal of and interest on such Notes, at the times and in the manner stipulated in the Indenture, such Notes will cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the Corporation to the Noteholders thereof will thereupon cease, terminate and become void and be discharged and satisfied.

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APPENDIX B

DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

The Higher Education Act provided for several different types of educational loans (collectively, "Federal Family Education Loans" or "FFELP loans" and, the program with respect thereto, the "Federal Family Education Loan Program"). Under these programs, state agencies or private nonprofit corporations administering student loan insurance programs ("guarantee agencies" or "guarantors") are reimbursed for losses sustained in the operation of their programs, and holders of certain loans made under such programs are paid subsidies for owning such loans. Certain provisions of the Federal Family Education Loan Program are summarized below. Both the Higher Education Act and the related regulations have been the subject of extensive amendments in recent years. There can be no assurance that the Higher Education Act or other relevant federal or state laws and regulations will not be amended or modified in the future in a manner that will adversely affect the student loans authorized under the Federal Family Education Loan Program. See "CERTAIN RISK FACTORS — Changes in Federal Law" in this Offering Memorandum.

On March 30, 2010, President Obama signed into law H.R. 4872 – the Health Care and Education Reconciliation Act of 2010 (HCERA). ***EFFECTIVE JULY 1, 2010, THE HCERA ELIMINATED THE FEDERAL FAMILY EDUCATION LOAN PROGRAM.HCERA PROVIDES THAT AFTER JUNE 30, 2010, NO NEW STUDENT LOANS WILL BE MADE UNDER THE FEDERAL FAMILY EDUCATION LOAN PROGRAM.*** Beginning July 1, 2010, all subsidized and unsubsidized Stafford loans, PLUS loans, and Consolidation loans can only be made under the government's Federal Direct Loan Program (FDLP). The terms of existing FFELP loans are not materially affected by the HCERA.HCERA also allows, from July 1, 2010 through June 30, 2014, certain borrowers who are in-school or in-grace to obtain a Federal Direct Consolidation Loan. In order to qualify, the borrower must meet the following conditions: the borrower must have a loan in at least two of the following categories: FDLP, FFELP loans held by an eligible lender or FFELP loans held by the Secretary of Education and the borrower has not entered repayment on at least one of the loans being consolidated. The Corporation cannot predict which borrowers may qualify or decide to consolidate their student loans under this program. See "CERTAIN RISK FACTORS — Noteholders will bear prepayment and extension risk due to actions taken by individual borrowers and other variables beyond the control of the Corporation".

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 are under any obligation to update or supplement the information herein contained after the date hereof.

Generally, a student was eligible for loans made under the Federal Family Education Loan Program only if he or she:

- was a United States citizen, national or permanent resident;
- had been accepted for enrollment or was enrolled in good standing at an eligible institution of higher education;
- was carrying or planning to carry at least one-half the normal full-time workload for the course of study the student was pursuing as determined by the institution;
- had agreed to promptly notify the holder of the loan of any address change; and

- met the applicable "needs" requirements.

Eligible institutions include higher educational institutions and vocational schools that comply with specific federal regulations. Each loan is to be evidenced by an unsecured note.

The Higher Education Act also established maximum interest rates for each of the various types of loans. Those rates vary not only among loan types, but also within loan types depending upon when the loan was made or when the borrower first obtained a loan under the Federal Family Education Loan Program. The Higher Education Act allows lesser rates of interest to be charged.

Types of Loans

Five types of loans were available under the Federal Family Education Loan Program:

- Subsidized Federal Stafford Loans;
- Unsubsidized Federal Stafford Loans;
- Federal PLUS Loans;
- Federal Supplemental Loans for Students (SLS) Program (repealed in 1994); and
- Federal Consolidation Loans.

These loan types vary as to eligibility requirements, interest rates, repayment periods, loan limits and eligibility for interest subsidies and special allowance payments. Some of those loan types have had other names in the past. References to those various loan types include, where appropriate, their predecessors.

The primary loan under the Federal Family Education Loan Program was the Subsidized Federal Stafford Loan. Students who are not eligible for Subsidized Federal Stafford Loans based on their economic circumstances were able to obtain Unsubsidized Federal Stafford Loans. Parents of students and certain graduate and professional students were able to obtain Federal PLUS Loans. Federal Consolidation Loans were available to borrowers with existing loans made under the Federal Family Education Loan Program and other federal education loan programs to consolidate repayment of the borrower's existing loans. Prior to July 1, 1994, the Federal Family Education Loan Program also offered Federal Supplemental Loans for Students ("Federal SLS Loans") to graduate and professional students and independent undergraduate students and, under certain circumstances, dependent undergraduate students, to supplement their Subsidized Federal Stafford Loans.

Subsidized Federal Stafford Loans

Subsidized Federal Stafford Loans are eligible for reinsurance under the Higher Education Act if the eligible student to whom the loan is made had been accepted or enrolled in good standing at an eligible institution of higher education or vocational school and was carrying at least one-half the normal full-time workload at that institution when the loan was made. Subsidized Federal Stafford Loans had limits as to the maximum amount that may have been borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study.

Both aggregate limitations exclude loans made under the Federal SLS and Federal PLUS Programs. The Secretary of Education had discretion to raise those limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subsidized Federal Stafford Loans were generally made only to student borrowers who meet the needs tests provided in the Higher Education Act. Provisions addressing the implementation of needs analysis and the relationship between unmet need for financing and the availability of federally subsidized student loans (both

FFELP and FDLP) have been the subject of frequent and extensive amendment in recent years. Further amendment to such provisions may materially affect the availability of subsidized FDLP funding to borrowers.

Subsidized Federal Stafford Loans made to new borrowers bear interest for any period of enrollment beginning before July 1, 1994 as indicated in the following table (the term "T-Bill Rate" means the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to June 1 of each year):

Date of Beginning of Period of Enrollment	Interest Rate
On or after January 1, 1981 through September 12, 1983	9% per annum
On or after September 13, 1983 through June 30, 1988	8% per annum
On or after July 1, 1988 through September 30, 1992	T-Bill Rate plus 3.25% per annum[(1)]
On or after July 1, 1992 through June 30, 1994	T-Bill Rate plus 3.10% per annum[(2)]

(1) These loans originally bore interest at the rate of 8% per annum from disbursement through four years after repayment begins and 10% per annum thereafter. However, the Higher Education Technical Amendments of 1993 required that loans with an interest rate of 10% be converted to the current variable rate by January 1, 1995. The Higher Education Technical Amendments of 1993 also required that loans made to borrowers with outstanding balances on or after July 23, 1992 bearing interest at a rate greater than the T-Bill Rate plus 3.10% be converted to the T-Bill Rate plus 3.10%. The maximum interest rate on these loans is equal to the fixed interest rate applicable prior to the conversion.

(2) Maximum rate of 9% per annum.

For loans first disbursed prior to July 1, 1994, Subsidized Federal Stafford Loans made to borrowers who have outstanding balances on any FFELP loans bear interest at the same rate as their outstanding loans. Subsidized Federal Stafford Loans for borrowers with outstanding loans for periods of enrollment that began prior to January 1, 1981 who borrow for periods of enrollment beginning on or after January 1, 1981 bear interest at a rate of 7% per annum. Subsidized Federal Stafford Loans for borrowers with outstanding FFELP loans who borrow on or after July 23, 1992 bear interest at a rate equal to the 91-day T-Bill Rate plus 3.10% per annum, with a maximum rate equal to the rate on the borrower's fixed rate loans.

Subsidized Federal Stafford Loans first disbursed to all borrowers on or after July 1, 1994 bear interest as indicated in the following table:

First Disbursement Date	Interest Rate	In-school, Grace and Deferment Period Rate	Maximum Interest Rate
On or after July 1, 1994 through June 30, 1995	T-Bill Rate plus 3.10% per annum	N/A	8.25% per annum
On or after July 1, 1995 through June 30, 1998	T-Bill Rate plus 3.10% per annum	T-Bill Rate plus 2.5% per annum	8.25% per annum
On or after July 1, 1998 through June 30, 2006	T-Bill Rate plus 2.3% per annum	T-Bill Rate plus 1.7% per annum	8.25% per annum
On or after July 1, 2006	6.8%	N/A	N/A
On or after July 1, 2008	6.0%	N/A	N/A
On or after July 1, 2009	5.6%	N/A	N/A

Unsubsidized Federal Stafford Loans

The Unsubsidized Federal Stafford Loan Program was created by Congress in 1992 for students who do not qualify for Subsidized Federal Stafford Loans due to parental and/or student income and assets in excess of

permitted amounts. Those students were entitled to borrow the difference between the Stafford Loan maximum and their Subsidized Federal Stafford Loan eligibility through the Unsubsidized Federal Stafford Loan program. The general requirements for Unsubsidized Federal Stafford Loans are essentially the same as those for Subsidized Federal Stafford Loans, except that Unsubsidized Federal Stafford Loans are not subject to the interest rate reductions applicable to Subsidized Federal Stafford Loans beginning July 1, 2008. The interest rate and the special allowance payment provisions of the Unsubsidized Federal Stafford Loans are the same as the Subsidized Federal Stafford Loans. However, the terms of the Unsubsidized Federal Stafford Loans differ materially from Subsidized Federal Stafford Loans in that the federal government will not make interest subsidy payments and the loan limitations are determined without respect to the expected family contribution. The borrower is required to either pay interest from the time the loan is disbursed or capitalize the interest until repayment begins. Unsubsidized Federal Stafford Loans were not available before July 1, 1992. A student meeting the general eligibility requirements for a loan under the Federal Family Education Loan Program was eligible for an Unsubsidized Federal Stafford Loan without regard to need.

Federal PLUS Loans

General. Federal PLUS Loans were made only to borrowers who are parents and, under certain circumstances, spouses of remarried parents, of dependent undergraduate students, except that the Higher Education Reconciliation Act of 2005 provided that graduate and professional students may also borrow Federal PLUS Loans on and after July 1, 2006. For Federal PLUS Loans made on or after July 1, 1993, the borrower must not have had an adverse credit history as determined pursuant to criteria established by the Department of Education, provided, however, that an eligible lender may, during the period beginning January 1, 2007, and ending on December 31, 2009, determine extenuating circumstances exist under those criteria, thereby allowing mortgage payments or medical bills payments that are less than 180 days delinquent to not adversely affect the parent borrower's credit under certain circumstances. The basic provisions applicable to Federal PLUS Loans are similar to those of Subsidized Federal Stafford Loans with respect to the involvement of guarantee agencies and the Secretary of Education in providing federal reinsurance on the loans.

However, Federal PLUS Loans differ significantly from Subsidized Federal Stafford Loans, particularly because federal interest subsidy payments are not available under the Federal PLUS Loan program and special allowance payments are more restricted.

Interest Rates For Federal PLUS Loans. The applicable interest rate depends upon the date of issuance of the loan and the period of enrollment for which the loan is to apply. The applicable interest rate on a Federal PLUS Loan (the term "1-Year Index" means the weekly average 1-year constant maturity Treasury, as published by the Board of Governors of the Federal Reserve System, for the last calendar week before the preceding June 26):

Date Made	Interest Rate	Maximum Interest Rate
Before July 1, 1981	9%	N/A
On or after July 1, 1981 through October 31, 1982	14%	N/A
On or after November 1, 1982 through June 30, 1987	12%	N/A
On or after July 1, 1987 through September 30, 1992	1-Year Index plus 3.25%	12%
On or after July 1, 1992 through June 30, 1994	1-Year Index plus 3.10%	10%
On or after July 1, 1994 through June 30, 1998	1-Year Index plus 3.10%	9%

Date Made	Interest Rate	Maximum Interest Rate
On or after July 1, 1998 through June 30, 2006	T-Bill Rate plus 3.10%	9%
On or after July 1, 2006 through June 30, 2010	8.5%	N/A

Federal SLS Loans

General. Federal SLS Loans were limited to graduate or professional students, independent undergraduate students, and dependent undergraduate students, if the students' parents were unable to obtain a Federal PLUS Loan and were also unable to provide the students' expected family contribution. Except for dependent undergraduate students, eligibility for Federal SLS Loans was determined without regard to need. Federal SLS Loans are similar to Subsidized Federal Stafford Loans with respect to the involvement of guarantee agencies and the Secretary of Education in providing federal reinsurance on the loans. However, Federal SLS Loans differ significantly from Subsidized Federal Stafford Loans, particularly because federal interest subsidy payments are not available under the Federal SLS Loan program and special allowance payments are more restricted.

Interest Rates For Federal SLS Loans. The applicable interest rates on Federal SLS Loans made prior to July 1, 1992 are identical to the applicable interest rates on Federal PLUS Loans made at the same time. For Federal SLS Loans made on or after July 1, 1992, the applicable interest rate is the same as the applicable interest rate on Federal PLUS Loans, except that the ceiling is 11% per annum instead of 10% per annum.

Federal Consolidation Loans

General. The Higher Education Act authorized a program under which borrowers were eligible to consolidate their various federal student loans into a single loan that is insured and reinsured on a basis similar to Federal Stafford Loans and PLUS loans. Federal Consolidation Loans may have been obtained in an amount sufficient to pay outstanding principal, unpaid interest, collection costs and late charges on various individual student loans. Loans that can be consolidated include the Federal Family Education Loan Program Loans, Perkins Loans, Health Professional Student Loan Programs, Nursing Student Loans and Health Education Assistance Loans. To have been eligible for a Consolidation Loan, a borrower must:

- have had outstanding indebtedness on student loans made under the Federal Family Education Loan Program and/or certain other federal student loan programs, and
- been in repayment status or in a grace period, or
- been a defaulted borrower who has made arrangements to repay any defaulted loan satisfactory to the holder of the defaulted loan.

Prior to July 1, 2006, a married couple who agrees to be jointly and severally liable on a Federal Consolidation Loan, for which the application is received on or after January 1, 1993, and where each borrower is individually eligible, may be treated as an individual for purposes of obtaining a Consolidation Loan. For Federal Consolidation Loans disbursed prior to July 1, 1994 the borrower was required to have outstanding student loan indebtedness of at least $7,500. Prior to the adoption of the Higher Education Technical Amendments Act of 1993, Federal PLUS Loans could not be included in the Consolidation Loan. For Federal Consolidation Loans for which the applications were received prior to January 1, 1993, the minimum student loan indebtedness was $5,000 and the borrower could not be delinquent more than 90 days in the payment of such indebtedness. For applications received on or after January 1, 1993, borrowers were able to add additional loans to a Federal Consolidation Loan during the 180-day period following the origination of the Federal Consolidation Loan. Congress repealed the ability of borrowers to consolidate while still in school in the Higher Education Reconciliation Act of 2005.

Repeal of Single Holder Rule. On June 15, 2006, President Bush signed into law H.R. 4939, which eliminates the "single holder" rule that required borrowers of Federal Consolidation Loans to borrow from the lender that holds all of that borrower's FFELP loans. Therefore, for Federal Consolidation Loan applications received on or after June 15, 2006, borrowers were able to borrow Federal Consolidation Loans from any authorized FFELP lender or under the Direct Loan program.

Subsequent Consolidation Loans and Direct Consolidation Loans. A borrower with a Federal Consolidation Loan may refinance that loan with a consolidation loan under the Direct Loan program to obtain an income contingent payment plan if the loan has been submitted to the guarantee agency for default aversion or to utilize the public service loan forgiveness program. Eligible active duty service military borrowers with a Federal Consolidation Loan may also refinance that loan with a consolidation loan under the Direct Loan program under which no interest will accrue. Borrowers may refinance their FFELP loans with a Direct Consolidation Loan to obtain a consolidation loan with income-sensitive or income-based repayment terms, to use the public service loan forgiveness program or to use the no accrual of interest for active duty service member program.

Interest Rates For Federal Consolidation Loans. A Federal Consolidation Loan made prior to July 1, 1994 bears interest at a rate equal to the weighted average of the interest rates on the loans retired, rounded to the nearest whole percent, but not less than 9% per annum. Except as described in this paragraph, a Federal Consolidation Loan made on or after July 1, 1994 bears interest at a rate equal to the weighted average of the interest rates on the loans retired, rounded upward to the nearest whole percent, but with no minimum rate. For a Federal Consolidation Loan for which the application was received by an eligible lender on or after November 13, 1997 and before July 1, 1998, the interest rate shall be adjusted annually, and for any twelve-month period commencing on a July 1 shall be equal to the bond equivalent rate of 91-day U.S. Treasury bills auctioned at the final auction prior to the preceding June 1, plus 3.10% per annum, but not to exceed 8.25% per annum. Notwithstanding those general interest rates, the portion, if any, of a Federal Consolidation Loan that repaid a loan made under title VII, Sections 700-721 of the Public Health Services Act, as amended, has a different variable interest rate. Such portion is adjusted on July 1 of each year, but is the sum of the average of the T-Bill Rates auctioned for the quarter ending on the preceding June 30, plus 3.0%, without any cap on the interest rate. Federal Consolidation Loans made on or after July 1, 1998 bear interest at a per annum rate equal to the lesser of 8.25% or the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher 1/8th of 1%.

Each holder of a Federal 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 Federal Consolidation Loan, such fee to be paid in monthly installments. There was 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.

If a borrower is unable to obtain a Federal Consolidation Loan with income-sensitive or income-based repayment terms acceptable to the borrower from the holders of the borrower's outstanding loans (which are selected for consolidation), or from any other lender, the Secretary is required to offer the borrower, if the borrower so requests, a direct Federal Consolidation Loan under the FDSLP. Such direct Federal Consolidation Loans shall be repaid either pursuant to income contingent repayment, income-based repayment or any other repayment provisions under the Federal Consolidation Loan provisions. If the Secretary determines that the Department does not have the necessary origination and servicing arrangements in place for such loans, the Secretary shall not offer such loans.

Special Direct Consolidation Loans are intended to help borrowers manage their debt by ensuring all of their federal loans are serviced by the same entity, resulting in one bill and one payment. Borrowers will also receive an interest rate reduction on Special Direct Consolidation Loans as a repayment incentive.

Under the Special Direct Consolidation Loans, an eligible borrower means a borrower with at least one student loan held by the Department (a Direct Loan or a FFELP) owned by the Department and serviced by one of the Department's servicers, and at least one commercially-held FFELP loan (a FFELP loan that is owned by a FFELP lender and serviced either by that lender or by a servicer contracted by that lender). Only the commercially-held FFELP loans are eligible for consolidation under the Special Direct Consolidation Loans. The commercially-held FFELP loans include: (1) FFELP Subsidized and Unsubsidized Stafford Loans, (2) FFELP PLUS Loans (both

those taken out by graduate/professional students and those taken out by a parent to pay for the costs of an undergraduate student), and (3) FFELP Consolidation Loans. These loans must be in grace, repayment, deferment, or forbearance.

If the borrower consolidates into a Special Direct Consolidation Loan, the borrower will receive a 0.25% interest rate reduction from the current interest rate on such commercially-held FFELP loan(s) as of the date of consolidation. The interest rate will be fixed for the life of the loan and cannot exceed 8.25%.

Under the Special Direct Consolidation Loans, the following repayment plans are provided: (1) Standard Repayment Plan, (2) Graduated Repayment Plan, (3) Extended Repayment Plan, (4) Income-Contingent Repayment (ICR) Plan, and (5) Income-Based Repayment (IBR) Plan. However, the repayment plan does not start over when the borrower receives a Special Direct Consolidation Loan. Instead, each consolidated commercially-held FFELP loan will retain its original repayment term. For example, if the borrower had made three years of loan payments on a 10 year standard repayment plan prior to consolidating a Federal Stafford Loan and the borrower chooses the Standard Repayment Plan for the Special Direct Consolidation Loan, the borrower's repayment term would continue to be 7 years. Also, if the Special Direct Consolidation Loan includes a parent Federal PLUS Loans, or Federal Consolidation Loans that repaid parent PLUS loans, that portion of the borrower's consolidation loan may not be repaid under the IBR plan. However, the borrower has the option of paying that portion of the loan under the ICR plan.

By consolidating the commercially-held FFELP loans into a Special Direct Consolidation Loan, those loans become Direct Loans, and become eligible for the PSLF Program if the borrower meets the PSLF Program's requirements. Under the PSLF Program, the borrower may qualify for forgiveness of the remaining balance due on the eligible Direct Loans after the borrower makes 120 payments on those loans under certain repayment plans while employed full time by certain public service employers.

Recapture of Excess Interest

The Higher Education Reconciliation Act of 2005 provides that, with respect to a loan for which the first disbursement of principal was made on or after April 1, 2006, if the applicable interest rate for any 3 month period exceeds the special allowance support level applicable to such loan for such period, then an adjustment shall be made by calculating the excess interest and crediting such amounts to the government not less often than annually. The amount of any adjustment of interest for any quarter will be equal to:

- the applicable interest rate minus the special allowance support level for the loan, multiplied by
- the average daily principal balance of the loan during the quarter, divided by
- four.

Limitation of Interest Under Servicemembers Civil Relief Act

The Higher Education Opportunity Act of 2008 provides that the interest rate limitations of the Servicemembers Civil Relief Act apply to FFELP loans. The Servicemembers Civil Relief Act provides that interest on debt incurred by a servicemember, or the servicemember and the servicemember's spouse jointly, before the servicemember enters military service shall not bear interest at a rate in excess of 6% per year during the period of military service. For loans first disbursed on or after July 1, 2008, the "Applicable Interest Rate" used in calculating special allowance payments shall equal the lesser of this 6% interest rate cap or the interest rate that is otherwise applicable to the loan.

Maximum Loan Amounts

Each type of loan was subject to limits on the maximum principal amount, both with respect to a given year and in the aggregate. Federal Consolidation Loans were limited only by the amount of eligible loans consolidated. All of the loans were limited to the difference between the cost of attendance and the other aid available to the student. Federal Stafford Loans were also subject to limits based upon needs analysis. Additional limits are described below.

Loan Limits For Subsidized Federal Stafford Loans and Unsubsidized Federal Stafford Loans. A student who has not successfully completed the first year of a program of undergraduate education was able to borrow up to $2,625 of Subsidized Federal Stafford Loans in an academic year. A student who has successfully completed the first year, but who has not successfully completed the second year was able to borrow up to $3,500 of Subsidized Federal Stafford Loans per academic year. Beginning July 1, 2007, these amounts were increased to $3,500 and $4,500 respectively. An undergraduate student who has successfully completed the first and second year, but who has not successfully completed the remainder of a program of undergraduate education, was able to borrow up to $5,500 of Subsidized Federal Stafford Loans per academic year. A graduate or professional student was able to borrow up to $8,500 of Subsidized Federal Stafford Loans in an academic year. The maximum aggregate amount of Subsidized Federal Stafford Loans which an undergraduate student may have outstanding is $23,000. The maximum aggregate amount for a graduate and professional student, including loans for undergraduate education, is $65,500. In addition to Subsidized Federal Stafford Loans, independent undergraduate students, graduate and professional students, and certain dependent undergraduate students were able to be eligible to receive Unsubsidized Federal Stafford Loans in amounts in excess of the amounts borrowed using Subsidized Federal Stafford Loans. A student who has not successfully completed the second year of a program of undergraduate education or an undergraduate independent student enrolled in coursework necessary for enrollment in a graduate or professional program was able to borrow up to $6,000 of Unsubsidized Federal Stafford Loans in an academic year. A student who has successfully completed the second year of a program of undergraduate education, an undergraduate independent student or a student that has obtained a baccalaureate degree who was enrolled in coursework necessary for a professional credential or certification from a state required for employment as a teacher in an elementary or secondary school, or a student that has obtained a baccalaureate degree and who was enrolled in coursework necessary for enrollment in a graduate or professional program, was able to borrow up to $7,000 of Unsubsidized Federal Stafford Loans in an academic year. The aggregate maximum amount of Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans and Federal SLS Loans an undergraduate dependent student or an undergraduate independent student may borrow was $31,000 or $57,500, respectively. Graduate and professional students were able to borrow up to $12,000 of Unsubsidized Federal Stafford Loans in an academic year. The aggregate maximum amount of Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans and Federal SLS Loans a graduate student may have outstanding, including undergraduate loans, is $138,500. For students enrolled in programs of less than an academic year in length, the limits for both Subsidized and Unsubsidized Federal Stafford Loans were generally reduced in proportion to the amount by which the programs are less than one year in length. The Secretary of Education is authorized to increase the limits applicable to graduate and professional students who are pursuing programs that the Secretary of Education determines to be exceptionally expensive.

For Subsidized Federal Stafford Loans disbursed prior to July 1, 1993, an undergraduate student who had not successfully completed the first and second year of a program of undergraduate education could borrow Subsidized Federal Stafford Loans in amounts up to $2,625 in an academic year. An undergraduate student who had successfully completed the first and second year, but who had not successfully completed the remainder of a program of undergraduate education could borrow up to $4,000 per academic year. The maximum for graduate and professional students was $7,500 per academic year. The maximum aggregate amount of Subsidized Federal Stafford Loans that a borrower could have outstanding was $17,250. The maximum aggregate amount for a graduate or professional student, including loans for undergraduate education, was $54,750. Prior to the 1986 changes, the annual limits were generally lower.

Loan Limits For Federal PLUS Loans. For Federal PLUS Loans made on or after July 1, 1993, the amounts of Federal PLUS Loans were limited only by the student's unmet need. Prior to that time Federal PLUS Loans were subject to limits similar to those of Federal SLS Loans applied with respect to each student on behalf of whom the parent borrowed.

Loan Limits For Federal SLS Loans. Prior to 1993, Federal SLS Loans could be obtained by undergraduate, graduate and professional students to finance their education. A student who had not successfully completed the first and second year of a program of undergraduate education could borrow a Federal SLS Loan in an amount of up to $4,000. A student who had successfully completed the first and second year, but who had not successfully completed the remainder of a program of undergraduate education could borrow up to $5,000 per year. Graduate and professional students could borrow up to $10,000 per year. Federal SLS Loans were subject to an aggregate maximum of $23,000 ($73,000 for graduate and professional students). Prior to the 1992 changes, Federal SLS Loans were available in amounts of $4,000 per academic year, up to a $20,000 aggregate maximum. Prior to the 1986 changes, a graduate or professional student could borrow $5,000 of Federal SLS Loans per academic year, up to a $25,000 maximum, and an independent undergraduate student could borrow $2,500 of Federal SLS Loans per academic year minus the amount of all other Federal Family Education Loan Program loans to such student for such academic year, up to the maximum amount of all Federal Family Education Loan Program loans to that student of $12,500.

Disbursement Requirements

The Higher Education Act required that virtually all Federal Stafford Loans and Federal PLUS Loans be disbursed by eligible lenders in at least two separate installments. The proceeds of a loan made to any undergraduate first-year student borrowing for the first time under the program were required to be delivered to the student no earlier than 30 days after the enrollment period begins. However, a school was exempted from the 30 day delayed delivery requirement for first-year students if the institution's cohort default rate was less than 10% for the three most recent fiscal years. For all other students, disbursement must not have occurred more than 30 days prior to the beginning of the period of enrollment for which the loan was made.

Repayment

Repayment Periods. Loans made under the Federal Family Education Loan Program, other than Federal Consolidation Loans, must provide for repayment of principal in periodic installments over a period of not less than five nor more than ten years. After the 1998 Amendments, lenders were required to offer extended repayment schedules to new borrowers who accumulate outstanding Federal Family Education Loan Program loans of more than $30,000, in which case the repayment period may extend up to 25 years subject to certain minimum repayment amounts. A Federal Consolidation Loan must be repaid during a period agreed to by the borrower and lender, subject to maximum repayment periods that vary depending upon the principal amount of the borrower's outstanding student loans, but may not be longer than 30 years. For Federal Consolidation Loans for which the application was received prior to January 1, 1993, the repayment period could not exceed 25 years. Repayment of principal of a Stafford Loan does not commence while a student remains a qualified student, but generally begins upon expiration of the applicable grace period. Grace periods may be waived by borrowers. For Federal Stafford Loans for which the applicable rate of interest is 7% per annum, the repayment period commences not more than twelve months after the borrower ceases to pursue at least a half-time course of study. For other Subsidized Federal Stafford Loans and Unsubsidized Federal Stafford Loans, the repayment period commences not more than six months after the borrower ceases to pursue at least a half-time course of study. The six month or twelve month periods are the "grace periods".

In the case of Federal SLS, PLUS and Consolidation Loans, the repayment period commenced on the date of final disbursement of the loan, except that the borrower of an Federal SLS Loan who also has a Stafford Loan may defer repayment of the Federal SLS Loan to coincide with the commencement of repayment of the Subsidized Federal Stafford Loan or Unsubsidized Federal Stafford Loan. In addition, for Federal PLUS Loans first disbursed on or after July 1, 2008, the borrower may elect for the repayment period to commence the day after six months after the date the student for whom the loan is borrowed or the borrower ceases to pursue at least a half-time course of study, whichever is later. During periods in which repayment of principal is required, payments of principal and interest must in general be made at a rate the lesser of $600 per year or the balance of all outstanding loans (with interest that accrues during the year), except that a borrower and lender may agree to a lesser rate at any time before or during the repayment period. A borrower may agree, with concurrence of the lender, to repay the loan in less than five years with the right subsequently to extend his minimum repayment period to five years. Borrowers may accelerate, without penalty, the repayment of all or any part of the loan.

Each student loan provides for amortization of its outstanding principal balance over a series of regular payments. In most cases, the payment amount does not change over the life of the loan, although graduated and income-sensitive payment schedules are also available to borrowers. Typically, each regular payment consists of an installment of interest that is calculated on the basis of the outstanding principal balance of the student loan multiplied by the applicable interest rate and further multiplied by the period elapsed (as a fraction of a calendar year) since the preceding payment of interest was made. As payments are received in respect of the student loan, the amount received is applied first to interest accrued to the date of payment and the balance is applied to reduce the unpaid principal balance. Accordingly, if a borrower pays a regular installment before its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be less than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly greater. Conversely, if a borrower pays a monthly installment after its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be greater than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly less. In either case, subject to any applicable deferral periods or forbearance periods, the borrower pays a regular installment until the final scheduled distribution date, at which time the amount of the final installment is increased or decreased as necessary to repay the then outstanding principal balance of the student loan.

Income Sensitive Repayment Schedules. Since 1992, lenders of FFELP loans have been required to offer graduated or income-sensitive repayment schedules. Use of income-sensitive repayment schedules may extend the ten-year maximum repayment term for up to five years. In addition, if the repayment schedule on a loan that has been converted to a variable interest rate does not provide for adjustments to the amount of the monthly installment payments, the ten-year maximum term may be extended for up to three years.

Income Based Repayment. Beginning July 1, 2009, income based repayment is available to borrowers of FFELP loans (other than parent Federal PLUS Loans made on behalf of a dependent student and any Federal Consolidation Loan used to discharge a parent Federal PLUS Loan made on behalf of a dependent student) who has a partial financial hardship as determined on an annual basis under the Higher Education Act. Borrowers may elect to make a reduced payment not to exceed 15% of the amount by which the borrower's adjusted gross income exceeds 150% of the poverty line applicable to the borrower's family size. Payments are first applied to interest and then to principal. Any interest due and not paid by a borrower of a Federal Subsidized Loan will be paid by the Secretary of Education for up to 3 years from the date the borrower began the income based repayment program, exclusive of any period during which the borrower is on an economic hardship deferment. After the 3 year period, and for any other FFELP loan, accrued and unpaid interest is capitalized at the time the borrower exits the income based repayment program. Participation in the income based repayment program may extend the maximum repayment period beyond 10 years. The Secretary of Education will repay or cancel any outstanding balance of principal or interest upon satisfaction of certain borrower payment conditions within time periods (not to exceed 25 years) prescribed by the Secretary. Special allowance payments made on a loan subject to income based repayments will be calculated on the principal balance of the loan and on any unpaid accrued interest.

Deferment Periods. No principal repayments need be made during certain periods of deferment prescribed by the Higher Education Act. For loans to a borrower who first obtained a loan that was disbursed before July 1, 1993, deferments are available:

- during a period not exceeding three years while the borrower is a member of the Armed Forces, an officer in the Commissioned Corps of the Public Health Service or, with respect to a borrower who first obtained a student loan disbursed on or after July 1, 1987, or a student loan to cover the cost of instruction for a period of enrollment beginning on or after July 1, 1987, an active duty member of the National Oceanic and Atmospheric Administration Corps;

- during a period not in excess of three years while the borrower is a volunteer under the Peace Corps Act;

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

- during a period not exceeding three years while the borrower is in service, comparable to the service described above as a full-time volunteer for an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;

- during a period not exceeding two years while the borrower is serving an internship necessary to receive professional recognition required to begin professional practice or service, or a qualified internship or residency program;

- during a period not exceeding three years while the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or while the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled;

- during a period not to exceed twenty-four months while the borrower is seeking and unable to find full-time employment;

- during any period that the borrower is pursuing a full-time course of study at an eligible institution (or, with respect to a borrower who first obtained a student loan disbursed on or after July 1, 1987, or a student loan to cover the cost of instruction for a period of enrollment beginning on or after July 1, 1987, is pursuing at least a half-time course of study for which the borrower has obtained a loan under the Federal Family Education Loan Program), or is pursuing a course of study pursuant to a graduate fellowship program or a rehabilitation training program for disabled individuals approved by the Secretary of Education;

- during a period, not in excess of 6 months, while the borrower is on parental leave; and

- only with respect to a borrower who first obtained a student loan disbursed on or after July 1, 1987, or a student loan to cover the cost of instruction for a period of enrollment beginning on or after July 1, 1987, during a period not in excess of three years while the borrower is a full-time teacher in a public or nonprofit private elementary or secondary school in a "teacher shortage area" (as prescribed by the Secretary of Education), and during a period not in excess of 12 months for mothers, with preschool age children, who are entering or re-entering the work force and who are compensated at a rate not exceeding $1 per hour in excess of the federal minimum wage.

For loans to a borrower who first obtains a loan on or after July 1, 1993, deferments are available:

- during any period that the borrower (or for Federal PLUS loans first disbursed on or after July 1, 2008, the student for which the Federal PLUS Loan was borrowed, if different), is pursuing at least a half-time course of study at an eligible institution a course of study pursuant to a graduate fellowship program or rehabilitation training program approved by the Secretary of Education;

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

- during a period not in excess of three years for any reason that the lender determines, in accordance with regulations under the Higher Education Act, has caused or will cause the borrower economic hardship. Economic hardship includes working full time and earning an amount not in excess of the greater of 150% of the poverty line applicable to the borrower's family size.

A deferment is available for loans to a borrower for periods during which the borrower is serving on active duty or is performing qualifying National Guard duty during a war or other military operation (including in response to terrorist attacks), or within 180 days following demobilization. An additional 13 months of deferment following the conclusion of service is also available for a borrower who is a member of the National Guard or other reserve component of the Armed Forces, or a member of the Armed Forces in a retired status, called or ordered to active

duty, and is enrolled or was enrolled within six months prior to activation in a program of instruction at an eligible institution, except that this deferment will end upon a student's return to school.

Prior to the 1992 changes, only certain of the deferment periods described above were available to Federal PLUS Loan borrowers, and only certain deferment periods were available to Federal Consolidation Loan borrowers. Prior to the 1986 changes, Federal PLUS Loan borrowers were not entitled to certain deferment periods. For Federal PLUS loans first disbursed on or after July 1, 2008, deferment period eligibility applies with respect to both the parent borrower as well as the graduate or professional student borrower for which the loan was borrowed. Deferment periods extend the maximum term.

Forbearance Period. The Higher Education Act also provides for periods of forbearance during which the borrower, in case of temporary financial hardship, may defer any payments. A borrower is entitled to forbearance for a period not to exceed three years while the borrower's debt burden under Title IV of the Higher Education Act (which includes the Federal Family Education Loan Program) equals or exceeds 20% of the borrower's gross income or while the borrower is a member of the Armed Forces eligible to have interest payments made on his or her behalf. A borrower is also entitled to forbearance while he or she is serving in a qualifying medical or dental internship or residency program or in a "national service position" under the National and Community Service Trust Act of 1993. In addition, mandatory administrative forbearances are provided in exceptional circumstances such as a local or national emergency or military mobilization, or when the geographical area in which the borrower or endorser resides has been designated a disaster area by the President of the United States or Mexico, the Prime Minister of Canada, or by the governor of a state. In other circumstances, forbearance is at the lender's option. Forbearance also extends the ten year maximum repayment term.

Interest Payments During Grace, Deferment and Forbearance Periods. The Secretary of Education makes interest payments on behalf of the borrower of certain eligible loans while the borrower is in school and during grace and deferment periods. Interest that accrues during forbearance periods and, if the loan is not eligible for interest subsidy payments, while the borrower is in school and during the grace and deferment periods, may be paid monthly or monthly or capitalized not more frequently than monthly.

Discharges. The Secretary of Education will discharge FFELP loans by repaying the amount owed on a loan in cases where a student borrower dies or becomes permanently and totally disabled (as determined in accordance with regulations established by the Secretary of Education), where the loan is discharged in bankruptcy, or, for loans received on or after January 1, 1986, where the student is unable to complete the program in which the student is enrolled because the school closes, the student's eligibility for a loan was falsely certified by the school or was falsely certified as a result of identity theft, or the school failed to make a required refund of loan proceeds to the student's lender (in which case the amount discharged will be limited to the amount that should have been refunded). The Secretary of Education will also discharge Federal PLUS loans in cases where the student on whose behalf the loan was borrowed dies. A FFELP loan cannot be discharged in bankruptcy unless the borrower demonstrates that repaying the loan would cause undue hardship.

Loan Forgiveness. Section 428J of the Higher Education Act authorizes the Department to repay a maximum of $5,000 (combined total for loans obtained under both the FFELP and the FDSLP) of a qualified borrower's Stafford Loan obligations and Federal Consolidation Loan obligations to the extent that a Federal Consolidation Loan repaid a borrower's qualifying Stafford Loan(s) if such borrower has been employed as a full-time teacher for five consecutive complete academic years, at least one of which was after the 1997-1998 academic year, in certain eligible elementary or secondary schools that serve low-income families. 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 FDSLP loan on October 1, 1998, or had no outstanding balance on a FFELP or a FDSLP loan on the date he or she obtained a loan after October 1, 1998.

Effective July 1, 2008, a FFELP borrower may obtain a Consolidation Loan under the FDSLP to consolidate FFELP loans and/or other FDSLP loans for the purposes of using the FDSLP Public Service Loan Forgiveness Program.

Fees

Guarantee Fee. A guarantee agency is authorized to charge a premium, or guarantee fee, of up to 1% of the principal amount of the loan, which must be deducted proportionately from each installment payment of the proceeds of the loan to the borrower. For loans guaranteed on or after July 1, 2006, the 1% guarantee fee was eliminated and a 1% federal default fee was required to be collected from proceeds of the loan or other non-federal sources and was required to be deposited into the Federal Student Loan Reserve Fund. Guarantee fees were not chargeable to borrowers of Federal Consolidation Loans. However, lenders may have been charged a fee to cover the costs of increased or extended liability with respect to Federal Consolidation Loans. For loans made prior to July 1, 1994, the maximum guarantee fee was 3% of the principal amount of the loan, but no such guarantee fee was authorized to be charged with respect to Unsubsidized Federal Stafford Loans.

Origination Fee. An eligible lender was authorized to charge the borrower of a Subsidized Federal Stafford Loan or an Unsubsidized Federal Stafford Loan an origination fee in an amount not to exceed 3% of the principal amount of the loan, and was required to charge the borrower of a Federal PLUS Loan an origination fee in the amount of 3% of the principal amount of the loan. These fees were deducted proportionately from each installment payment of the loan proceeds prior to payment to the borrower. These fees were not retained by the lender, but were passed on to the Secretary of Education. Pursuant to the provisions of the Higher Education Reconciliation Act of 2005, Stafford Loan origination fees were phased out by July 1, 2010. Beginning with Stafford Loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2007, the maximum origination fee that can be charged is 2%. The maximum fee decreases to 1.5% on July 1, 2007, 1.0% on July 1, 2008 and 0.5% on July 1, 2009 through June 30, 2010.

Lender Origination Fee. The lender of any loan under the Federal Family Education Loan Program made on or after July 1, 1993 was required to pay to the Secretary of Education a fee equal to 0.5% of the principal amount of such loan. This fee increased to 1.0% for loans first disbursed on or after July 1, 2007.

Rebate Fee on Federal Consolidation Loans. The holder of any Federal Consolidation Loan made on or after July 1, 1993 through September 30, 1998 and on or after February 1, 1999 is required to pay to the Secretary of Education a monthly fee equal to 0.0875% (1.05% per annum) of the principal amount of, and accrued interest on the Federal Consolidation Loan. For loans made pursuant to applications received on or after July 1, 1998, and on or before January 31, 1999 the fee on consolidation loans of 1.05% is reduced to 0.62%.

Interest Subsidy Payments

Interest subsidy payments are interest payments paid with respect to an eligible loan before the time that the loan enters repayment and during grace and deferment periods. The Secretary of Education and the guarantee agencies have entered into interest subsidy agreements whereby the Secretary of Education agreed to pay interest subsidy payments to the holders of eligible guaranteed loans for the benefit of students meeting certain requirements, subject to the holders' compliance with all requirements of the Higher Education Act. Only Subsidized Federal Stafford Loans and Federal Consolidation Loans for which the application was received on or after January 1, 1993, are eligible for interest subsidy payments. Federal Consolidation Loans made after August 10, 1993 are eligible for interest subsidy payments only if all loans consolidated thereby are Subsidized Federal Stafford Loans, except that Federal Consolidation Loans for which the application is received by an eligible lender on or after November 13, 1997 are eligible for interest subsidy payments on that portion of the Federal Consolidation Loan that repays Subsidized Federal Stafford Loans or similar subsidized loans made under the direct loan program.

In addition, to be eligible for interest subsidy payments, guaranteed loans were required to be made by an eligible lender under the applicable guarantee agency's guarantee program, and must meet requirements prescribed by the rules and regulations promulgated under the Higher Education Act.

The Secretary of Education makes interest subsidy payments monthly on behalf of the borrower to the holder of a guaranteed loan in a total amount equal to the interest that accrues on the unpaid principal amount prior to the commencement of the repayment period of the loan or during any deferment period.

Special Allowance Payments

The Higher Education Act provides for special allowance payments to be made by the Secretary of Education to eligible holders of qualifying FFELP loans. The rates for special allowance payments are based on formulas that differ according to the type of loan, the date the loan was originally made or insured and the type of funds used to finance the loan (taxable or tax-exempt).

The effective formulas for special allowance payment rates for Subsidized Federal Stafford Loans and Unsubsidized Federal Stafford Loans are summarized in the following chart. The T-Bill Rate mentioned in the chart refers to the average of the bond equivalent rate of the 91-day Treasury bills auctioned during the quarter. The 3-Month Commercial Paper Rate mentioned in the chart refers to the average of the bond equivalent rate of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in the quarter.

Date of Loans	Annualized SAP Rate[1]
On or after July 1, 1981	T-Bill Rate less Applicable Interest Rate + 3.5%[2]
On or after November 16, 1986	T-Bill Rate less Applicable Interest Rate + 3.25%
On or after July 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after July 1, 1995	T-Bill Rate less Applicable Interest Rate + 3.10%[3]
On or after July 1, 1998	T-Bill Rate less Applicable Interest Rate + 2.8%[4]
On or after January 1, 2000	3-Month Commercial Paper Rate less Applicable Interest Rate + 2.34%[5]
On or after July 1, 2007	3-Month Commercial Paper Rate less Applicable Interest Rate + 1.79%[6]

[1] The Applicable Interest Rate is 6% for any loan for which the rate of interest is limited pursuant to the Servicemembers Civil Relief Act.

[2] Substitute 3.25% in this formula for Subsidized Federal Stafford Loans disbursed on or after July 17, 1986 for periods of enrollment beginning on or after November 16, 1986.

[3] Substitute 2.5% in this formula while such loans are in the in-school, deferral, or grace period.

[4] Substitute 2.2% in this formula while such loans are in-school, during the grace period, and during any deferment periods. Substitute 3.10% for Federal PLUS Loans and Federal Consolidation Loans.

[5] Substitute 1.74% in this formula while such loans are in-school, during the grace period, and during any deferment periods. Substitute 2.64% for Federal PLUS Loans and Federal Consolidation Loans.

[6] Substitute 1.19% in this formula while such loans are in-school, during the grace period, and during any deferment periods. Substitute 2.09% for Federal Consolidation Loans. Add 0.15% to each percentage when the loan is held by any eligible not for profit holder. Beginning July 1, 2009, special allowance rates for parent Federal PLUS Loans will be determined by a state by state auction conducted by the Secretary of Education.

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.

Public Law 112-74, dated December 23, 2011, amended the Higher Education Act, reflecting financial market conditions, to allow FFELP lenders to make an affirmative election to permanently change the index for Special Allowance Payment calculations on all FFELP loans in the lender's portfolio (with certain exceptions) disbursed after January 1, 2000 from the three-month commercial paper (financial) rate to the one-month LIBOR index, commencing with the Special Allowance Payment calculations for the calendar quarter beginning on April 1, 2012. The one-month LIBOR rate is defined as the one-month London Inter Bank Offered Rate for United States dollars in effect for each of the days in such quarter as compiled and released by the ICE Benchmark Administration. Such election to permanently change the index for Special Allowance Payment calculations was required to be made by April 1, 2012 and required a waiver of all contractual, statutory or other legal rights to the

Special Allowance Payment calculation formula in effect at the time the loans were first disbursed. The Corporation has made the foregoing election.

The Higher Education Act defines "eligible not for profit holder" as an eligible lender that is a State or a political subdivision, authority, agency or other instrumentality thereof, a 150(d) entity that has not gone through a for-profit conversion, a 501(c)(3) entity or a trustee acting on behalf of any of these entities. An eligible not for profit holder must be acting as an eligible lender on September 7, 2007, except that a State was able to add a new eligible lender after this date if the State determined that doing so was necessary to carry out the public purpose of the State. An eligible not for profit holder may not be owned or controlled, in whole or in part, by a for-profit entity. An entity shall not be an eligible not for profit holder with respect to a loan unless that entity is the sole owner of the beneficial interest in that loan and the income from that loan. Any eligible nonprofit, however, will not lose its status as sole owner of a beneficial interest in a loan by granting a security interest in or otherwise pledging as collateral the loan or the income from the loan. Trustees will not be considered an eligible not for profit holder if they receive compensation in excess of reasonable and customary fees for its services.

The effective formulas for special allowance payment rates for loans differ depending on whether loans to borrowers were acquired or originated with the proceeds of tax-exempt obligations. There are minimum special allowance payment rates for loans acquired with proceeds of tax-exempt obligations, which rates effectively ensure an overall minimum return of 9.5% on such loans. However, loans acquired with the proceeds of tax-exempt obligations originally issued after September 30, 1993 are treated the same as other loans for special allowance payment purposes. In addition, loans that: (1) were financed through tax-exempt obligations that have matured or been retired or defeased after September 30, 2004; (2) are refinanced after September 30, 2004 with funds from another source; (3) sold or transferred to any other holder after September 30, 2004; (4) were made or purchased on or after February 8, 2006; or (5) were not subject to the 9.5% minimum return treatment on February 8, 2006 are treated the same as other loans for special allowance payment purposes. The February 8, 2006 cut-off date is extended to December 31, 2010 for holders who, on February 8, 2006, were a unit of a state or local government or a non-profit entity that was owned or controlled by or under common ownership of a for-profit entity and held directly through any subsidiary, affiliate or trustee and whose total unpaid balance of principal on 9.5% minimum return loans in the most recent monthly payment prior to September 30, 2005 was less than or equal to $100,000,000.

The foregoing table and the paragraphs preceding this paragraph describe the "special allowance support level". 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 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 but before July 1, 2010, 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 and could require a lender to rebate excess interest accrued but not yet received.

The Higher Education Act provides that if special allowance payments or interest subsidy payments have not been made within 30 days after the Secretary of Education receives an accurate, timely and complete request therefor, the special allowance payable to such holder shall be increased by an amount equal to the daily interest accruing on the special allowance and interest subsidy payments due the holder.

Special allowance payments and interest subsidy payments are reduced by the amount that the lender is authorized or required to charge as an origination fee. In addition, the amount of the lender origination fee is collected by offset to special allowance payments and interest subsidy payments.

Limitations on Federal PLUS, Federal SLS Loans and Consolidation Loans. Special allowance payments are made with respect to Consolidation Loans for which the application is received on or after July 1, 1998 and prior to January 1, 2000 only if the T-Bill Rate plus 3.10% exceeds the applicable interest rate on the loan. The portion, if any, of a Federal Consolidation Loan that repaid a loan made under Title VII, Sections 700-721 of the Public Health Services Act, as amended, is ineligible for special allowance payments. Special Allowance Payments are paid with respect to Federal SLS Loans and Federal PLUS Loans made on or after July 1, 1987 and prior to July 1, 1992 only if the interest rate that would otherwise apply (notwithstanding any applicable interest rate caps) exceeds 12% per annum. Special Allowance Payments are paid with respect to Federal SLS Loans made on or after July 1, 1992 but

prior to July 1, 1994, only if the interest rate that would otherwise apply (notwithstanding any applicable interest rate caps) exceeds 11% per annum. Special Allowance Payments are paid with respect to Federal PLUS Loans made on or after July 1, 1992 only if the interest rate that would otherwise apply (notwithstanding any applicable interest rate caps) exceeds 10% per annum. Special Allowance Payments are made with respect to Federal PLUS Loans made on or after July 1, 1998 and prior to January 1, 2000 only if the interest rate that would otherwise apply (notwithstanding any applicable interest rate cap) exceeds 9% per annum.

DESCRIPTION OF THE GUARANTEE AGENCIES

The following discussion relates to guarantee agencies under the Federal Family Education Loan Program. **As described above under "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM," no new FFELP loans will be guaranteed by the guarantee agencies on or after July 1, 2010.** *See "*CERTAIN RISK FACTORS — Changes in Federal Law*"* in this Offering Memorandum. The FFELP loans held under the indenture will be guaranteed by one of the guarantee agencies identified in this Offering Memorandum under "GUARNTY AGENCIES".

General. A guarantee agency guaranteed FFELP loans made to students or parents of students by lending institutions such as banks, credit unions, savings and loan associations, certain schools, pension funds and insurance companies. Generally, a guarantee agency will reimburse 100% of each FFELP loan disbursed before July 1, 1993, 98% of each FFELP loan first disbursed on or after July 1, 1993 and before June 30, 2006 and 97% of each FFELP loan first disbursed on or after July 1, 2006. On or after July 1, 2006, a guarantee agency must reimburse 100% of each FFELP loan for which it is determined that the borrower (or the student on whose behalf a parent has borrowed), without the lender's or institution's knowledge at the time the loan was made, provided false or erroneous information or took actions that caused the borrower or the student to be ineligible for all or a portion of the loan or interest benefits. A guarantee agency generally purchases defaulted student loans that it has guaranteed with its reserve fund. A lender may submit a default claim to the guarantee agency after the student loan has been delinquent for at least 270 days. The default claim package must include all information and documentation required under the Federal Family Education Loan Program regulations and the guarantee agency's policies and procedures.

Each guarantee agency's guarantee obligations with respect to any student loan is conditioned upon the satisfaction of all the conditions in the applicable guarantee agreement. Those conditions include, but are not limited to, the following:

- the origination and servicing of the student loan being performed in accordance with the Federal Family Education Loan Program, the Higher Education Act, the guarantee agency's rules and other applicable requirements;
- the timely payment to the guarantee agency of the guarantee fee payable on the student loan; and
- the timely submission to the guarantee agency of all required pre-claim delinquency status notifications and of the claim on the student loan.

Failure to comply with any of the applicable conditions, including those listed above, may result in the refusal of the guarantee agency to honor its guarantee agreement on the student loan, in the denial of guarantee coverage for certain accrued interest amounts, and/ or in the loss of certain interest subsidy payments and special allowance payments.

Guarantee agencies have two separate funds, a federal reserve fund and an agency operating fund. In general, a guarantee agency's federal reserve fund has been funded principally by administrative cost allowances and other payments made by the Secretary of Education, guarantee fees paid by borrowers, investment income on money in the reserve fund, and a portion of the money collected from borrowers on guaranteed loans that has been retained by the guarantee agency.

Various changes to the Higher Education Act and practices of guarantee agencies have adversely affected the receipt of revenues by the guarantee agencies and their ability to maintain their reserve funds at previous levels, and may adversely affect their ability to meet their guarantee obligations. The changes and practices include:

- the reduction in reinsurance payments from the Secretary of Education because of reduced reimbursement percentages on new loans;

- the reduction in maximum permitted guarantee fees from 3% to 1% for loans made on or after July 1, 1994, and the widespread practice among guarantee agencies of charging no fee or less than the maximum authorized fee;

- the replacement of the administrative cost allowance with a student loan processing and issuance fee equal to 65 basis points (40 basis points for loans made on or after July 1, 1993) paid at the time a loan is guaranteed, and an account maintenance fee of 12 basis points (10 basis points on or after July 1, 2000 and 6 basis points on or after July 1, 2007) paid annually on outstanding guaranteed student loans;

- the reduction in supplemental preclaims payments assistance from the Secretary of Education; and

- the reduction in permissible retention by a guarantee agency of collections on defaulted loans from 27% to 24% (23% beginning on July 1, 2003 and 16% beginning July 1, 2007).

Additionally, the adequacy of a guarantee agency's reserve fund to meet its guarantee obligations with respect to existing student loans depends, in significant part, on its ability to collect revenues generated by new loan guarantees. It is not possible to predict the impact of the elimination of the FFELP program on the guarantee agencies. See "CERTAIN RISK FACTORS — Changes in Federal Law" in this Offering Memorandum.

The Higher Education Act gives the Secretary of Education various oversight powers over guarantee agencies. Those powers include requiring a guarantee agency to maintain its reserve fund at a certain required level and taking various actions relating to a guarantee agency if its administrative and financial condition jeopardizes its ability to meet its obligations. Those actions include, among others, providing advances to the guarantee agency, terminating the guarantee agency's federal reimbursement contracts, assuming responsibility for all functions of the guarantee agency, and transferring the guarantee agency's guarantees to another guarantee agency or assuming such guarantees. The Higher Education Act provides that a guarantee agency's reserve fund shall be considered to be the property of the United States to be used in the operation of the Federal Family Education Loan Program or the Federal Direct Student Loan Program, and, under certain circumstances, the Secretary of Education may demand payment of amounts in the reserve fund.

The 1998 Amendments mandate the recall of guarantee agency reserve funds by the Secretary of Education amounting to $85 million in fiscal year 2002, $82.5 million in fiscal year 2006, and $82.5 million in fiscal year 2007. However, certain minimum reserve levels are protected from recall, and under the 1998 Amendments, guarantee agency reserve funds were restructured to provide guarantee agencies with additional flexibility in choosing how to spend certain funds they receive. The recall of reserves for guarantee agencies increases the risk that resources available to guarantee agencies to meet their guarantee obligation will be significantly reduced. Relevant federal laws, including the Higher Education Act, may be further changed in a manner that may adversely affect the ability of a guarantee agency to meet its guarantee obligations.

Under the Higher Education Act, if the Department of Education has determined that a guarantee agency is unable to meet its insurance obligations, the holders of loans guaranteed by such guarantee agency must submit claims directly to the Department of Education, and the Department of Education is required to pay the full guarantee payment due with respect thereto in accordance with guarantee claims processing standards no more stringent than those applied by the guarantee agency. The Corporation cannot give any assurance that the United States Department of Education would ever make such a determination with respect to a guarantee agency or, if such a determination was made, whether that determination or the ultimate payment of guarantee claims would be made in a timely manner.

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

Federal Agreements. A guarantee agency's right to receive federal reimbursements for various guarantee claims paid by such guarantee agency is governed by the Higher Education Act and various contracts entered into between guarantee agencies and the Secretary of Education. Each guarantee agency and the Secretary of Education have entered into federal reimbursement contracts pursuant to the Higher Education Act that provide for the guarantee agency to receive reimbursement of a percentage of insurance payments that the guarantee agency makes to eligible lenders with respect to loans guaranteed by the guarantee agency prior to the termination of the federal reimbursement contracts or the expiration of the authority of the Higher Education Act. The federal reimbursement contracts provide for termination under certain circumstances and also provide for certain actions short of termination by the Secretary of Education to protect the federal interest.

In addition to guarantee benefits, qualified student loans acquired under the Federal Family Education Loan Program benefit from certain federal subsidies. Each guarantee agency and the Secretary of Education have entered into an Interest Subsidy Agreement under the Higher Education Act that entitles the holders of eligible loans guaranteed by the guarantee agency to receive interest subsidy payments from the Secretary of Education on behalf of certain students while the student is in school, during a six to twelve month grace period after the student leaves school and during certain deferment periods, all subject to the holders' compliance with all requirements of the Higher Education Act.

United States Courts of Appeals have held that the federal government, through subsequent legislation, has the right unilaterally to amend the contracts between the Secretary of Education and the guarantee agencies described herein. Amendments to the Higher Education Act in 1986, 1987, 1992, 1993, and 1998, respectively:

- abrogated certain rights of guarantee agencies under contracts with the Secretary of Education relating to the repayment of certain advances from the Secretary of Education,

- authorized the Secretary of Education to withhold reimbursement payments otherwise due to certain guarantee agencies until specified amounts of such guarantee agencies' reserves had been eliminated,

- added new reserve level requirements for guarantee agencies and authorized the Secretary of Education to terminate the Federal Reimbursement Contracts under circumstances that did not previously warrant such termination,

- expanded the Secretary of Education's authority to terminate such contracts and to seize guarantee agencies' reserves, and

- mandated the additional recall of guarantee agency reserve funds.

Federal Insurance and Reimbursement of Guarantee Agencies-Effect of Annual Claims Rate. With respect to loans made prior to July 1, 1993, the Secretary of Education currently agrees to reimburse the guarantee agency for up to 100% of the amounts paid on claims made by lenders, as discussed in the formula described below, so long as the eligible lender has properly originated and serviced such loan. The amount of reimbursement is lower for loans originated after July 1, 1993, as described below. Depending on the claims rate experience of a guarantee agency, such reimbursement may be reduced as discussed in the formula described below. The Secretary of Education also agrees to repay 100% of the unpaid principal plus applicable accrued interest expended by a guarantee agency in discharging its guarantee obligation as a result of the bankruptcy, death, or total and permanent disability of a borrower, or in the case of a Federal PLUS Loan, the death of the student on behalf of whom the loan was borrowed, or in certain circumstances, as a result of school closures, which reimbursements are not to be included in the calculations of the guarantee agency's claims rate experience for the purpose of federal reimbursement under the Federal Reimbursement Contracts.

The formula used for loans varies depending upon when a loan was initially disbursed, as summarized below:

Claims Rate	Federal Payment on loans disbursed prior to 10/1/93	Federal Payment on loans disbursed after 10/1/93	Federal Payment on loans disbursed after 10/1/98
0% up to and including 5%	100%	98%	95%
Greater than 5% up to and including 9%	100% of claims up to and including 5%; 90% of claims over 5%	98% of claims up to and including 5%; 88% of claims over 5%	95% of claims up to and including 5%; 85% of claims over 5%
Greater than 9%	100% of claims up to and including 5%; 90% of claims over 5%, up to and including 9%; 80% of claims 9% and over	98% of claims up to and including 5%; 88% of claims over 5%, up to and including 9%; 78% of claims 9% and over	95% of claims up to and including 5%; 85% of claims over 5%, up to and including 9%; 75% of claims 9% and over

The claims experience is not accumulated from year to year, but is determined solely on the basis of claims in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year.

FFELP loans first disbursed on or after July 1, 2006 will be reimbursed at 100% regardless of claims rate in the case of loans for which it is determined that the borrower (or the student on whose behalf a parent has borrowed), without the lender's or institution's knowledge at the time the loan was made, provided false or erroneous information or took actions that caused the borrower or the student to be ineligible for all or a portion of the loan or interest benefits.

The reduced reinsurance for guarantee agencies increases the risk that resources available to guarantee agencies to meet their guarantee obligation will be significantly reduced.

Reimbursement. 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:

- the original principal amount of such loans that have been fully repaid or on which a guarantee payment has been made, and
- the original amount of such loans for which the first principal installment payment has not become due.

The Secretary of Education may withhold reimbursement payments if a guarantee agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary of Education or applicable federal law.

Under the guarantee agreements, if a payment on a Federal Family Education Loan guaranteed by a guarantee agency is received after reimbursement by the Secretary of Education, the guarantee agency is entitled to receive an equitable share of the payment.

Any originator of any student loan guaranteed by a guarantee agency was required to discount from the proceeds of the loan at the time of disbursement, and pay to the guarantee agency, an insurance premium that may not exceed that permitted under the Higher Education Act.

Under present practice, after the Secretary of Education reimburses a guarantee agency for a default claim paid on a guaranteed loan, the guarantee agency continues to seek repayment from the borrower. The guarantee agency returns to the Secretary of Education payments that it receives from a borrower after deducting and retaining: a percentage amount equal to the complement of the reimbursement percentage in effect at the time the loan was reimbursed, and an amount equal to 24% of such payments (23% beginning July 1, 2003, 16% beginning July 1, 2007 or 18.5% in the case of a payment from the proceeds of a consolidation loan) for certain administrative costs. On or after July 1, 2006, a guarantee agency may not charge a borrower collection costs in an amount in excess of 18.5% of the outstanding principal and interest of a defaulted loan that is paid off by a consolidation loan and must remit to the Secretary of Education a portion of this collection charge equal to 8.5% of the outstanding principal and interest of the defaulted loan. On and after July 1, 2009, a guarantee agency must remit to the Secretary of Education the entire collection charge for defaulted loans paid off by excess consolidation proceeds. Excess consolidation proceeds are the proceeds from defaulted loan consolidations that exceed 45% of the guarantee agency's total collections on defaulted loans in a federal fiscal year. Guarantee agencies must also adopt procedures to preclude consolidation lending from being an excessive proportion of the guarantee agency's default recoveries. The Secretary of Education may, however, require the assignment to the Secretary of Education of defaulted guaranteed loans, in which event no further collections activity need be undertaken by the guarantee agency, and no amount of any recoveries shall be paid to the guarantee agency.

A guarantee agency may enter into an addendum to its Interest Subsidy Agreement that allows the guarantee agency to refer to the Secretary of Education certain defaulted guaranteed loans. Such loans are then reported to the IRS to "offset" any tax refunds that may be due any defaulted borrower. To the extent that the guarantee agency has originally received less than 100% reimbursement from the Secretary of Education with respect to such a referred loan, the guarantee agency will not recover any amounts subsequently collected by the federal government that are attributable to that portion of the defaulted loan for which the guarantee agency has not been reimbursed.

Rehabilitation of Defaulted Loans. Under the Higher Education Act, each guarantee agency shall, if practicable, sell defaulted loans that are eligible for rehabilitation to an eligible lender or, on or before September 30, 2014, assign defaulted loans to the Secretary of Education if the Secretary of Education has determined that market conditions unduly limit a guaranty agency's ability to sell the defaulted loans and the guaranty agency has been unable to sell the defaulted loans. A guarantee agency may charge a borrower and retain collection costs in an amount not to exceed 18.5% of the outstanding principal and interest at the time of sale of a rehabilitated loan to an eligible lender. The guarantee agency shall repay the Secretary of Education an amount equal to 81.5% of the then current principal balance of such loan, multiplied by the reimbursement percentage in effect at the time the loan was reimbursed. The amount of such repayment shall be 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.

For a loan to be eligible for rehabilitation, the guarantee agency must have received 9 payments made within 20 days of the due date during 10 consecutive months of amounts owed on such loan. 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 (except that a borrower's loan may be rehabilitated only once).

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

Prior to the 1998 Amendments, a FFELP Loan was considered in to be in default for purposes of the Higher Education Act when the borrower failed to make an installment payment when due, or to comply with the other terms of the loan, and if the failure persists for 180 days in the case of a loan repayable in monthly installments or for 240 days in the case of a loan repayable in less frequent installments. Under the 1998 Amendments, the delinquency period required for a student loan to be declared in default is increased from 180 days to 270 days for loans payable in monthly installments on which the first day of delinquency occurs on or after the date of enactment

of the 1998 Amendments and from 240 days to 330 days for a loan payable less frequently than monthly on which the delinquency occurs after the date of enactment of the 1998 Amendments.

When a loan becomes sixty (60) or more days past due, the holder is required to request default aversion assistance from the applicable guaranty 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 guaranty agency all rights accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a guaranty 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 guaranty agency's discharge of its obligation on the loan.

The guarantee agency must pay the lender for the defaulted loan prior to submitting a claim to the Secretary of Education for reimbursement. The guarantee agency must submit a reimbursement claim to the Secretary of Education within 45 days after it has paid the lender's default claim. As a prerequisite to entitlement to payment on the guarantee by the guarantee agency, and in turn payment of reimbursement by the Secretary of Education, the lender must have exercised reasonable care and diligence in making, servicing and collecting the guaranteed loan. Generally, those procedures require:

- that completed loan applications be processed;
- a determination of whether an applicant is an eligible borrower attending an eligible institution under the Higher Education Act be made;
- the borrower's rights and responsibilities under the loan be explained to him or her;
- the promissory note evidencing the loan be executed by the borrower; and
- that the loan proceeds be disbursed by the lender in a specified manner.

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

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APPENDIX C

BOOK-ENTRY SYSTEM

Book-Entry System

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2014 A-1 Notes, payment of principal of and interest on the Series *2014 A-1 Notes to DTC in the United States, Participants or to purchasers of the Series 2014 A-1 Notes, confirmation and transfer of beneficial ownership interests in the Series 2014 A-1 Notes, and other securities-related transactions by and between DTC, DTC Participants and Beneficial Owners (as hereinafter defined), is based solely on information furnished by DTC, and has not been independently verified by the Corporation or the Underwriter. No representation is made by the Corporation, the Underwriter or their respective counsel as to the accuracy or completeness of such information.*

Investors acquiring beneficial ownership interests in the Series 2014 A-1 Notes issued in Book-entry Form will hold Series 2014 A-1 Notes through DTC in the United States, or indirectly through organizations which are participants in the system. The Book-entry Series 2014 A-1 Notes will be issued in one or more instruments which equal the aggregate principal balance of the Series 2014 A-1 Notes and will initially be registered in the name of Cede & Co., the nominee of DTC (or such other nominee as may be requested by an authorized representative of DTC). Except as described below, no person acquiring a Book-entry Series 2014 A-1 Note will be entitled to receive a physical certificate representing the Series 2014 A-1 Notes.

DTC will act as securities depository for the Series 2014 A-1 Notes. Upon the issuance of the Series 2014 A-1 Notes, one or more fully registered Series 2014 A-1 Notes, in the aggregate principal amount of the Series 2014 A-1 Notes, is or are to be registered in the name of Cede & Co., as nominee for DTC. So long as Cede & Co. is the Series 2014 A-1 Noteholder of the Series 2014 A-1 Notes, as nominee of DTC, references herein to the owners or Series 2014 A-1 Noteholders of the Series 2014 A-1 Notes shall mean DTC or its nominee, Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC), and shall not mean the Beneficial Owners of the Series 2014 A-1 Notes. Series 2014 A-1 Noteholders may hold their certificates through DTC if they are DTC participants, or indirectly through organizations that are DTC participants.

DTC is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a 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 Section 17A of the Exchange Act. DTC holds securities that its participants (the "DTC Participants") deposit with DTC. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market investments (from over 100 countries) that DTC participants (the DTC 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 DTC Participants' accounts. This eliminates the need for physical movement of securities certificates. DTC 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 DTC Participant, either directly or indirectly (the "Indirect Participants"). The Rules applicable to DTC and the DTC Participants are on file with the Commission.

Purchases of the Series 2014 A-1 Notes (in authorized denominations) under the book-entry system may be made only through DTC Participants, which receive a credit for the Series 2014 A-1 Notes on DTC records. The ownership interest of each actual purchaser of each Series 2014 A-1 Note (a "Beneficial Owner"), is in turn to be recorded on the applicable DTC Participant or Indirect Participant's 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 applicable DTC Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership of the Series 2014 A-1 Notes will be accomplished by book entries made on the books of the DTC Participants or Indirect Participants who act on behalf of the Beneficial Owners. No Series 2014 A-1 Notes will be registered in the names of the Beneficial Owners, and Beneficial Owners will not receive certificates representing their ownership interest in the Series 2014 A-1 Notes, except in the event participation in the book-entry system is discontinued as described below.

To facilitate subsequent transfers, all Series 2014 A-1 Notes deposited by DTC Participants 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 such Series 2014 A-1 Notes 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 Series 2014 A-1 Notes; DTC's records reflect only the identity of the DTC Participants to whose accounts such Series 2014 A-1 Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping account of their holdings on behalf of their customers.

The Corporation and the Trustee will recognize DTC or its nominee as the Series 2014 A-1 Noteholder of the Series 2014 A-1 Notes for all purposes, including notice purposes.

Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among DTC, DTC Participants, Indirect Participants and Beneficial Owners, subject to any statutory and regulatory requirements as may be in effect from time to time. Beneficial Owners may desire to make arrangements with a DTC Participant or an Indirect Participant so that all notices of redemption of Series 2014 A-1 Notes or other communications to DTC which affect such Beneficial Owners, and notification of all interest payments, will be forwarded in writing by the DTC Participant or Indirect Participant. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to advise a Beneficial Owner, of any notice of redemption or its content or effect will not affect the validity of the redemption of the Series 2014 A-1 Notes prepaid or any other action premised on such notice.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2014 A-1 Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the related record date established by the Corporation. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those DTC Participants to whose accounts the Series 2014 A-1 Notes are credited on the related record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Series 2014 A-1 Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's current practice is to credit the accounts of the DTC Participants upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee on the payable date in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect 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 DTC Participant or Indirect Participant and not of DTC, the Trustee or the Corporation, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation and the Trustee. Disbursement of such payments to DTC Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2014 A-1 Notes at any time by giving reasonable notice to the Corporation or the Trustee. In the event that a successor securities depository is not obtained, physical certificates evidencing the Series 2014 A-1 Notes are required to be printed and delivered.

Series 2014 A-1 Noteholders may hold their Series 2014 A-1 Notes in the United States through DTC, or indirectly through organizations which are participants in such system.

Transfers between participants in DTC will occur in accordance with DTC Rules.

DTC has advised the Corporation that it will take any action permitted to be taken by a Series 2014 A-1 Noteholder under the Indenture only at the direction of one or more participants to whose accounts with DTC the Series 2014 A-1 Notes are credited.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the Series 2014 A-1 Notes among participants of DTC, it is under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

Neither the Corporation, the Trustee nor the Underwriter will have any responsibility or obligation to any DTC participants or the persons for whom they act as nominees with respect to:

(a) the accuracy of any records maintained by DTC or any participant;

(b) the payment by DTC or any participant of any amount due to any beneficial owner in respect of the principal amount or interest on the Series 2014 A-1 Notes;

(c) the delivery by any DTC participant of any notice to any beneficial owner which is required or permitted under the terms of the Indenture to be given to Series 2014 A-1 Noteholders; or

(d) any other action taken by DTC as the Series 2014 A-1 Noteholder.

The Corporation may decide to discontinue use of the system of book-entry transfers through DTC or a successor securities depository. In that event, physical certificates evidencing the Series 2014 A-1 Notes are to be printed and delivered.

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APPENDIX D

WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT EACH MONTHLY DISTRIBUTION DATE FOR THE NOTES

Prepayments on pools of student 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 exactly at 4% CPR for consolidation loans and at 6% CPR for non-consolidation loans. For consolidation loans, a rate of "x% PPC" implies a CPR of the indicated percentage multiplied by 4%. For non-consolidation loans, a rate of "x% PPC" implies a CPR of the indicated percentage multiplied by 6%.

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 that period. The CPR model assumes that student loans will prepay in each month according to the following formula:

$$\text{Monthly Prepayments} = (\text{Pool Balance after scheduled payments}) \times (1-(1-\text{CPR})^{1/12})$$

Accordingly, monthly prepayments, assuming a $1,000 balance after scheduled payments would be as follows for various levels of CPR:

	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
Monthly Prepayment	**$0.00**	**$1.68**	**$3.40**	**$5.14**	**$6.92**

Neither the PPC nor the CPR model purports to describe historical prepayment experience or to predict the prepayment rate of any actual student loan pool. The Financed Loans will not prepay according to the PPC or the CPR, nor will all of the Financed Loans prepay at the same rate. Investors must make an independent decision regarding the appropriate principal prepayment scenarios to use in making any investment decision. The CPR Model does not reflect implementation of President Obama's proposal to authorize certain FFELP borrowers to convert their FFELP Loans to direct federal loans or other potential changes in federal law. See "RISK FACTORS—The rate of payments on the Financed Loans and other factors may affect the timing of principal payment and yield of the Notes."

Additional Assumptions

For the sole purpose of calculating the information presented in the tables, it is assumed, including but not limited to the following, that:

- the Statistical Cut-off Date for the Financed Eligible Loans is May 31, 2014;
- the Date of Issuance will be July 29, 2014;
- the aggregate principal balance of the Financed Eligible Loans (which does not include any accrued interest) was approximately $388,866,397 as of May 31, 2014, and remains unchanged on the Date of Issuance;
- accrued interest to be capitalized on the Date of Issuance on the Financed Eligible Loans was approximately $3,943,422 on May 31, 2014, and remains unchanged on the Date of Issuance;
- the Financed Eligible Loans included in the Pool Balance consist of 119 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, loan status, interest rate, loan type and SAP margin;
- all Financed Eligible Loans (as grouped within the rep lines) remain in their current status (claim loans are assumed to be in repayment) until their status end date and then move to repayment, with

the exception of in-school status loans, which are assumed to have a six-month grace period before moving to repayment and no Financed Eligible Loan moves from repayment to any other status;

- all Financed Eligible Loans and rep lines are assumed to (i) have the same characteristics on the Date of Issuance as they have on the statistical cut-off date and (ii) be acquired on the Date of Issuance; it is assumed that no new loans shall be acquired;
- the Financed Eligible Loans that are (i) non-subsidized Stafford loans not in repayment status, (ii) subsidized Stafford loans in forbearance status, or (iii) SLS or 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 Eligible Loans that are subsidized Stafford loans or subsidized Consolidation loans and are in in-school, grace or deferment status, have interest paid (interest subsidy payments) by the Department of Education quarterly;
- the Financed Eligible Loans that are in Repayment make level payments of principal and interest;
- no delinquencies or defaults occur on any of the Financed Eligible Loans, no repurchases for breaches of representations, warranties or covenants occur and all borrower payments are collected in full;
- there are government payment delays of 60 days for interest subsidy and special allowance payments;
- there are payment delays of 60 days for interest rebates and interest floor payments;
- net special allowance payments and interest subsidy payments are assumed to be set aside monthly;
- the Reserve Fund has an initial balance equal to approximately $992,500, and thereafter has a balance equal to the greater of (a) 0.25% of the aggregate principal amount of the outstanding Notes as of the close of business on the last day of the related Collection Period and (b) $600,000;
- the Capitalized Interest Fund has an initial balance equal to approximately $6,523,513 and is used to pay interest on the Notes on or before March 25, 2016, when any remaining amounts are released to the Collection Fund;
- the Collection Fund has an initial balance of approximately $2,308,228, all of which is accrued interest not expected to be capitalized;
- the par amount of the Series 2014 A-1 Notes is assumed to be $387,000,000 and the par amount of the Series 2014 B-1 Notes is assumed to be $10,000,000;
- no borrower benefits are utilized;
- One-Month LIBOR remains at 0.20% and the 91-day T-Bill remains at 0.05% for the life of the transaction;
- monthly distributions begin on September 25, 2014, and payments are made monthly on the 25th day of every month thereafter;
- interest accrues on the Notes on an actual/360 day count basis;
- the interest rate for each Series of Notes at all times will be as follows:

  Series 2014 A-1 Notes: 0.90% per annum; and

  Series 2014 B-1 Notes: 1.20% per annum;
- amounts on deposit in the Capitalized Interest Fund and the Reserve Fund pledged under the Indenture, are reinvested in eligible investments at the assumed reinvestment rate of 0.05% per annum, but no earnings are assumed on amounts in the Collection Fund;
- reinvestment earnings from the prior Collection Period are available for distribution;
- prepayments on the Financed Eligible Loans are applied monthly in accordance with CPR and PPC, as described above;
- no excess cash flow will be released (other than the described expenses herein);
- all collections (scheduled and prepayments) on the Financed Eligible Loans are received on the last day of each month commencing on July 31, 2014; and
- monthly Administration Fees paid to the Administrator equal to 1/12 of 0.40% of the Financed Eligible Loans (subject to $25,000 monthly minimum) as of the first day of the Collection Period;
- if parity is above 110.0%, an additional annual payment of $100,000 will be paid to the Administrator commencing on September 25, 2015;
- monthly Servicing Fees are paid according to schedules set forth in the servicing agreement with an assumed 3% inflation rate per annum adjusted annually commencing on July 25, 2015;
- Trustee fees equal to 0.005% per annum of the outstanding principal balance of the Notes are paid monthly to the Trustee;

- Administration, Servicing and Trustee fees commence on August 25, 2014;
- annual fee of $125,000 commencing on September 25, 2015, for Back-up Servicer, Back-up Administrator, Eligible Lender Trustee Fee, Rating Agency Surveillance Fees and any other fees;
- a Consolidation Loan rebate fee equal to 1.05% per annum of the outstanding principal balance of the Consolidation Loans in the Pool Balance, paid monthly from the Trust Estate to the Department of Education at payment delays of 30 days;
- for modeling purposes, Note Principal Distributions were assumed to be in $0.01 denominations;
- no Series B Interest Cap or Series B Interest Subordination Trigger Event occurs;
- no clean-up call auction of the Financed Eligible Loans occurs and no resulting optional redemption of the Notes occurs;
- no Event of Default has occurred or is continuing to occur;
- no release of Financed Eligible Loans.

The tables below 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 Eligible Loans and should be read in conjunction therewith. In particular, the identified pool of Financed Loans is expected to be acquired on the Date of Issuance rather than on the Statistical Cut-Off Date and to differ from the assumed pool as a result of loan payment experience during this period. In addition, the diverse characteristics, remaining terms to scheduled maturity and loan ages of the Financed Eligible Loans could produce slower or faster principal payments than implied by the information in these tables, even if the dispersions of weighted average characteristics, remaining terms to scheduled maturity and loan ages are the same as the characteristics, remaining terms to scheduled maturity and loan ages assumed. See "CERTAIN RISK FACTORS" in the Offering Memorandum.

Each set of projected weighted average lives reflects a projected average of the periods of time for which the Notes are Outstanding. Such projected weighted average lives do not reflect the period of time which any one Note will remain Outstanding. At each prepayment speed, some Notes will remain Outstanding for periods of time shorter than the applicable projected weighted average life, while some will remain Outstanding for longer periods of time.

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CPR and PPC Tables

The following tables show the weighted average remaining lives, expected maturity dates and percentages of original principal of the Notes at various percentages of CPR and PPC from the Date of Issuance until the Notes are paid in full.

PERCENTAGES OF ORIGINAL PRINCIPAL OF THE
SERIES 2014 A-1 NOTES REMAINING AT
CERTAIN DISTRIBUTION DATES AT VARIOUS
CPR AND PPC PERCENTAGES**

Date	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR	0% PPC	50% PPC	100% PPC	150% PPC	200% PPC
Initial	100	100	100	100	100	100	100	100	100	100
Sep 14	99	99	99	98	98	99	99	99	98	98
Sep 15	92	91	89	87	85	92	90	88	87	85
Sep 16	83	80	76	73	70	83	79	76	72	69
Sep 17	74	70	66	62	58	74	69	65	60	56
Sep 18	66	60	55	51	46	66	60	54	49	45
Sep 19	57	51	46	41	36	57	50	45	39	34
Sep 20	48	42	36	31	27	48	41	35	30	26
Sep 21	39	33	28	23	19	39	32	27	22	18
Sep 22	31	25	20	16	13	31	25	20	16	12
Sep 23	24	19	15	11	8	24	19	14	11	8
Sep 24	18	13	10	7	4	18	13	10	6	4
Sep 25	13	9	6	3	1	13	9	6	3	1
Sep 26	8	5	2	*	0	8	5	2	*	0
Sep 27	4	2	0	0	0	4	2	0	0	0
Sep 28	1	0	0	0	0	1	0	0	0	0
Sep 29	0	0	0	0	0	0	0	0	0	0
Sep 30	0	0	0	0	0	0	0	0	0	0
WAL to Maturity	**6.25**	**5.67**	**5.16**	**4.73**	**4.35**	**6.25**	**5.63**	**5.10**	**4.64**	**4.25**
Maturity	**12/25/2028**	**3/25/2028**	**7/25/2027**	**11/25/2026**	**2/25/2026**	**12/25/2028**	**3/25/2028**	**7/25/2027**	**11/25/2026**	**2/25/2026**

* Greater than zero but less than 0.5% of the original principal amount of the Notes remaining.

** The weighted average life of the Notes (assuming a 360-day year consisting of twelve 30-day months) is determined by: (1) multiplying the amount of each principal payment on the Notes by the number of years from the Date of Issuance to the applicable Monthly Distribution Date, (2) adding the results, and (3) dividing that sum by the aggregate principal amount of the Notes as of the Date of Issuance.

PERCENTAGES OF ORIGINAL PRINCIPAL OF THE
SERIES 2014 B-1 NOTES REMAINING AT
CERTAIN DISTRIBUTION DATES AT VARIOUS
CPR AND PPC PERCENTAGES*

Date	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR	0% PPC	50% PPC	100% PPC	150% PPC	200% PPC
Initial	100	100	100	100	100	100	100	100	100	100
Sep 14	100	100	100	100	100	100	100	100	100	100
Sep 15	100	100	100	100	100	100	100	100	100	100
Sep 16	100	100	100	100	100	100	100	100	100	100
Sep 17	100	100	100	100	100	100	100	100	100	100
Sep 18	100	100	100	100	100	100	100	100	100	100
Sep 19	100	100	100	100	100	100	100	100	100	100
Sep 20	100	100	100	100	100	100	100	100	100	100
Sep 21	100	100	100	100	100	100	100	100	100	100
Sep 22	100	100	100	100	100	100	100	100	100	100
Sep 23	100	100	100	100	100	100	100	100	100	100
Sep 24	100	100	100	100	100	100	100	100	100	100
Sep 25	100	100	100	100	100	100	100	100	100	100
Sep 26	100	100	100	100	47	100	100	100	100	47
Sep 27	100	100	77	16	0	100	100	77	16	0
Sep 28	100	47	0	0	0	100	47	0	0	0
Sep 29	25	0	0	0	0	25	0	0	0	0
Sep 30	0	0	0	0	0	0	0	0	0	0
WAL to Maturity	**14.93**	**14.16**	**13.45**	**12.82**	**12.15**	**14.93**	**14.15**	**13.45**	**12.82**	**12.16**
Maturity	**12/25/2029**	**3/25/2029**	**6/25/2028**	**11/25/2027**	**4/25/2027**	**12/25/2029**	**3/25/2029**	**6/25/2028**	**11/25/2027**	**4/25/2027**

* The weighted average life of the Notes (assuming a 360-day year consisting of twelve 30-day months) is determined by: (1) multiplying the amount of each principal payment on the Notes by the number of years from the Date of Issuance to the applicable Monthly Distribution Date, (2) adding the results, and (3) dividing that sum by the aggregate principal amount of the Notes as of the Date of Issuance.

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APPENDIX E

MONTHLY DISTRIBUTION REPORT

Mississippi Higher Education Assistance (MHEAC)
Monthly Distribution Report for Student Loan Asset-Back Notes, Series 2014 A-1 and B-1
Collection Period: Date 1 - Date 2
Monthly Distribution Date: Date 3

A Date 2 Balances Reported by Trustee

1	Capitalized Interest Fund	$ -
2	Collection Fund	$ -
3	Department Rebate Fund	$ -
4	Reserve Fund	$ -
5	Investment interest receivable	$ -

B Date 3 Interest Accrual Amounts

1	Date 1	Interest Accrual Period begin date
2	Date 4	Interest Accrual Period end date
3		Days in Interest Accrual Period
4	Date 5	LIBOR Determination Date
5	%	LIBOR Rate

		Series A-1	Series B-1	Total
6	Notes Outstanding	$ -	$ -	$ -
7	Interest spread	%	%	%
8	Note Rate	%	%	%
9	Interest Accrual Amounts	$ -	$ -	$ -

C Date 3 Interest Shortfall

		Series A-1	Series B-1	Total
1	Interest Distribution Amount from prior Distribution Date	$ -	$ -	$ -
2	Less:			
a	Interest distributed on prior Distribution Date	$ -	$ -	$ -
b	Interest Distribution Amount from prior Distribution Date not distributed on prior Distribution Date due to a Series B Interest Subordination Trigger Event	n/a	$ -	$ -
3	Total	$ -	$ -	$ -
4	Interest on total	$ -	$ -	$ -
5	Interest Shortfall	$ -	$ -	$ -

D Date 3 Series A-1 Notes Interest Distribution Amount

1	Series A-1 Notes Interest Accrual Amount	$ -
2	Series A-1 Notes Interest Shortfall	$ -
3	Series A-1 Notes Interest Distribution Amount	$ -

Mississippi Higher Education Assistance (MHEAC)
Monthly Distribution Report for Student Loan Asset-Back Notes, Series 2014 A-1 and B-1
Collection Period: Date 1 - Date 2
Monthly Distribution Date: Date 3

E Date 3 Series B-1 Notes Interest Distribution Amount

1	Borrower interest accrued	$	-
2	Subsidy accrued	$	-
3	Special allowance accrued	$	-
4	Less: Consolidation fees accrued	$	-
5	Total	$	-
6	Total times actual days in year divided by 360	$	-
7	Less:		
a	Trustee Fees accrued	$	-
b	Servicing Fees accrued	$	-
c	Administration Fees accrued	$	-
d	Back-up Servicing Fees accrued	$	-
e	Back-up Administration Fees accrued	$	-
f	Eligible Lender Trustee Fees accrued	$	-
g	Rating Agency surveillance fees accrued	$	-
h	Series A-1 Notes Interest Accrual Amount	$	-
8	Series B Interest Cap (not less than $0)	$	-
9	Series B-1 Notes Interest Accrual Amount	$	-
10	Lower of Series B Interest Cap and Interest Accrual Amount (cap does not apply on 9/25/14 Distrib Date)	$	-
11	Series B-1 Notes Interest Shortfall	$	-
12	Series B-1 Notes Interest Distribution Amount	$	-

F Date 3 Amount Due To (From) Department Rebate Fund

1	Student loan interest subsidy receivable	$	-
2	Student loan special allowance receivable (payable)	$	-
3	Net receivable from (payable to) the U.S. Department of Education for subsidy and special allowance	$	-
4	Balance required in Department Rebate Fund	$	-
5	Less: Department Rebate Fund balance	$	-
6	Amount due to (from) Department Rebate Fund	$	-

G Date 3 Amount Due To (From) Reserve Fund

1	Total Notes Outstanding prior to Distribution Date	$	-
2	Required Reserve Fund Percentage		0.25%
3	Specified Reserve Fund Balance (not less than $600,000)	$	-
4	Less: Reserve Fund balance	$	-
5	Amount due to (from) Reserve Fund	$	-

Mississippi Higher Education Assistance (MHEAC)
Monthly Distribution Report for Student Loan Asset-Back Notes, Series 2014 A-1 and B-1
Collection Period: Date 1 - Date 2
Monthly Distribution Date: Date 3

H Date 3 Collection Fund Distributions and Transfers

1	Date 2 Collection Fund balance	$	-
2	Consolidation rebate fee to U.S. Dept of Education	$	-
3	Transfer from (to) Department Rebate Fund	$	-
4	Pro rata:		
a	Trustee Fee to Trustee	$	-
b	Servicing Fee to Servicer	$	-
5	Administration Fee to Administrator	$	-
6	Pro rata, subject to $125,000 annual limit:		
a	Back-up Servicing Fee to Back-up Servicer	$	-
b	Eligible Lender Trustee Fee and expense to Eligible Lender Trustee	$	-
c	Trustee expense to Trustee	$	-
d	Back-up Administration Fee to Back-up Administrator	$	-
e	Rating Agency surveillance fee to Rating Agencies	$	-
f	Any amount remaining from $125,000 limit to MHEAC annually on 9/25 Distribution Date	$	-
7	Series A-1 Notes Interest Distribution Amount to Series A-1 Noteholders	$	-
8	If Subordinate Parity Ratio is at least 101%:		
a	Series B-1 Notes Interest Distribution Amount to Series B-1 Noteholders	$	-
9	Transfer from Capitalized Interest Fund	$	-
10	Transfer from (to) Reserve Fund	$	-
11	If Subordinate Parity Ratio is at least 110% before payment and will be at least 110% after payment, then pro rata, subject to $100,000 annual limit, amounts unpaid from prior Distribution Dates:		
a	Back-up Servicing Fee to Back-up Servicer	$	-
b	Eligible Lender Trustee Fee and expense to Eligible Lender Trustee	$	-
c	Trustee expense to Trustee	$	-
d	Back-up Administration Fee to Back-up Administrator	$	-
e	Rating Agency surveillance fee to Rating Agencies	$	-
f	Any amount remaining from $100,000 limit to MHEAC annually on 9/25 Distribution Date	$	-
12	Series A-1 Notes principal distribution amount to Series A-1 Noteholders	$	-
13	Series B-1 Notes principal distribution amount to Series B-1 Noteholders	$	-
14	If Series B-1 Notes no longer outstanding:		
a	Series B Carry-Over Amount to Series B-1 Noteholders	$	-
b	Remainder to MHEAC	$	-
15	Date 2 Collection Fund balance remaining	$	-

Mississippi Higher Education Assistance (MHEAC)
Monthly Distribution Report for Student Loan Asset-Back Notes, Series 2014 A-1 and B-1
Collection Period: Date 1 - Date 2
Monthly Distribution Date: Date 3

I Date 3 Series B Carry-Over Amount

1	Beginning Series B Carry-Over Amount	$ -
2	Interest accrued on beginning Carry-Over Amount	$ -
3	Series B-1 Notes Interest Accrual Amount in excess of the Series B Interest Cap	$ -
4	Series B-1 Notes Interest Distribution Amount not distributed due to a Series B Interest Subordination Trigger Event	$ -
5	Series B Carry-Over Amount distributed	$ -
6	Date 3 Series B Carry-Over Amount	$ -

J Date 3 Transfers and Distributions

		Date 2 Balance	Date 3 Transfers	Date 3 Distributions	Remaining Balance
1	Capitalized Interest Fund	$ -	$ -	$ -	$ -
2	Collection Fund	$ -	$ -	$ -	$ -
3	Department Rebate Fund	$ -	$ -	$ -	$ -
4	Reserve Fund	$ -	$ -	$ -	$ -

K Date 3 Note Balances After Principal Distribution

		Series A-1	Series B-1	Total
1	Note balances before principal distribution	$ -	$ -	$ -
2	Date 3 Principal distribution	$ -	$ -	$ -
3	Note balances after principal distribution	$ -	$ -	$ -

L Date 3 Senior Parity Ratio and Subordinate Parity Ratio

1	Date 2 Student loan principal	$ -
2	Date 2 Student loan accrued borrower interest	$ -
3	Less:	
a	Unguaranteed portion of loans in a claim filed status	$ -
b	Loan principal previously filed as claims and deemed uninsured by the Servicer	$ -
4	Date 2 Net receivable from U.S. Department of Education for subsidy and special allowance	$ -
5	Date 2 Deposits in transit from Servicer	$ -
6	Date 2 Investment interest receivable	$ -
7	Date 3 Capitalized Interest Fund balance	$ -
8	Date 3 Reserve Fund balance	$ -
9	Total assets	$ -
10	Date 3 Series A-1 Notes Outstanding	$ -
11	Senior Parity Ratio	%
12	Date 3 Series A-1 Notes and B-1 Notes Outstanding	$ -
13	Subordinate Parity Ratio	%

Mississippi Higher Education Assistance (MHEAC)
Monthly Distribution Report for Student Loan Asset-Back Notes, Series 2014 A-1 and B-1
Collection Period: Date 1 - Date 2
Monthly Distribution Date: Date 3

M Date 2 Pool Balance as a % of Initial Pool Balance

1	Student loan principal on Date of Issuance		$	-
2	Student loan interest on Date of Issuance		$	-
3	Acquisition Funds used to acquire loans during the Acquisition Period		$	-
4	Initial Pool Balance		$	-
5	Date 2	Student loan principal	$	-
6	Date 2	Student loan interest	$	-
7	Date 2	Pool Balance	$	-
8	Date 2	Pool Balance as a % of Initial Pool Balance		%

N Date 1 - Date 2 Collection Period Activity for Collection Fund

1	Date 1	Beginning balance	$	-
2	Distributions and transfers		$	-
3	Repurchases from guarantors		$	-
4	Principal collections:			
a	Borrowers		$	-
b	Guarantors		$	-
c	Loan consolidation		$	-
5	Interest collections:			
a	Borrowers		$	-
b	Guarantors		$	-
c	Loan consolidation		$	-
6	Interest subsidy		$	-
7	Special allowance		$	-
8	Late fees		$	-
9	Reimbursements from Servicer		$	-
10	Investment income		$	-
11	Other		$	-
12	Date 2	Ending balance	$	-

Mississippi Higher Education Assistance (MHEAC)
Monthly Distribution Report for Student Loan Asset-Back Notes, Series 2014 A-1 and B-1
Collection Period: Date 1 - Date 2
Monthly Distribution Date: Date 3

The Corporation hereby directs the Trustee to make the following transfers and distributions supported by this Monthly Distribution Report by 3:00 p.m. Eastern time on the Monthly Distribution Date:

Date 3	Transfers		
From Department Rebate Fund to Collection Fund		$	-
From Capitalized Interest Fund to Collection Fund		$	-
From Reserve Fund to Collection Fund		$	-
From Collection Fund to Department Rebate Fund		$	-
From Collection Fund to Reserve Fund		$	-
Total transfers		$	-

Date 3	Distributions from Collection Fund		
Consolidation rebate fee to U.S. Dept of Education		$	-
Trustee Fee and expense to Trustee		$	-
Servicing Fee to Servicer		$	-
Administration Fee to Administrator		$	-
Back-up Servicing Fee to Back-up Servicer		$	-
Eligible Lender Trustee Fee and expense to Eligible Lender Trustee		$	-
Back-up Administration Fee to Back-up Administrator		$	-
Rating Agency surveillance fee to Fitch		$	-
Rating Agency surveillance fee to S&P		$	-
Annual 9/25 fee under cap to MHEAC		$	-
Series 2014-A1 Notes Interest Distribution Amount to Series A-1 Noteholders		$	-
Series 2014-B1 Notes Interest Distribution Amount to Series B-1 Noteholders		$	-
Series 2014-A1 Notes principal distribution amount to Series A-1 Noteholders		$	-
Series 2014-B1 Notes principal distribution amount to Series B-1 Noteholders		$	-
Series B Carry-Over Amount to Series B-1 Noteholders		$	-
Remaining amount to MHEAC if Series B-1 Notes are no longer outstanding		$	-
Total distributions		$	-

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MISSISSIPPI HIGHER EDUCATION ASSISTANCE CORPORATION • STUDENT LOAN ASSET-BACKED NOTES, SERIES 2014 (TAXABLE LIBOR FLOATING RATE NOTES)

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