

This Term Sheet and the information contained herein are subject to completion or amendment. These Notes may not be sold, nor may offers to buy be accepted, prior to the time the Private Placement Memorandum is delivered in final form. Under no circumstances shall this Term Sheet constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

SUBJECT TO COMPLETION AND MODIFICATION

The Notes described in this Term Sheet are offered pursuant to this Term Sheet and the Preliminary Private Placement Memorandum dated November 1, 2012 (the “Preliminary Private Placement Memorandum”). Before making your investment decision with respect to the Notes described in this Term Sheet, you should read the Preliminary Private Placement Memorandum for more complete information about the Trust and the offering described herein.

TERM SHEET DATED NOVEMBER 1, 2012
\$533,600,000*
STUDENT LOAN ASSET-BACKED NOTES, SERIES 2012-1
PHEEA STUDENT LOAN TRUST 2012-1

PHEEA Student Loan Trust 2012-1 (the “Trust”), is issuing \$533,600,000* aggregate principal amount of its Student Loan Asset-Backed Notes, Series 2012-1 (the “Notes”) set forth below:

	Original Principal Amount	Interest Rate	Price to Public	Final Maturity Date	Expected Ratings S&P/Fitch¹
Floating Rate Notes	\$533,600,000*	One-Month LIBOR plus ___%	_____%	April 26, 2027*	“AA+(sf)” / “AAAsf”

¹ See “RATINGS” in the Preliminary Private Placement Memorandum.

The Trust may elect to issue more classes or sub-classes of the Notes than described herein, or a different aggregate principal amount of Notes than described herein. The actual classes, principal amounts and other characteristics of the Notes that the Trust elects to issue will be described in the final Private Placement Memorandum (which may vary from the Preliminary Private Placement Memorandum) for the Notes and may also be described in an additional term sheet or supplement to the Preliminary Private Placement Memorandum.

Credit enhancement for the Notes will consist of overcollateralization and cash on deposit in certain funds created under the Indenture of Trust dated as of November 1, 2012 (the “Indenture”) between the Trust and Manufacturers and Traders Trust Company, as Indenture Trustee and Eligible Lender Trustee (the “Indenture Trustee” and “Eligible Lender Trustee”), as described in the Preliminary Private Placement Memorandum.

The Notes will receive monthly distributions of principal and interest on the twenty-fifth day (or the next business day if it is not a business day) of each month beginning February 25, 2013, as described in the Preliminary Private Placement Memorandum.

Investors should consider carefully the “RISK FACTORS” beginning on page 12 of the Preliminary Private Placement Memorandum.

The Notes are limited obligations of the Trust and are payable solely from the trust estate created under the Indenture consisting of a pool of student loans originated under the Federal Family Education Loan Program and the other moneys and investments pledged under the Indenture, as described more fully in the Preliminary Private Placement Memorandum, and not from any other assets of the Trust.

The Trust has been organized by the PHEEA Student Loan Foundation, Inc. (the “Foundation”). The sole beneficiary of the Foundation is the Pennsylvania Higher Education Assistance Agency (the “Agency”), which will act as administrator of the Trust and is the servicer of the student loans held by the Trust.

THE NOTES ARE LIMITED OBLIGATIONS OF THE TRUST PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE CREATED UNDER THE INDENTURE DESCRIBED HEREIN. NONE OF THE AGENCY, THE FOUNDATION, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE COMMONWEALTH OF PENNSYLVANIA IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL, REDEMPTION PRICE, IF ANY, OR INTEREST ON THE NOTES, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO SUCH PAYMENT. NONE OF THE AGENCY, THE FOUNDATION OR THE TRUST HAS ANY TAXING POWER.

The Notes have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any other state securities or blue sky laws, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth in such acts. 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 Term Sheet. Any representation to the contrary is unlawful.

The Notes are being offered and sold in the United States only to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) and to certain non-U.S. persons through offshore transactions in reliance on Regulation S under the Securities Act. Each purchaser of the Notes in making its purchase will be deemed to have made certain acknowledgements, representations, and agreements with respect to its purchase of the Notes as described in the Preliminary Private Placement Memorandum.

TRANSFER OF THE NOTES WILL BE RESTRICTED AS DESCRIBED IN THE PRELIMINARY PRIVATE PLACEMENT MEMORANDUM UNDER “NOTICE TO INVESTORS.”

The Notes are being offered when, as and if received by the initial purchasers named below (the “Initial Purchasers”), subject to the right of the Trust or the Initial Purchasers to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the Notes will be made in book-entry form through The Depository Trust Company on or about November 14, 2012.

Morgan Stanley <i>(Joint Bookrunner and Structuring Lead Manager)</i>		BofA Merrill Lynch <i>(Joint Bookrunner)</i>	
BMO Capital Markets <i>(Co-Manager)</i>	Boenning & Scattergood <i>(Co-Manager)</i>	Piper Jaffray & Co. <i>(Co-Manager)</i>	Janney Montgomery Scott <i>(Co-Manager)</i>

* Preliminary, subject to change.

The information contained in this Term Sheet refers to certain of the information contained in the Trust's Preliminary Private Placement Memorandum, dated November 1, 2012 (the "Preliminary Private Placement Memorandum"). In the event of any conflict between the information in this Term Sheet and the Preliminary Private Placement Memorandum, the information in this Term Sheet supersedes the information in the Preliminary Private Placement Memorandum. The Notes are being offered pursuant to this Term Sheet and the Preliminary Private Placement Memorandum. **Before making your investment decision with respect to the Notes described in this Term Sheet, you should read the Preliminary Private Placement Memorandum for more complete information about the Trust and this offering. The Trust or any Initial Purchaser identified herein will arrange to send you an additional copy of the Preliminary Private Placement Memorandum if you request it by calling 212-761-1967.**

Distribution of any copy or electronic transmission of this Term Sheet to any person other than (a) the person receiving this Term Sheet from an Initial Purchaser on behalf of the Trust, and (b) any person retained to advise the person receiving this Term Sheet with respect to the offering contemplated by this Term Sheet and the Preliminary Private Placement Memorandum (each, an "Authorized Recipient") is unauthorized. Any photocopying, disclosure or alteration of the contents of this Term Sheet or the Preliminary Private Placement Memorandum, and any forwarding of a copy of this Term Sheet or the Preliminary Private Placement Memorandum or any portion thereof by electronic mail or any other means to any person other than an Authorized Recipient, except as expressly authorized herein or in the Preliminary Private Placement Memorandum, is prohibited.

No representation, warranty or statement, express or implied, is made by the Initial Purchasers as to the accuracy or completeness of the information set forth herein, and nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or the future. None of the Initial Purchasers has independently verified any information contained in this Term Sheet or the Preliminary Private Placement Memorandum or assumes responsibility for its accuracy or completeness.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Preliminary Private Placement Memorandum.

DATES AND SUMMARY INFORMATION

Pricing Date

The pricing date will be November __, 2012.

Date of Issuance

The Date of Issuance will be on or about November 14, 2012.

Statistical Cutoff Date

The Statistical Cutoff Date for the student loan portfolio to be pledged by the Trust to the Indenture Trustee on the Date of Issuance is August 31, 2012.

Cutoff Date

The Cutoff Date will be the close of business on November 13, 2012.

Parity Level

On the Date of Issuance, the Adjusted Pool Balance will be approximately 102.75%* of the aggregate principal amount of the Notes.

Administration and Servicing

The Pennsylvania Higher Education Assistance Agency will act as the Administrator for, and Servicer of, the Financed Student Loans.

APPLICATION OF PROCEEDS

The proceeds of the sale of the Notes are expected to be \$_____ net of the Initial Purchasers' placement fee of \$_____. Net proceeds derived from the sale of the Notes will be used to (i) acquire the Financed Student Loans from the Foundation and (ii) fund initial deposits to the Acquisition Fund, the Reserve Fund, the Department Rebate Fund and the Capitalized Interest Fund, each as established under the Indenture. The proceeds credited to the Acquisition Fund will be used to acquire the Financed Student Loans from the Foundation and to pay costs associated with the issuance of the Notes.

The Financed Student Loans will be purchased by the Foundation from the Agency and then sold to the Trust, in each case free and clear of any liens. Upon such purchase, the Financed Student Loans will be deposited under the Indenture and will immediately become subject to the pledge of the Indenture as part of the Trust Estate.

Estimated Sources and Uses

SOURCES

Net Proceeds of the Notes	[_____]
TOTAL SOURCES	[_____]

USES

Deposit to Acquisition Fund to acquire Student Loans	[_____]
Deposit to Capitalized Interest Fund	[_____]
Deposit to Reserve Account	[_____]
Deposit to Department Rebate Fund	[_____]
Deposit to Acquisition Fund to pay costs of issuance ⁽¹⁾	[_____]
TOTAL USES	[_____]

⁽¹⁾ Costs of issuance include rating agency fees, printing costs, fees and expenses of the Indenture Trustee, legal fees and other miscellaneous costs.

DESCRIPTION OF THE NOTES

The Trust is offering \$533,600,000* of its Student Loan Asset-Backed Notes, Series 2012-1 (the "Notes").

Distributions of Interest

Interest will accrue on the outstanding principal balances of the Notes during one-month Interest Accrual Periods, except for the initial Interest Accrual Period as explained below, and will be paid on Distribution Dates. The initial Interest Accrual Period for the Notes begins on the Date of Issuance and ends on February 24, 2013, the day before the first Distribution Date. For all other Distribution Dates, the Interest Accrual Period for the Notes will begin on the immediately preceding Distribution Date and end on the day before such Distribution Date.

* Preliminary; subject to change.

Except for the initial Interest Accrual Period, the Notes will bear interest at an annual rate equal to One-Month LIBOR plus a spread equal to ___%. Interest on the Notes will be calculated on the basis of the actual number of days elapsed during the Interest Accrual Period divided by 360.

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

$x + [(11/28 * (y-x))]$ plus ___%, as calculated by the Indenture Trustee.

where:

x = Three-Month LIBOR; and

y = Four-Month LIBOR.

Distributions of Principal

Principal distributions will be allocated to the Notes on each Distribution Date in an amount equal to the lesser of:

- the Principal Distribution Amount for that Distribution Date; and
- funds available to pay principal as described under “DESCRIPTION OF THE NOTES—Distributions—Distributions from the Collection Fund” in the Preliminary Private Placement Memorandum.

The term “Principal Distribution Amount” means,:

- commencing with the February 25, 2013 Distribution Date and for each Distribution Date thereafter, the amount, not less than zero, by which (a) the Outstanding Amount as of the end of the related Collection Period exceeds (b) the Adjusted Pool Balance less the Specified Overcollateralization Amount as of the same date. Notwithstanding the foregoing, (i) on or after the Note Final Maturity Date, the Principal Distribution Amount shall not be less than the amount that is necessary to reduce the then Outstanding Amount to zero, and (ii) the Principal Distribution Amount shall not exceed the Outstanding Amount as of any Distribution Date (as determined before any such distribution on such Distribution Date).

“Adjusted Pool Balance” means, for any Distribution Date, the sum of the Pool Balance as of the last day of the related Collection Period, plus the amount then on deposit in the Capitalized Interest Fund and the Specified Reserve Fund Balance for such Distribution Date.

“Pool Balance” for any date means the aggregate principal balance of the Financed Student Loans on such date, including accrued interest thereon that is expected to be capitalized, after giving effect to the following, without duplication: (i) all payments in respect of principal received by the Indenture Trustee through that date from borrowers, Guaranty Agencies and the Department; (ii) all amounts in respect of principal received by the Indenture Trustee through that date from sales of Financed Student Loans permitted under the Indenture and the Servicing Agreement (including repurchases by the Servicer); (iii) all amounts in respect of (a) principal received in connection with Liquidation Proceeds and (b) Realized Losses on Financed Student Loans liquidated through that date; (iv) the amount of any adjustments to the outstanding principal balances of Financed Student Loans that the Servicer makes under the Servicing Agreement through that date; and (v) the aggregate amount by which reimbursements by the applicable Guaranty Agency of the unpaid principal balances of defaulted Student Loans through that date are reduced from 100% to 97%, or such other applicable percentage, as required by the risk sharing provisions of the Higher Education Act. The Pool Balance shall be calculated by the Administrator and certified to the Indenture Trustee, upon which the Indenture Trustee may conclusively rely with no duty to further examine or determine such information.

“Initial Pool Balance” means the Pool Balance as of the Cutoff Date.

“Specified Overcollateralization Amount” means, for any Distribution Date, an amount equal to the sum of (a) 1.72% of the current Adjusted Pool Balance, and (b) 1.89% of the initial Adjusted Pool Balance.

“Collection Period” means, with respect to the first Distribution Date, the period beginning on the Cutoff Date and ending on December 31, 2012, and with respect to each subsequent Distribution Date, the Collection Period means the calendar month immediately preceding the month in which such Distribution Date occurs.

“Note Final Maturity Date” means the final maturity date shown below under “Final Maturity.”

“Distribution Date” means, the twenty-fifth (25th) day of each month or, if such day is not a Business Day, the immediately succeeding Business Day, commencing on January 25, 2013, and in addition, the related Note Final Maturity Date.

“Interest Accrual Period” means, initially, the period commencing on the Date of Issuance and ending on February 24, 2013 and thereafter, with respect to each Distribution Date, the period beginning on and including the immediately preceding Distribution Date and ending on the day immediately preceding such current Distribution Date.

Final Maturity

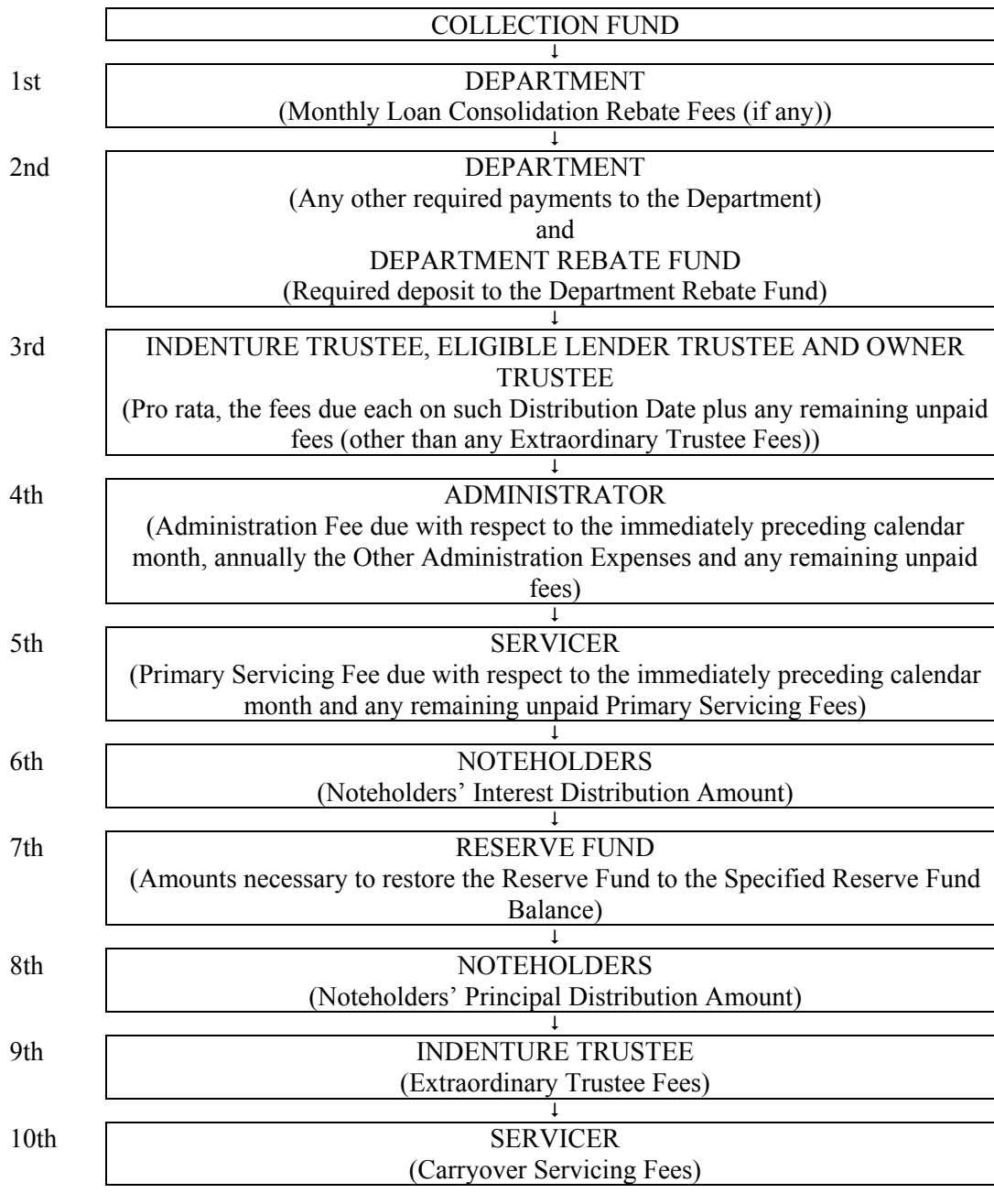
The aggregate outstanding principal balance of the Notes will be due and payable in full on April 26, 2027*.

Flow of Funds

On each Distribution Date, the Indenture Trustee will make the following distributions and deposits in the amounts and in the order of priority shown below. These deposits and distributions will be made from Available Funds (as defined in the Preliminary Private Placement Memorandum) in the Collection Fund, or, to the extent that such Available Funds are insufficient, those payments described in clauses 1st and 2nd shall be made from funds otherwise on deposit in the Collection Fund on the related Distribution Date. In addition, to the extent such Available Funds on any Distribution Date are insufficient, those payments described in clauses 1st through 6th and solely with respect to principal payments due on the Note Final Maturity Date, clause 8th, shall be made from amounts transferred to the Collection Fund from the Capitalized Interest Fund and Reserve Fund, in that order.

Notwithstanding the foregoing, payments due with respect to Monthly Loan Consolidation Rebate Fees will be made monthly, commencing on December 27, 2012. In addition, on the initial Distribution Date, distributions and deposits will be made solely with respect to clauses 1st through 5th. Noteholders will begin receiving payments of interest and principal on the second Distribution Date, to the extent of Available Funds.

* Preliminary; subject to change.



Any remaining funds after the application of funds described in clause 10th above will be released to the Trust and will be deemed released from the Trust Estate and the security interest therein granted to the Indenture Trustee provided that the Specified Overcollateralization Amount is met.

RISK FACTORS

Potential investors in the Notes should consider the risk factors set forth in the Preliminary Private Placement Memorandum under the caption "RISK FACTORS" and all other information in the Preliminary Private Placement Memorandum and this Term Sheet in deciding whether to purchase the Notes.

DESCRIPTION OF THE TRUST ESTATE ON THE DATE OF ISSUANCE

Acquisition Fund

On the Date of Issuance, the Trust will deposit or cause to be deposited the amount of \$ _____ into the Acquisition Fund, which is the amount anticipated to pay costs associated with the issuance of the Notes. Funds on deposit in the Acquisition Fund may also be applied to the acquisition of additional Financed Student Loans until December 15, 2012. Any remaining funds on deposit in the Acquisition Fund on December 15, 2012 will be transferred on that date to the Collection Fund and included in Available Funds.

Capitalized Interest Fund

Approximately \$5,414,835* will be deposited into the Capitalized Interest Fund on the Date of Issuance, which is approximately 1.00% of the Initial Pool Balance.

Reserve Fund

Approximately \$1,353,709* will be deposited into the Reserve Fund on the Date of Issuance, which is approximately 0.25% of the Initial Pool Balance.

Department Rebate Fund

Approximately \$ _____ will be deposited into the Department Rebate Fund on the date of Issuance.

PREPAYMENT, YIELD AND MATURITY CONSIDERATIONS

Prepayment, Yield and Maturity Considerations

The rate of payment of principal of the Notes and the yield on the Notes will be affected by prepayments on the Financed Student Loans held in the Trust Estate, which may occur as described below. Therefore, payments on the Notes could occur significantly earlier than expected. Consequently, the actual maturities on the Notes could be significantly earlier, the average lives of the Notes could be significantly shorter, and periodic balances could be significantly lower than expected. Each Financed Student Loan is prepayable in whole or in part, without penalty, by the borrowers at any time, or as a result of a borrower's default, death, disability or bankruptcy and subsequent liquidation or collection of Guarantee Payments with respect thereto. The rate of those prepayments cannot be predicted and may be influenced by a variety of economic, social, competitive and other factors, as described below. In general, the rate of prepayments may tend to increase to the extent that alternative financing becomes available on more favorable terms or at interest rates significantly below the interest rates applicable to the Financed Student Loans.

Alternatively, the rate of principal payments and the yield on the Notes will be affected by scheduled payments with respect to, and maturities and average lives of, the Financed Student Loans. These may be lengthened as a result of, among other things, grace periods, deferral periods, forbearance periods, or repayment term or monthly payment amount modifications. If payments on the Financed Student Loans are delayed, payments on the Notes could occur significantly later than expected. Consequently, the actual maturities and weighted average lives of the Notes could be significantly longer than expected and periodic balances could be significantly higher than expected. The rate of payment of principal of the Notes and the yield on the Notes may also be affected by the rate of defaults resulting in losses on defaulted Financed Student Loans which have been liquidated, by the severity of those losses and by the timing of those losses, which may affect the ability of a Guaranty Agency to make timely

* Preliminary; subject to change.

Guarantee Payments with respect to the Financed Student Loans. In addition, the maturity of certain of the Financed Student Loans could extend beyond the Note Final Maturity Date.

The rate of prepayments on the Financed Student 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 Student 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 Trust 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.

Prepayments, Extensions, Weighted Average Lives and Expected Maturities of the Notes

The projected weighted average life, expected maturity date and percentages of original principal amount of the Notes remaining under various assumed prepayment scenarios may be found in APPENDIX I—"PREPAYMENTS, EXTENSIONS, WEIGHTED AVERAGE LIVES AND EXPECTED MATURITIES OF THE NOTES" attached hereto.

PLAN OF DISTRIBUTION

Each Initial Purchaser has severally agreed to purchase a specified principal amount of the Notes as described under "DISTRIBUTION OF THE NOTES" in the Preliminary Private Placement Memorandum (which principal amounts in the aggregate for all Initial Purchasers constitute all of the Notes) pursuant to an agreement with the Trust, the Foundation and the Agency at an aggregate price of \$_____, which represents the aggregate face amount of the Notes less an aggregate placement fee of \$_____. See "DISTRIBUTION OF THE NOTES" in the Preliminary Private Placement Memorandum.

RESTRICTIONS ON TRANSFERS OF THE NOTES

Transfers of the Notes will be restricted as described in the Preliminary Private Placement Memorandum under "NOTICE TO INVESTORS."

APPENDIX I

PREPAYMENTS, EXTENSIONS, WEIGHTED AVERAGE LIVES AND EXPECTED MATURITIES OF THE NOTES

Prepayments on pools of student loans can be calculated based on a variety of prepayment models. The model used to calculate prepayments in the Preliminary Private Placement Memorandum is based on prepayments assumed to occur at a constant prepayment rate (“CPR”). CPR is stated as an annualized rate and is calculated as the percentage of the loan amount outstanding at the beginning of a period (including accrued interest to be capitalized), after applying scheduled payments, that is prepaid during that period. The CPR model assumes that student loans will prepay in each month according to the following formula:

$$\text{Monthly Prepayments} = \text{Balance after scheduled payments} \times (1-(1-\text{CPR})^{(1/12)})$$

Accordingly, monthly prepayments, assuming a \$1,000 balance after scheduled payments would be as follows for various levels of CPR:

	<u>0% CPR</u>	<u>3% CPR</u>	<u>6% CPR</u>	<u>9% CPR</u>	<u>12% CPR</u>
Monthly Prepayment	\$0.00	\$2.54	\$5.14	\$7.83	\$10.60

The CPR model does not purport to describe historical prepayment experience or to predict the prepayment rate of any actual student loan pool. The student loans will not prepay at any constant level of CPR, nor will all of the student loans prepay at the same rate. Noteholders must make an independent decision regarding the appropriate principal prepayment scenarios to use in making any investment decision.

For purposes of calculating the information presented in the tables below, it is assumed, among other things, that:

- the Statistical Cutoff Date for the Financed Student Loans is August 31, 2012;
- the Date of Issuance is November 7, 2012;
- all Financed Student Loans (as grouped within the “rep lines” described below) remain in their current status until their status end date and then move to repayment, with the exception of school status loans which are assumed to have a 6-month grace period before moving to repayment, and no Financed Student Loan moves from repayment to any other status;
- the Financed Student Loans that are (i) unsubsidized Stafford and Consolidation Loans (if any) not in repayment status, (ii) subsidized Stafford or Consolidation Loans (if any) in forbearance status or (iii) SLS or PLUS loans, have interest accrued and capitalized upon entering repayment;
- the Financed Student Loans that are (i) subsidized Stafford loans in school, grace or deferment status, or (ii) subsidized Consolidation Loans (if any) in deferment status, have interest paid (interest subsidy payments) by the Department quarterly, based on a quarterly calendar accrual period;
- there are government payment delays of two months for interest subsidy and special allowance payments;
- there are delays of one (1) month for Consolidation Loan Rebate Fees;
- no delinquencies or defaults occur on any of the Financed Student Loans, no repurchases for breaches of representations, warranties or covenants occur, and all borrower payments are collected in full;

- Index levels for calculation of borrower and government payments are:
 - a 91-day Treasury bill rate of 0.08000%;
 - a One-Month LIBOR of 0.21350%;
- distributions and deposits begin on January 25, 2013, and payments are made monthly on the 25th day of every month thereafter, whether or not the 25th is a Business Day (provided that distributions on the initial Distribution Date (January 25, 2013) will only include amounts described in clauses 1st through 5th as set forth under “Flow of Funds” herein);
- the Notes will bear interest at an annual rate at all times equal to 0.76350%, calculated monthly on the basis of the actual number of days elapsed during the Interest Accrual Period divided by 360;
- a Servicing Fee will be paid, comprised of the Primary Servicing Fee and Carryover Servicing Fee, determined as follows:
 - The “Primary Servicing Fee” will equal the greater of (A) the lesser of (i) the aggregate of the Monthly Servicing Fees calculated with respect to each Borrower Account with respect to which Financed Student Loans were owned by the Trust as of the first day of the calendar month immediately preceding such Distribution Date, and (ii) one-twelfth (except for the first Distribution Date) of 0.45% multiplied by the aggregate outstanding principal balance of the Financed Student Loans as determined at the opening of business on the first day of the calendar month immediately preceding the month in which the related Distribution Date occurs, or, solely with respect to the first Distribution Date, as of the Date of Issuance, and (B) the Servicing Fee Floor;
 - The “Monthly Servicing Fee” with respect to any Borrower Account and any calendar month will initially equal (i) \$1.50 for any Borrower Account with respect to which all of the associated Financed Student Loans are in “In-School” status and (ii) \$3.10 for any Borrower Account with respect to which any of the associated Financed Student Loans are in any status other than “In-School;”
 - The “Servicing Fee Floor” will equal (i) \$2.50 multiplied by (ii) the aggregate number of Borrower Accounts with respect to which Financed Student Loans were owned by the Trust as of the first day of the Collection Period immediately preceding such Distribution Date; provided, however, that the amount set forth in clause (i) hereof shall be increased by 3.00% annually above the prior year’s adjusted amount, commencing on January 1, 2013 and on each January 1 thereafter;
 - The “Carryover Servicing Fee” will equal (i) the greater of (A) the aggregate of the amounts determined pursuant to clause (i) of the definition of Primary Servicing Fee less the actual Primary Servicing Fees determined to be payable for the related Distribution Date, (B) the aggregate of the amounts determined pursuant to clause (ii) of the definition of Primary Servicing Fee less the actual Primary Servicing Fees determined to be payable for such Distribution Date; or (C) zero, plus (ii) the amount of any Carryover Servicing Fees due with respect to all prior Distribution Dates which remain unpaid;
- an Administration Fee of one-twelfth (except for the first Distribution Date) of 0.40% multiplied by the aggregate outstanding principal balance of the Financed Student Loans as of the opening of business on the first day of the immediately preceding calendar month will be paid monthly;
- \$100,000 for Other Administration Expenses will be paid annually on the Distribution Date corresponding to the anniversary of the Date of Issuance;

- an Eligible Lender Trustee Fee of \$1,000 will be paid monthly (except for the first Distribution Date);
- an Indenture Trustee Fee of one-twelfth (except for the first Distribution Date) of 0.015% multiplied by the principal balance of the Outstanding Notes at the beginning of the related month will be paid monthly;
- an Owner Trustee Fee of \$4,500 will be paid annually on the Distribution Date corresponding to the anniversary of the Date of Issuance;
- the Reserve Fund has an initial balance equal to the deposit specified under “USE OF PROCEEDS” and thereafter with respect to any Distribution Date, the greater of (i) 0.25% of the Pool Balance as of the close of business on the last day of the related Collection Period; and (ii) 0.15% of the Initial Pool Balance, provided that in no event will such balance exceed the Outstanding Amount of the Notes;
- the Capitalized Interest Fund has an initial balance equal to the deposit specified under “USE OF PROCEEDS” and on the November 25, 2013 Distribution Date, the remaining amount in the Capitalized Interest Fund will be included in Available Funds;
- all payments are assumed to be made at the end of the month and amounts on deposit in the Collection Fund, Reserve Fund and Capitalized Interest Fund, including reinvestment income earned in the previous month, net of Monthly Consolidation Loan Rebate Fees, are reinvested in Investment Securities at the assumed reinvestment rate of 0.08000% per annum through the end of the Collection Period and reinvestment earnings are available for distribution from the prior Collection Period;
- the Servicer makes no other purchases of Financed Student Loans;
- the pool of Financed Student Loans consists of 821 representative loans (“rep lines”), which have been created for modeling purposes from individual Financed Student Loans based on combinations of similar individual student loan characteristics, which include, but are not limited to, loan status, interest rate, loan type, index, margin, rate cap and remaining term;
- all of the Financed Student Loans are acquired on the Date of Issuance;
- the Collection Fund has an initial balance of \$0;
- no Event of Default has occurred and is continuing;
- a Monthly Consolidation Loan Rebate Fee (if any) equal to 1.05% per annum of the outstanding principal balance of the Financed Student Loans that are Consolidation Loans is paid by the Trust to the Department beginning with the Collection Period ending January 31, 2012;
- there are no Extraordinary Trustee Fees;
- the Servicer does not exercise the option to purchase all of the Financed Student Loans on each Optional Purchase Date; and
- the amount deposited into the Acquisition Fund equals \$0.

The following tables have been prepared based on the assumptions described above (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of Financed Student Loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the actual pool of Financed Student Loans could produce slower or faster principal payments than indicated in the following tables, even if the dispersions of weighted average characteristics, remaining terms and loan ages are the same as the assumed characteristics, remaining terms and loan ages.

The following tables show the weighted average remaining lives, expected maturity dates and percentages of original principal of the Notes at various levels of CPR from the Date of Issuance until maturity.

**Weighted Average Lives and Expected Maturities of the Notes
at Various CPR Percentages⁽¹⁾**

Weighted Average Life (years)⁽²⁾	0% CPR	3% CPR	6% CPR	9% CPR	12% CPR
	5.32	4.87	4.46	4.10	3.78
Expected Maturity Date	0% CPR	3% CPR	6% CPR	9% CPR	12% CPR
	2/25/2024	9/25/2023	6/25/2023	2/25/2023	11/25/2022

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the Notes described under “DESCRIPTION OF THE NOTES—Redemption” in the Preliminary Private Placement Memorandum does not occur.

⁽²⁾ 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 applicable Notes by the number of years from the Date of Issuance to the related Distribution Date, (2) adding the results, and (3) dividing that sum by the aggregate principal amount of the applicable Notes as of the Date of Issuance.

**Percentages of Original Principal Amount of the Notes Remaining At Certain Distribution
Dates At Various CPR Percentages⁽¹⁾**

Distribution Date	0% CPR	3% CPR	6% CPR	9% CPR	12% CPR
11/7/2012	100%	100%	100%	100%	100%
2/25/2013	99%	99%	98%	98%	97%
2/25/2014	91%	88%	86%	83%	81%
2/25/2015	82%	78%	73%	69%	65%
2/25/2016	72%	66%	61%	55%	50%
2/25/2017	62%	55%	49%	43%	38%
2/25/2018	50%	43%	37%	32%	27%
2/25/2019	39%	32%	27%	22%	18%
2/25/2020	27%	22%	18%	14%	11%
2/25/2021	16%	13%	10%	7%	5%
2/25/2022	8%	6%	4%	3%	2%
2/25/2023	3%	2%	1%	0%	0%
2/25/2024	0%	0%	0%	0%	0%
2/25/2025	0%	0%	0%	0%	0%
2/25/2026	0%	0%	0%	0%	0%
2/25/2027	0%	0%	0%	0%	0%
2/25/2028	0%	0%	0%	0%	0%

⁽¹⁾ Assuming for purposes of this table that, among other things, the optional redemption of the Notes described under “DESCRIPTION OF THE NOTES—Redemption” in the Preliminary Private Placement Memorandum does not occur.