

NOTICE OF CP WAIVER/LIBOR ELECTION FEDERAL FAMILY EDUCATION LOAN PROGRAM

On December 23, 2011, the President signed H.R. 2055, the Consolidated Appropriations Act, 2012 (Public Law 112-74). Section 309(e) of Public Law 112-74 amended section 438(b)(2)(I) of the Higher Education Act of 1965, as amended, to allow Federal Family Education Loan Program (FFELP) loan holders or an entity that holds a beneficial ownership interest in a FFELP loan (hereinafter, a “beneficial holder”) to have the 1-month London Inter Bank Offered Rate (LIBOR) substituted for the 3-month commercial paper (CP) rate for the purposes of Special Allowance Payment (SAP) calculations on certain FFELP loans. FFELP loans for which the first disbursement was made on or after January 1, 2000, and before July 1, 2010, are eligible for LIBOR-based SAP calculations effective April 1, 2012.

In accordance with the “Dear Colleague” Letter issued by the U.S. Department of Education on February 27, 2012 (DCL-FP 12-02), State Education Assistance Authority, as holder and beneficial owner, elected to waive calculation of SAP on the basis of the CP rate for all qualifying FFEL Program loans effective with the calendar quarter beginning April 1, 2012, for Lender IDs 807037 and 834514. The U.S. Department of Education approved the State Education Assistance Authority’s election for both Lender IDs on March 30, 2012. To the extent FFELP loans covered by this election are pledged for the repayment of outstanding bond and note obligations of the State Education Assistance Authority under the 1995 General Resolution, the 2010-1 General Resolution, the 2011-1 General Resolution, and the 2011-2 General Resolution, the applicable LIBOR-based SAP calculations will be reflected in the corresponding quarterly reports posted in this section of the Authority’s website.

Dated: May 25, 2012

